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Recruitment and Retention

Lessons for the New Orleans
Police Department

Bernard D. Rostker, William M. Hix, Jeremy M. Wilson



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The study was performed as part of the RAND Corporation's continuing program of self-initiated research. Support for such research is provided, in part, by donors and by the independent research and development provisions of RAND's contracts for the operation of its federally funded research and development centers. The research was conducted in the Safety and Justice Program within RAND Infrastructure, Safety, and Environment division.

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1200 South Hayes Street, Arlington, VA 22202-5050

4570 Fifth Avenue, Suite 600, Pittsburgh, PA 15213-2665

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Preface

Hurricane Katrina and its consequent persistent flooding largely disabled the New Orleans Police Department (NOPD) and other first responders in the city. The police, fire, and emergency medical services (EMS) organizations were engulfed themselves, becoming as much victims of the storm as the people of New Orleans whom they were responsible for helping. Since the hurricane, the NOPD has suffered from unusually high rates of departure from the force and an inability to recruit new officers.

The Superintendent of Police of the City of New Orleans asked the RAND Corporation for help in addressing the recruiting and retention problems facing his department and for any suggestions on how to improve the current situation. RAND agreed to try to help and to apply insights gained from decades of working with large governmental organizations on ways to improve the management of their personnel systems, most extensively with the U.S. Department of Defense, but more recently with the Federal Bureau of Investigation (FBI) and several municipal police departments. Initial results, consisting of practical suggestions for change that should help the NOPD improve recruiting and retention, were briefed to the Superintendent and, at his request, to the Mayor of New Orleans and members of the City Council. This report expands upon the briefings and provides a more detailed treatment of the recommendations presented to these senior officials. The topics covered in this report and the specific recommendations presented are based upon the unique situation in which the NOPD found itself at the end of 2006. Specifically, the issues addressed

include the lack of affordable post-Katrina housing, the fact that the families of many police officers no longer live in the New Orleans area, the destroyed departmental infrastructure, and a budget that did not provide enough resources to meet basic needs for even such things as copying paper. While these issues are generally important for many police departments, the recommendations presented here have been tailored to the unique circumstances of the NOPD.

The study was performed as part of the RAND Corporation's continuing program of self-initiated research. Support for such research is provided, in part, by donors and by the independent research and development provisions of RAND's contracts for the operation of its federally funded research and development centers (FFRDCs). The research was conducted in the Safety and Justice Program within RAND Infrastructure, Safety, and Environment division. The mission of RAND Infrastructure, Safety, and Environment is to improve the development, operation, use, and protection of society's essential man-made and natural assets and to enhance the related social assets of safety and security of individuals in transit and in their workplaces and community. The Safety and Justice Program addresses occupational safety, transportation safety, food safety, and public safety—including violence, policing, corrections, substance abuse, and public integrity. The project is also part of the RAND Center on Quality Policing, which conducts research and analysis to improve contemporary police practice and policy.

Questions or comments about this report or the Center on Quality Policing should be sent to Jeremy Wilson (Jeremy_Wilson@rand.org). Information about the Safety and Justice Program is available online (www.rand.org/ise/safety), as is information about the Center on Quality Policing (http://www.rand.org/ise/centers/quality_policing/). Inquiries about research projects in the program should be made to its director, Andrew Morral (Andrew_Morral@rand.org).

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RGSPI is housed at the RAND Corporation, an international nonprofit research organization with a reputation for rigorous and objective analysis and effective solutions.

For additional information about the RAND Gulf States Policy Institute, contact its director:

George Penick
RAND Gulf States Policy Institute
P.O. Box 3788
Jackson, MS 39207
601-797-2499
George_Penick@rand.org

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The NOPD provided support, cooperation, and openness almost unprecedented in the RAND study team's many years of research. In particular, we wish to thank Superintendent Warren J. Riley, not only for the time he spent with us, but even more for setting the tone of complete cooperation at all levels of his department.

A remarkably knowledgeable and organized lieutenant, Julie Wilson, served as our principal liaison with the NOPD. Julie made and revised a seemingly endless series of interviews, meetings, and visits with members of the department, often on very short notice. She performed these tasks with unfailing efficiency and good humor. Without her expertise, this project could not have been completed in the time allotted. We are greatly indebted to her.

Space does not permit the naming of every official who cooperated, but we wish to thank the following persons who contributed most significantly: Courtney B. Bagneris, John Bryson, Raymond Burkart, Louis Colin, Marlon Defillo, Greg B. Elder, Michael Glasser, Stephanie M. Landry, Stephen B. Nicholas, James Scott, Brad Tollefson, Andrew Washington, and Mark Willow.

We wish to thank Bob Stellingworth, President and CEO of the New Orleans Police and Justice Foundation, and Jeremiah Goulka of the Federal Emergency Management Agency (FEMA) for generously giving of their time to educate us on challenges facing the department and potential solutions. Finally, we benefited from the constructive comments of our RAND colleagues Frank Camm and Jerry Sollinger, and our reviewers, James Hosek of RAND and Professor Edward Maguire of George Mason University.

Introduction: The Problem

To appreciate the recruiting and retention challenges facing the New Orleans Police Department (NOPD), it is necessary to understand the unusual nature of Hurricane Katrina and how it affected and continues to affect the conditions under which NOPD officers work, as well as the implications for their families and their personal lives.

More than a year after Hurricane Katrina devastated large portions of the City of New Orleans, the NOPD continues to feel the consequences of the storm. Unusually large numbers of police officers have left the department, and few new officers have been recruited to replace them. In one effort to address the twin problems of recruiting and retention of officers, the Superintendent of Police asked the RAND Corporation to undertake a “quick-look study” of the problems and to provide recommendations for solving them. The recommendations presented in this report are based on our limited exposure to the NOPD, along with insights gathered from extensive work with large governmental organizations (including police departments) over many years.

The report is organized into three chapters. The first discusses the current problems facing the NOPD. The second presents recommendations in five areas: compensation, including housing; the promotion process and the career management system; recruiting; the mix of officers and civilians; and ways to improve the morale of the NOPD. The final chapter summarizes our conclusions and presents recommendations.

A Personal and Professional Disaster for the New Orleans Police Department and Other First Responders

The vast extent of the devastation Hurricane Katrina visited in particular on the City of New Orleans has been amply documented both in the press and in books.¹ What is less commonly understood is the extent to which the storm and its consequent persistent flooding disabled the NOPD and other first responders in the city. The police, fire, and emergency medical services (EMS) organizations were engulfed themselves, becoming as much victims of the storm as were the citizens they serve. Along the Mississippi coast that bore the full force of the eye wall of Katrina, the water receded after the flood surge passed. In New Orleans, however, the water did not recede. Once the levees broke and the bowl that is New Orleans filled with water, large portions of the city remained under water for weeks until the levees could be repaired and the water pumped out.

For the men and women of the NOPD, the storm and its aftermath became both a personal and a professional tragedy. At a personal level, most officers suffered the same displacement of families and loss of property that other citizens suffered. The rising waters engulfed their homes and their families.² As Katrina approached, most NOPD officers, following established procedures, reported to their district headquarters, ready for 12-hour shifts. Police cruisers and other emergency vehicles, including special vehicles for rescuing people from high water, were ready, as they had been for many storms before. What no one was ready for was a breakdown in the levee system that protected the city. Many police units found themselves isolated, without the ability to respond or communicate. Police headquarters and three of eight district headquarters were under water. The overwhelming majority of officers put their duty to the citizens of New Orleans ahead of their responsibilities to their families, contrary to much that has been written about officers who abandoned their posts.

¹ For example, see Douglas Brinkley, *The Great Deluge: Hurricane Katrina, New Orleans, and the Mississippi Gulf Coast*, New York: William Morrow & Company, 2006.

² Only 25 percent of the population of New Orleans escaped being flooded (Kevin F. McCarthy, D. J. Peterson, Narayan Sastry, and Michael Pollard, *The Repopulation of New Orleans After Hurricane Katrina*, Santa Monica, CA: RAND Corporation, TR-369-RC, 2006).

Too little has been written about those who stayed and served under enormously stressful, even primitive, conditions. Primary communications were down. Most police vehicles were under water. Like the rest of the citizens, many of the police lacked the basics of life: food, clean water, and facilities for personal sanitation.

For many of the citizens of New Orleans, the aftermath of the storm was almost as tragic as the storm itself.³ About 55 percent of the inhabitants experienced more than four feet of flooding, and their housing suffered severe damage. Today, in some areas of the city, only those who have been able to get trailers from the Federal Emergency Management Agency (FEMA) have been able to return. In many areas, in block after block, each house is marked with a yellow X on the front door, along with the initials of the rescue team that surveyed the house, when the survey was done, and how many bodies were found there. Garage doors are still askew, knocked off their tracks by the rising water. One can look from the front of the houses all the way through to the back yard, since all the wallboard has been removed to control the growth of mold. Unfortunately, the NOPD, collectively as an institution and individually as its officers, shares this situation.

At this writing, officers assigned to three of eight police districts and to the police headquarters itself still work out of trailers. The headquarters and district buildings that flooded have not been repaired, and officials could provide no estimates of when these buildings will be restored to service. Officers lack the basic essentials to do their job. The infrastructure that took years to develop is gone.

Since Katrina, demands on the resources of the city have grown, while budgets have shrunk. Between 2005 and 2006, the funds available to the NOPD were cut by \$18 million, from \$124 million to \$106 million, reflecting the overall financial problems facing the city. Everything from toilet paper to copying paper seems to be in short supply. Private organizations must raise money to provide some of the basic supplies needed to do their jobs. In one instance reported to the RAND

³ The population of New Orleans, estimated at 485,000 for the year 2000, was “reduced to fewer than several thousand by the end of the first week of September 2005” (McCarthy et al., 2006).

team, a neighborhood association held a bake sale to buy copier paper for a police district. The financial condition of the city and the NOPD presented a practical constraint as RAND went about its work. It was made very clear that to be most useful, the RAND team needed to focus on low-cost solutions to problems, since the City of New Orleans did not have much money to give to the NOPD.

Just as citizens wonder how they will rebuild, police officers wonder when they will work again out of a functioning headquarters or district office. Almost every police officer we interviewed at all ranks throughout the department expressed frustration at this situation. The barely functioning justice system has limited ability to hold suspects for hearings or in detention, another source of frustration for the police.⁴ It is often a race to see who gets back to the district first from central booking, the booking officer or the suspect just booked. Of great concern to the mayor and senior officials of the NOPD, as it must be to the citizens of the city, is the increase in crime that has occurred even as the population has dropped, and even after the NOPD received assistance from the Louisiana State Police and the National Guard.⁵ While the population of the city is substantially smaller than it was before the storm, after the initial dislocation and a lull in lawlessness, community violence increased as residents returned to New Orleans and the criminal elements began fighting among themselves to establish new areas of control. As reported in *USA Today*, “The murder rate [in June 2006 was] slightly below 2004, when New Orleans ranked No. 2 in the USA after Camden, N.J., for per-capita murders.”⁶ Peter Scharf, a criminologist at the University of New Orleans, calls the current situation a “perfect storm. You have a disabled criminal justice system because of the flood. You’re also in fiscal crisis colliding with an epidemic of return-

⁴ For example, see Gwen Filosa, “Anti-Crime Officials Discuss Rise in Violence, Judge: City Financing for Justice Falls Short,” *The Times-Picayune*, November 6, 2006.

⁵ Discussions with the Superintendent of Police, the Mayor, and members of the City Council, September and October 2006. In addition, the U.S. attorney in New Orleans recently told a conference on rebuilding New Orleans’ criminal justice system that “New Orleans won’t recover from the storm unless it reduces violent crime.”

⁶ Alan Levin, “New Orleans Sees Its Worst Violence Since Before Katrina,” *USA Today*, June 19, 2006.

ing criminals.⁷ Under these conditions of limited financial resources, destroyed infrastructure, and increasing crime, the NOPD finds itself with an unprecedented personnel challenge.

Recruiting and Retention Since Katrina

The NOPD is shrinking. Table 1.1 shows that in the first 14 months after Katrina, the budgeted commissioned police force was cut from 1,885 to 1,600, about 15 percent, reflecting the overall budget cuts to the department and the department's estimated recruiting and retention difficulties. During the same period, the actual on-board strength declined by 321 officers, more than 18 percent, again reflecting unusually high losses and an inability to recruit after the storm.⁸

Table 1.1
NOPD Police Officer Strengths Pre- and Post-Katrina

	Number of Officers	
	Budgeted	Actual
August 2005	1,885	1,742
October 2006	1,600	1,421
Change		
Number	-285	-321
Percent	-15.1	-18.4

SOURCE: Stephanie M. Landry, NOPD. Data for 2005 are as of August 21, 2005; data for 2006 are as of October 24, 2006.

⁷ Peter Scharf, "It's a Perfect Storm: Comments by Peter Scharf," *New Hour Transcript: Crime Increases in New Orleans as the City Recovers from Hurricane Katrina*, Public Broadcasting System, June 26, 2006.

⁸ According to *The Times-Picayune*, the pre-Katrina population was about 460,000, and the current population is estimated at between 181,000 and 230,000, or between 40 and 50 percent of the base. There were 3.78 police per 100,000 population before the storm and between 7.8 and 6.2 after the storm. Nevertheless, the murder rate is reported to be "at the top of the national murder rate list" (Brendan McCarthy and Laura Maggi, "Killings Bring the City to Its Bloodied Knees: Husband, Wife Just Two of Six Shot in 24 Hours," *The Times-Picayune*, January 5, 2007).

The on-board strength during any period changes by the difference between new officers hired and existing officers who depart. Since Katrina, officers have left at a much greater rate than that at which the department has been able to hire new ones. Between August 2005 and January 2006, the NOPD lost 160 officers (40 per month) while recruiting none.⁹ During the first 10 months of 2006, the department lost another 185 officers (18.5 per month). It has been able to recruit 33, who were scheduled to begin their training with the first post-Katrina academy class on November 27, 2006,¹⁰ but staffing continues to decline at a significant rate.

Since the storm, the NOPD has experienced an annualized loss rate of approximately 16.9 percent (345 of 1,742 officers lost over 14 months), compared with a 2005 pre-storm rate of 5 percent (57 of 1,695 officers lost in the first 8 months of 2005). The pre-storm rate exactly equaled loss rates reported for large police departments serving cities with populations of 50,000 or more.¹¹

Katrina destroyed much of the data necessary to perform a precise analysis of the demographics of losses. Data that are still available indicate only that losses were concentrated disproportionately among the junior ranks.¹² In other words, the NOPD was hemorrhaging the very officers who patrol the streets today and were being counted on

⁹ This was the loss rate immediately following the storm. Before the storm, the loss rate was 7 to 8 per month (Stephanie M. Landry, NOPD).

¹⁰ Ibid.

¹¹ Data are from a nationally representative sample of police agencies in 2000 reported in Christopher S. Koper, Edward R. Maguire, and Gretchen E. Moore, *Hiring and Retention Issues in Police Agencies: Readings on the Determinants of Police Strength, Hiring and Retention of Officers, and the Federal COPS Program*, Washington, DC: The Urban Institute, 2001.

¹² Preliminary data provided to RAND by the NOPD indicated a loss rate of 11.3 percent among basic police officers (grades PO1 through PO4), 6.1 percent among sergeants, 7.5 percent among lieutenants, and 6.6 percent among captains. Half of all officers lost were in the lowest grade (PO1), and 81 percent of them had less than five years of service. Compared with nationally reported figures, the losses recorded by the NOPD were 22.5 percent greater for officers serving in the first through fifth year, 35 percent greater for officers serving in the sixth through fifteenth year, and 33 percent less for officers with more than 15 years of service.

to provide the leadership for tomorrow. Given that officers with more than 15 years of service have a limited number of years of future service, because eligibility for retirement payments is a real incentive to leave at some time in the not-too-distant future, it is the officers in the middle grades upon whom the department must depend. It is troubling that the officers from these years-of-service groups are leaving at above-normal rates. The problem is exacerbated because more than one year after the storm, the NOPD has yet to graduate its first post-Katrina class at the police academy to replace these losses.

Lessons That Might Help the New Orleans Police Department

This chapter addresses the recruiting and retention problems currently faced by the NOPD and applies lessons that RAND has learned from decades of working with large personnel organizations.¹ The chap-

¹ Unlike small private firms that have very limited time horizons, large personnel systems such as the military services, the Federal Bureau of Investigation (FBI), and major police departments have indefinite time horizons. These institutions are needed today and will be needed in the future. Moreover, personnel decisions that are made today have both immediate results and long-term consequences. Generally, these institutions are “in-at-the-bottom, up-through-ranks systems,” with limited programs for lateral entry. For example, Taylor et al. report that 62 percent of large police departments (i.e., departments with more than 500 officers) allow lateral entry. For all departments, the number is somewhat lower: 50 percent allow some lateral entry. Only 20 percent of state agencies allow lateral entry of officers (Bruce Taylor, Bruce Kubu, Lorie Fridell, Carter Rees, Tom Jordon, and Jason Cheney, *The Cop Crunch: Identifying Strategies for Dealing with the Recruiting and Hiring Crisis in Law Enforcement*, Police Executive Research Forum, 2005). However, in 2003, the 22 police agencies comparable in size to the NOPD reported a total of 43 lateral entries, with 16 (73 percent) reporting no lateral entries (U.S. Department of Justice, Bureau of Justice Statistics, “Law Enforcement Management and Administrative Statistics (LEMAS): 2003 Sample Survey of Law Enforcement Agencies,” Computer file, ICPSR04411-v1, Ann Arbor, MI: Inter-University Consortium for Political and Social Research).

If it can maintain a steady flow of new recruits and have an even and predictable retention of officers, today and at any time in the future the force will have the age and experience desired to ensure that it can do its job in the most cost-effective manner. The movement of people through very large personnel systems such as the NOPD can be modeled as a Markovian process. In the early 1970s, RAND produced a series of papers and computer models that provided both a theoretical and a computational underpinning for forecasting, planning, and policy simulation. In a 1971 report, John Merck and Kathleen Hall illustrated the basic elements of a Markovian system by considering the flow of pilots and navigators over time (J. W. Merck and Kathleen Hall, *A Markovian Flow Model: The Analysis of Movement*

ter covers five topics: compensation, including housing; the promotion process and career management; recruiting; the mix of officers and civilians; and ways to improve the morale of the NOPD. For each topic, we discuss the problem facing the NOPD and the lessons RAND has learned from previous studies and research and offer recommendations. Specific examples of previous studies and research are cited in the footnotes; copies of these studies can be obtained from RAND. The recommendations presented here have been effective in other contexts but must be tailored and fine-tuned to the specific circumstances of New Orleans at the time they are implemented. The topics covered in this report and the specific recommendations reflect the unique situation that the NOPD found itself in at the end of 2006—lacking affordable post-Katrina housing, the families of many police officers no longer living in the New Orleans area, the departmental infrastructure destroyed, and dealing with a budget that did not provide enough resources to meet basic needs for even such things as copying paper. While the issues addressed here are generally important for large police departments, the recommendations have been tailored to the circumstances of the NOPD. Furthermore, any policy change or new program must be closely monitored to ensure that it is having the desired effect.

During August and September 2006, the RAND team visited New Orleans to talk with members of the NOPD (from the superintendent down to PO1s) to gain a better understanding of the problems facing the department and to recommend solutions. From the beginning, it was clear that given the current resources available and the problems facing the city, any policy recommendations that would require a substantial amount of money would have little chance of being implemented. Decisions about public spending are often informed by cost-benefit analysis, but today New Orleans has little ability to take on substantial new costs, regardless of the benefits. The RAND team therefore focused on useful initiatives that involve modest or no direct budgetary cost to the city.

Compensation

Getting compensation right is critical. The mantra has been that compensation is used to attract and retain personnel,² but compensation also has an important role to play in motivating employees. The structure of the compensation is critical to an assessment or design of a department's compensation system.³ Compensation affects an employee's willingness to sign up, to stay, and to seek higher levels of responsibility and promotion. Compensation includes direct dollar payments, payment in-kind, and deferred compensation. Ideally, there is a cost-effective mix of these elements that will maximize the return on the money spent, in terms of ability to attract the right people, get them to stay, and motivate them to higher levels of performance. Finding the right mix, however, is difficult; it does not come about just by chance.

Based on previous RAND studies and an admittedly "quick look" at the specific situation in New Orleans, the following subsections present comments and recommendations concerning the overall level and competitiveness of the salaries offered by the NOPD, the mix of current and deferred compensation, and the mix of cash and payments in-kind, specifically the use of housing as an incentive to join and stay with the NOPD.

NOPD Salaries Are Not Competitive

In general, the competitiveness of the NOPD salaries should be judged relative to outcomes such as hiring and retaining the quality and quantity of personnel sought. To indicate how noncompetitive salaries may be, Table 2.1 compares the salary structure of the NOPD with that of the Houston, Texas, Police Department.⁴

² The emphasis on recruiting and retention is seen in Kenneth J. O'Brien, *Recruiting and Retention Best Practices Update*, Sacramento, CA: California Commission on Peace Officer Standards and Training, April 2006.

³ For example, see Beth J. Asch and John T. Warner's classic work, *A Theory of Military Compensation and Personnel Policy*, Santa Monica, CA: RAND Corporation, MR-439-OSD, 1994.

⁴ As a follow-on to this study, RAND is undertaking a more complete analysis of the impact that salary systems and recruiting and retention programs have on the ability of police

Table 2.1
New Orleans and Houston Police Department Salary Comparisons

Position	Annual Base Salary Without Benefits (\$)		
	New Orleans	Houston	
		Minimum	Maximum
Police recruit	30,732	29,164 ^a	
Police officer 1	33,111	36,022 ^b	50,039
Police officer 2	34,797		
Police officer 3	36,570		55,235
Police officer 4	38,433	51,114	
Police sergeant	42,449	61,784	67,362
Police lieutenant	45,734	69,354	75,606
Police captain	53,750	79,421	86,613
Police major	58,633		

SOURCE: Stephanie M. Landry, NOPD, November 13, 2006, and <http://www.houstontx.gov/police/careers.htm>.

^aRecruits with a bachelor's degree earn up to \$33,784 during the six-month academy training program and a six-month field training/probation program.

^bPO1s with a bachelor's degree earn more than \$47,000 the first year after the probationary period, including an equipment allowance, shift/weekend pay, and bilingual pay. After one year of service, NOPD officers receive \$3,600 annual state supplemental pay. All NOPD officers receive an annual uniform allowance of \$500.

Houston is a good example for this comparison because many New Orleans residents, including the families of NOPD officers, decided to relocate there during and immediately after the storm. Today, many of them not only remain in Houston but also have decided to make Houston their permanent home. Houston thus is a relatively close "big city" police department that the NOPD will have to compete against now and in the future.

As shown in Table 2.1, salaries in Houston are substantially higher than those in New Orleans at all levels except recruit pay. The competitive disadvantage of NOPD pay is magnified when the higher

departments to recruit and retain personnel. The fact that NOPD salaries are lower than Houston's is suggestive of noncompetitiveness, but it is inconclusive. The same point applies to the comparison with military compensation.

cost of living in New Orleans is factored in.⁵ Houston also has a much more robust allowance and special pay system. For example, an officer serving with the Houston Police Department receives yearly education incentive pay: An officer with a bachelor's degree earns an additional \$3,640 each year, one with a master's degree earns an additional \$6,240, and one with a doctorate earns \$8,840 more each year.

During our visits to New Orleans, senior officials asked about the possibilities of recruiting new police officers from the ranks of those who are leaving active military service. Increasingly, however, this does not seem to be a very fertile source of new officers. The number of people leaving active duty each year has decreased over time. Not only is the military smaller today than it was in the recent past, one of the results of the all-volunteer force has been a substantial increase in the retention of personnel at the end of their first term of service. During the draft era, as many as 85 percent of those completing their two years of service left the military.⁶ In contrast, more than half of those in the all-volunteer force who finish their initial four years of service decide to stay in the military. Moreover, as shown in Table 2.2, the pay of a sergeant in the Army at the four-year decision point—the point when a soldier might consider leaving the Army for a job with the NOPD—is much higher than that of a police recruit. A married Army sergeant with four years of service makes almost as much as the minimum pay for a police lieutenant in the NOPD. Moreover, the military offers substantial benefits, including free medical care for the service member and his or her family, employer-paid retirement contributions, and access to military commissaries where grocery prices are 25 percent below those at commercial supermarkets.

Providing a competitive level of compensation is essential for the long-term viability of the NOPD. The recent experience of the Arling-

⁵ According to www.homefair.com, the cost of living in New Orleans is 21.7 percent higher than that in Houston. The lower police pay does not go as far in New Orleans as it would in Houston.

⁶ For a discussion of the impact on the all-volunteer force on the military, see Bernard Rostker, *I Want You: The Evolution of the All-Volunteer Force*, Santa Monica, CA: RAND Corporation, MG-265-RC, 2006, p. 8.

Table 2.2
Compensation for a Married Army Sergeant with More Than Four Years of Service

	Compensation (\$)	
	Monthly	Annual
Basic pay	2,125	25,495
Food	272	3,264
Housing (for New Orleans)	1,096	13,152
Total cash	3,493	41,911
Tax advantage	210	2,515
Total compensation ^a	3,702	44,426

SOURCE: <http://www.dod.mil/militarypay/>.

^aIn addition to basic pay, service members receive free medical care, employer-funded retirement, access to commissaries, and 30 days of paid leave.

ton, VA, Police Department is illustrative. After trying for four years to recruit the required number of new police officers, the chief of police concluded, “If we were ever going to fill these positions, we would have to improve salary competitiveness.”⁷ In 2006, the Arlington County Board increased entry-level base pay by 10 percent to a starting level of \$44,616, with additional increases of between 2 and 2.5 percent after graduation from the police academy, and another increase of 2 to 2.5 percent after completion of the probationary year. The chief told the local press that after the pay increases were approved, “We saw an immediate improvement in the quality of applicants and in the flow of applications.”⁸

The experience of the Arlington County Police Department is not unique. Research has demonstrated time and again that the number and quality of applicants will rise as compensation increases.⁹ Expe-

⁷ As reported in Kristen Armstrong, “Arlington’s Police Force Makes It to Full Staffing,” *Sun Gazette Newspapers*, November 15, 2006.

⁸ Armstrong, 2006.

⁹ The relationship between pay and the willingness of people to join an organization has been extensively studied by the Department of Defense for more than 50 years. Every four years, Congress requires a report on military compensation, and the department spends tens of

rience shows that it is not only the initial level of compensation that matters: Applicants consider both starting pay and the pay over the first several years on the job. While NOPD officers recently received a 10 percent across-the-board pay raise, neighboring departments may well match that raise, leaving them in roughly the same position as before. The short time allotted for this study did not permit a detailed comparison of pay at all levels among the local jurisdictions, but we found that both the Jefferson Parish and Orleans Parish sheriff's departments have higher starting salaries than the NOPD (\$33,000 and \$31,000, respectively, compared with less than \$31,000 for the NOPD).

Most notable is the NOPD's failure in the past few years to pay patrol officers increases to grades of PO2, PO3, and PO4 after the officers pass the examinations that qualify them for promotion. Not only does this hinder retention, it also hinders the ability of the department to attract new recruits and to motivate current officers. Several officers we interviewed believe that the city has reneged on a promise, and as a result they are motivated to perform only minimally. Some officers saw no reason to spend time studying for the next examination, since they were not paid for passing the previous one. It is not clear how widespread this attitude is.

The NOPD estimates that correcting the PO1-to-PO4 pay problem will cost less than \$700,000. Given that applications to join the NOPD are down and losses in grades PO1 to PO4 have accelerated,

millions of dollars each year to better understand why people enlist. Goldberg's 2001 meta-analysis, which examined more than 35 different studies, found that the average elasticity of supply, a measure of how responsive supply is to a change in compensation, was 1.22 for the Army. The original President's Commission for an All-Volunteer Armed Force used a pay elasticity of 1.25. An elasticity of 1.25 means that for a 10 percent pay increase, the number of qualified young people willing to voluntarily join the Army would increase by 12.5 percent. For a fuller discussion, see Matthew S. Goldberg, *A Survey of Enlisted Retention: Models and Findings*, Alexandria, VA: Center for Naval Analyses, CRM D0004085. A2/Final, November 2001.

it is not likely that the department can improve the long-term personnel situation until pay for these grades has been increased. In fact, at the time the 10 percent across-the-board pay increase was being considered, we would have recommended that full pay for the grade differentials come first, with the residual then being applied across the board.

No-Cost Management Actions Can Also Improve Retention¹⁰

Researchers have found that “procedural justice” can have demonstrable effects on employees’ attitudes toward their employers and, ultimately, on retention.¹¹ Procedural justice is a term that refers to “the fairness of the processes by which decisions are made, and may be contrasted with distributive justice (fairness in the distribution of rights or resources), and corrective justice (fairness in the rectification of wrongs). Some theories of procedural justice hold that fair procedure leads to equitable outcomes, even if the requirements of distributive or corrective justice are not met. The term is also synonymous with hearing all parties before a decision is made.”¹² As early as 1970, it became clear that members of an organization who have a voice in its operation tend to develop greater loyalty, and that loyalty is reflected in fewer people leaving the organization.¹³ One no-cost way of dealing with police officers’ perception that the city has reneged on a promise would be for officials to discuss with police officers the city’s financial crunch and to describe the range of reasonable options available to the city and when remedial actions can be taken.

¹⁰ The authors are indebted to Professor Edward Maguire of George Mason University for pointing out that employees’ perceptions of what is known as “procedural justice” can impact decisions to stay or leave an organization.

¹¹ For a succinct summary of the development of these concepts and the supporting literature, see Robert C. Dailey and Delaney J. Kirk, “Distributive and Procedural Justice as Antecedents of Job Dissatisfaction and Intent to Turnover,” *Human Relations*, Vol. 45, No. 3, 1992.

¹² From http://en.wikipedia.org/wiki/Procedural_justice.

¹³ See Albert O. Hirschman, *Exit, Voice, and Loyalty*, Cambridge, MA: Harvard University Press, 1970.

The NOPD's Retirement Plan

While immediate compensation for NOPD officers is substantially less than that for officers in the nearby city of Houston, the NOPD does stress that it has an “excellent retirement plan”: 83 percent of base salary after 25 years of service and 100 percent after 30 years. Generally, research has found that promises of cash payments many years in the future have less effect on the decisions of prospective recruits to join or serving officers to remain in service than immediate payments have.¹⁴ The recent pattern of losses from the NOPD illustrates this point. The NOPD is currently experiencing high losses of officers in the early and middle years of service, and the promise of a large pension has little influence on their decisions. The phenomenon of pension “lock-in” is reflected in the year-to-year continuation rates of every large personnel system we have studied—including the military and the FBI—and is also reflected in the recent loss-rate patterns of the NOPD.

Given that the most pressing personnel problems facing the NOPD are recruitment of new personnel and retention in the early to middle years of service, and given that pensions offered by the NOPD are extremely generous, a longer-term reform that the department might consider is a cost-neutral reduction in the pension program and an increase in more-immediate compensation.¹⁵ Changing a salary profile, however, is a very long-term reform that must be phased in over time. Current employees are typically “grandfathered” and protected from any involuntary change, so reducing deferred compensa-

¹⁴ Congress provided a “natural experiment” during the early 1990s, when it authorized a number of different options for military officers wishing to take early retirement. Various combinations of current and deferred compensation were offered. The programs are described in Asch and Warner (1994).

¹⁵ This is essentially the recommendation made in 1979 by the President's Commission on Military Compensation (Charles J. Zwick, *Report of the President's Commission on Military Compensation*, Washington, DC, April 10, 1978). The commission argued that the Department of Defense was not getting the maximum benefit from the money it spent on compensation because too much of it was in the form of deferred compensation.

tion and increasing current compensation usually start with new entering cohorts.¹⁶

In some organizations, current employees have been given the option of either sticking with the existing retirement system or taking a reduced retirement but receiving an increase in pay in their pre-retirement years. Surprisingly, when such offers have been made, employees have generally opted for the reduced retirement and more immediate compensation at a rate that is very favorable to the organization.¹⁷

Housing as a Component of Compensation

Given the immediate shortage of cash, the city and the NOPD would be well advised to look for something to offer current members of the force and prospective recruits that will cost little money but that has value to the officers and recruits beyond monetary value. Given the current situation in New Orleans, the city is likely to come into possession of a stock of relatively good housing that might be made available to police and other first responders as a non-cash payment for signing a contract committing them to some number of years of service on the force.¹⁸

¹⁶ This is effectively what the federal government did when it shifted from a deferred pension system, the Civil Service Retirement System (CSRS), to the Federal Employees Retirement System (FERS) in 1983.

¹⁷ John Warner and Saul Pleeter took the results of the retirement buyout and estimated that personal discount rates were significantly higher than market rates of interest (John T. Warner and Saul Pleeter, "The Personal Discount Rate: Evidence from Military Downsizing Programs," *American Economic Review*, Vol. 91, No. 1, March 2001). The implications of this for the design of retirement systems are striking. The research suggests that many people would be willing to trade a large portion of their future pensions for relatively small increases in current compensation.

¹⁸ Housing in-kind would have both a short-term and a long-term benefit to those who received it. In the short term, it is a direct substitute for cash that would be needed to procure shelter. According to the U.S. Department of Urban Development's 2007 50-percentile rents data, the current median rents for New Orleans range from \$800 per month for an efficiency apartment without a bedroom to \$1,484 for a four-bedroom apartment. Over all types of apartments, rents are, on average, one-third higher in New Orleans than in Houston (<http://www.huduser.org/datasets/50per.html>). If the title to the house were vested over time, any long-term increase in the value of the house would also be a benefit, but one that could be

Ample precedent exists for offering housing to police officers as an incentive to serve.¹⁹ These programs have generally been undersubscribed because the houses offered have usually been blighted properties in undesirable neighborhoods. But in New Orleans, the city will be taking possession of relatively good housing in neighborhoods that are much more desirable than those typically offered.

For a number of reasons, the NOPD should be proactive in providing housing. First, housing is an important cost item in any household budget.²⁰ It is the single largest cost a family faces. Second, it is often cited as a critical factor in the decision to relocate. Anything the NOPD can do to reduce housing costs for current or future police officers will have a positive effect on the decisions of current officers to stay and prospective officers to relocate to the New Orleans area. Third, it is generally understood that having police and other first responders living in the community benefits the community in indirect but important ways.

gained only with continued good service to the NOPD. This is much the way that stock options are awarded by private companies. The options are of value only if the employee stays with the firm long enough to reach the point when the options are vested.

¹⁹ For example, such a program was recently sponsored by the New Orleans Police and Justice Foundation (Susan Langenhennig, "Housing Help Offered to New Orleans First Responders," *Times-Picayune*, July 20, 2006). See also the recent press release from the office of Louisiana Senator Dave Vitter ("Vitter Working to Keep Housing for First Responders," Washington, DC: U.S. Senate, 2006). As was recently reported, "Federal housing authorities want to add 'first responders' to a reconstituted program aimed at getting government-owned homes into the hands of workers who are seen as the key to improving the quality of life in distressed urban communities" (Lew Sichelman, "Firefighters to Get HUD Discounts," *Realty Times*, September 28, 2005). Another example is the federal government's Officer Next Door Program (http://www.hudpemco.com/hi/ond_tnd.htm). Private real estate firms are even offering "special terms and financing incentives to allow police officers, firefighters, teachers, military personnel and certified health-care providers to live closer to where they work" (Brian Trompeter, "Real Estate Firm Aims to Help Public Servants Buy Homes," *Sun Gazette Newspapers*, December 7, 2006).

²⁰ For example, a family receiving a federal housing voucher is generally required to contribute 30 percent of its income for rent and utilities, and families moving to new units are not allowed to rent units that would cause them to pay more than 40 percent of adjusted income for housing (Robert Greenstein, *Introduction to the Housing Voucher Program*, Washington, DC: Center on Budget and Policy Priorities, 2003).

Informal discussions with staff of the Louisiana Recovery Authority and the Road Home Corporation suggest that some kind of housing program could be developed. The Road Home Community Development Block Grant Action Plan includes a section on guidelines for disposition of properties acquired through the Road Home Homeowner Assistance Program. The policy on redevelopment of acquired property allows for flexibility, with a goal of maintaining control by local redevelopment authorities.

Alternatively, the city could sell the housing it acquires and use the cash to increase the pay of police and other first responders. In general, economists have argued that in-kind compensation is less efficient than cash of an equivalent amount because the cash can be exchanged for anything the employee wants to buy. Clearly, if the employees value the housing at less than its market value—the value the city can sell the housing for—giving it in-kind would not be as effective as selling it and using the proceeds to increase pay. Economists know that other factors also enter into the calculus. For example, selling houses in the current unstable housing market in New Orleans, where there is great uncertainty about final redevelopment, could be a problem. Moreover, the benefits from having a police officer and his family living in the community must be taken into account.²¹ In the final analysis, the decision to provide housing or to sell the housing and use the proceeds to increase police pay—or even to do something else with the housing and not use it to address the personnel problems of the NOPD—will also depend upon how important the police recruiting and retention problem is to the city, the response of prospective and serving police officers to such a program, the market value of the housing, and the ability of the city to earmark the proceedings of the eventual sales. The final dimensions of any housing program will take further analysis, but recognizing the potential of housing is the first step.

²¹ Economists call such a “benefit” an externality, and depending on how the city values police living in the community, it could be a dominant factor in the decision to provide housing in-kind, which commits the police officer and his or her family to living in the community, or to sell the property and use the proceeds to increase pay, which would not guarantee that the recipients of the extra pay would choose to live in the community.

Career Progression and Promotion

In any hierarchical organization, the vast majority of increases in compensation over time come not from periodically legislated increases in the salary tables but from progressing through the rank structure. In the NOPD, promotions are competitive and very comprehensive; they are based on the results of written and practical tests and on adjudication by experts from outside the department who are knowledgeable about good police practices. Examinations are supposed to be given every three years, but in practice, as much as five years can pass between examinations. When these infrequent exams are given, the names of qualified officers are published, listed in order of the score received. The highest-scoring officers are placed at the top of the list, and the list continues in descending order of score. As a result, the officers with the highest scores are promoted first, and the department works its way down the list. Many of the officers we spoke to were very concerned that so much time had passed since the last promotion examinations and so many had already been taken from the list that “the quality was no longer there,” and while those who were still on the list were nominally qualified because they had passed the test, the department was scraping the bottom of the proverbial barrel. Equally disturbing were stories of quality officers resigning because “their timing was wrong,” and they did not want to wait around for the next examination to be given years in the future. The current practices both quash motivation and foster mediocrity. Good officers are departing, while the department promotes officers with increasingly lower scores year after year.

While the RAND researchers were surprised at how infrequently the promotion examinations are given, they were not at all surprised that quality officers would leave rather than wait around. Decades of research have shown that career decisions to join and stay reflect people’s estimates of the future career they face.²² That is not to say that

²² The theory and estimation techniques are explained in Glenn A. Gotz and John J. McCall, *A Dynamic Retention Model for Air Force Officers: Theory and Estimates*, Santa Monica, CA: RAND Corporation, R-3028-AF, 1984. An alternative measure, called the Annualized Cost of Leaving Model (ACOL), was used in Matthew Black, Robert Moffitt, and John T. Warner,

anyone knows the future with any degree of certainty, but people do know the recent past, and they make their plans on that basis. If they see opportunities to advance, they will stay and take their chances for promotion. Police officers will not stay if they see reduced opportunities to advance and if they see people they consider less qualified being promoted only because they stayed around until the department worked its way down the list.

RAND recommends that the NOPD convene promotion boards every 12 to 18 months and qualify (pass) only enough officers each cycle to fill the vacancies that can be anticipated for the newly reduced periods between examinations. In other words, if the examinations for police sergeant are held once a year and it can reasonably be expected that 20 sergeant positions will become vacant during the year, only the highest-scoring 20 officers should be qualified and passed to the sergeants list. Not only would this allow the most talented officers to progress through the department to positions of leadership as rapidly as possible, it would also foster a climate of continuous learning as officers study for advancement examinations, which enhances performance in and of itself. Those who do not pass the first time will be motivated to try again and to do better the next time as they see highly qualified officers advance.

Increasing the frequency of examination and promotion boards will entail some additional expense, at least to the extent that the current, relatively costly testing procedures are used. RAND has not examined in detail the test paradigm and has not made any judgment about alternative ways of selecting officers for advancement. Nevertheless, the consequences of infrequent promotion examinations are so significant and the benefits of more-frequent boards so great that even if no testing alternatives are adopted and the current costs continue, more-frequent examinations are advisable.

“The Dynamics of Job Separation: The Case of Federal Employees,” *Journal of Applied Economics*, Vol. 5, No. 3, July–August 1990.

Recruiting

A steady flow of new recruits is needed to maintain a desirable age and experience profile and to deliver services in the most cost-effective manner. While some recruiting of experienced officers is always possible, most new recruits join departments without experience and must be trained. It has widely been reported that there is a nationwide “crunch” in recruiting officers. While Taylor and his colleagues report that despite a drop in the average number of applications between 1989 and 2002 for the 32 departments they studied, the change was not “statistically significant,” they did note that “agencies with over 500 officers and state agencies have significant problems drawing sufficient qualified applicants.”²³ To be sure, one cannot escape the daily newspaper headlines regarding police agencies throughout the United States that are struggling to find qualified applicants to fill vacancies.

Current efforts by the NOPD to recruit new officers appear to be rather passive. While it has been reported that traditional means of recruiting are expensive,²⁴ do not work very well, and have not changed much over time,²⁵ many recruiting techniques have not yet been tried

²³ Taylor and his colleagues also noted, “A major limitation of this study was the small sample size associated with our test of the ‘cop crunch’ hypothesis. With a sample of only 32 agencies containing both 1989 and 2002 data, even large differences might not be statistically significant.

Therefore, our observed drop of 1,164 applicants between 1989 and 2002 could have been statistically significant if we observed the same pattern with a larger sample” (Taylor et al., 2005, p. 5).

²⁴ Taylor et al. report that “the trend over the same period was to spend larger amounts of money on the up-front recruiting effort. New York City estimated that each new officer cost \$500,000 when expenses through the officer’s probationary period were included. The cost to fill 270 vacancies on the California Highway Patrol is an estimated \$28 million. The nationwide cost of recruitment, not including training, is \$3 billion. Seattle alone estimates that it spends \$200,000 per year on recruiting” (Taylor et al., 2005, pp. 8–9).

²⁵ The most common recruitment methods are newspaper ads, career fairs, and the Internet; 83 percent of larger departments also use college internships, explorer programs, and school resource officers. While between 1989 and 2002, radio was used less, “the order of prevalence of methods remains almost unchanged as a majority of agencies continue to advertise via newspapers, radio, television, and posters” (Taylor et al., 2005, p. 33).

by the NOPD. The military services have extensive training for their recruiters, focusing on daily activities to generate leads, turning leads into applicants, and getting applicants through the selection screening, and they are innovators in developing new models for recruiting.²⁶

Given the high cost of recruiting and the relatively poor salary structure of the NOPD, RAND recommends that the NOPD should examine a Junior Reserve Officers' Training Corps (JROTC)-type or school-based program.²⁷ While it is true that where this has been tried, most of the students involved in the program did not become police officers, the program still seems to be cost-effective. One district that

²⁶ In 1999, the Department of Defense decided to develop a new type of military recruiting station, which it called the marketing-enhanced recruiting station (MERS). The MERS contained television and video monitors for playing U.S. armed forces' advertisements, a computer kiosk enabling access to military web sites, and other hi-tech features. It was designed to present an inviting image of the military to youth and those adults who influence them. A main conclusion of RAND's analysis of the NOPD recruitment problem is that the MERS concept, appropriately implemented, has the potential to be a cost-effective alternative to both certain types of advertising and the standard recruiting facility—when the MERS's potential recruiting and advertising benefits are fully exploited (Ronald D. Fricker, Jr., and C. Christine Fair, *Going to the Mines to Look for Diamonds: Experimenting with Military Recruiting Stations in Malls*, Santa Monica, CA: RAND Corporation, MR-1697-OSD, 2003).

²⁷ In California in the 1990s, the JROTC Career Academy Program was a unique and innovative enterprise joining together the experience and resources of the Department of Defense and the Department of Education. The program emphasizes high school graduation through academic instruction; critical skills development through a career field focus; and citizenship, leadership, responsibility, values, and discipline through the JROTC course of instruction (Abby Robyn and Lawrence M. Hanser, *JROTC Career Academies' Guidebook*, Santa Monica, CA: RAND Corporation, MR-573-OSD, 1995).

The grade-point averages for the JROTC Career Academy students were significantly higher than those that would have been expected if the students had been in the standard academic program in six out of ten cases. The differences in grade-point averages were generally substantial, with most in the range of one-quarter to one-half of a grade point. In seven of ten cases, absenteeism for the JROTC Career Academy students was significantly lower than what would have been expected if the students had been enrolled in the standard academic program. These differences were dramatic, with absenteeism less than half of what would have been expected in a majority of cases. The major motivational factor that students in focus groups mentioned was the nurturing environment the JROTC Career Academy afforded them (Marc N. Elliott, Lawrence M. Hanser, and Curtis L. Gilroy, *Evidence of Positive Student Outcomes in JROTC Career Academies*, Santa Monica, CA: RAND Corporation, MR-1200-OSD, 2000).

tried it reports that recruiting, even with the small number that did join, was less costly than with traditional methods. This type of program also has other advantages. Taylor et al. highlight the particularly beneficial experience of one department in Mississippi with such a program:

The Port Gibson Police Department in Mississippi was unique in agencies surveyed in that it had a long-range strategy to identify and recruit officers. The department actually starts grooming future police officers in elementary school. Officers go to the elementary schools and mentor students by educating children about the duties of being a police officer and encourage students to abide by the law. This multifaceted approach offers several low-cost benefits to law enforcement and the community: it promotes positive interaction between law enforcement and youth at an early age; it helps garner interest in policing as a career by planting the seed in young minds early on in life; and it instructs youth on good citizenship. Such a program could readily be performed in school districts with School Resource Officers/Deputies. Departments without these personnel in place could still benefit by having officers spend a few hours a month to interact with schoolchildren in order to groom potential recruits and to build stronger perceptions of law enforcement by youth.²⁸

If such a program were tried in New Orleans, it could include after-school employment during the school year, summer employment between grades, and post-high-school-graduation employment as civilian employees of the NOPD until the participants reached the minimum age when they would be eligible to become uniformed officers. Such a program could be an option at middle or senior high schools or might become the central theme for an academy. At that level, the NOPD might share the academy with the fire department, creating a first-responders academy with tracks for police officers, firefighters, and EMS technicians. Building on current educational programs already in place for police officers, the city might also consider developing pro-

²⁸ Taylor et al., p. 44

grams that provide up-front support for college-education expenses in exchange for an employment commitment when a participant reaches 21 years of age.

Currently, the head of the recruiting section selects recruiters for the NOPD.²⁹ The program is very passive, with uniformed officers who are assigned to recruiting duty spending their time using the Internet and other research tools to perform background investigations on potential candidates—a task that civilian specialists could do just as well. There are no specific selection criteria based on psychological profiles that highlight those who are likely to be successful as recruiters, and there is no specific training to prepare officers to be recruiters. While it is true that every officer is a recruiter,³⁰ research has shown that a cadre of well-trained recruiters is also important.³¹ Recruiting is hard work. Recruiters must be self-motivated because many more potential recruits they contact turn them down than are responsive to their message. Recruiting is a skill that can be taught. Some are born to it, others can learn it, and still others will never get it. Recruiting is neither easy nor quick. Often, developing an association among institutions, the recruiter, and potential recruits will take years. The military services have developed useful goal and reward systems to motivate recruiters, but careful attention must be paid to how the goals and

²⁹ Personal interview.

³⁰ At the beginning of the all-volunteer force, the Army initiated the Recruiter Assistant Program, which sent soldiers who had recently completed advanced individual training back to their home towns to temporarily help recruiters locate new prospects. New soldiers in the Unit-of-Choice program were also sent home as unit canvassers to help recruit new soldiers for their own units. Both programs were very productive. In fact, David Grissmer and his colleagues at the General Research Corporation found that “unit canvassers or recruiter assistants . . . [were] more effective than the addition of a recruiter” (David W. Grissmer, V. W. Hobson, and R. W. Rae, *Evaluation of Recruiter Assistant and Unit Canvasser Recruiting Programs*, McLean, VA: General Research Corporation, Operations Analysis Division, 1973).

³¹ Jim Dertouzos found that recruiters have a strong effect on recruiting results (James N. Dertouzos, “Microeconomics Foundation of Recruiter Behavior: Implications for Aggregate Enlistment Models,” in Curtis L. Gilroy (ed.), *Army Manpower Economics*, Boulder, CO: Westview Press, 1984; James N. Dertouzos, *Recruiter Incentives and Enlistment Supply*, Santa Monica, CA: RAND Corporation, R-3065-MIL, 1985).

rewards are applied.³² Recruiters do respond to both, but if goals and rewards are not set appropriately, the recruiters' response will also not be appropriate.³³

Civilian/Officer Mix

Given the current shortage of police officers, the NOPD should be aggressive in ensuring that all uniformed personnel are assigned to duties that they are uniquely qualified to perform. Civilians should do tasks that can be assigned to them. During visits to the NOPD, the RAND team observed that many jobs that could be done by civilians were being performed by officers in uniform. For example, officers were searching the Internet as part of the background investigation of applicants. It is not cost-effective to cut civilian employees because of a lack of funds and then spend considerable resources trying to attract new officers if there are already officers doing jobs that can be done by civilians. Both civilians and sworn uniformed officers are needed to provide the citizens of New Orleans with police services. Cutting one category only to see the other take up the slack is counterproductive. The NOPD should aggressively look for opportunities where civilians can substitute for uniformed officers and then hire the civilians to free up the officers to do unique police work. Given the cost of recruiting and training police officers, substituting less-costly civilians for officers wherever possible is very cost-effective.

³² Organizations may try many different goal systems before they settle on one that best meets their needs. In a 1990 study, Asch looked at a number of systems used by the Navy Recruiting Command (Beth J. Asch, *Navy Recruiter Productivity and the Freeman Plan*, Santa Monica, CA: RAND Corporation, R-3713-FMP, 1990).

³³ In an extension of the "principal-agents" economic literature, Dertouzos showed that the ways recruiters were rewarded were important determinants of recruiting outcomes and that by not taking these factors into consideration, previous studies that simply looked at levels of compensation and advertising provided misleading results (James N. Dertouzos, "Recruiter Incentives and the Marginal Cost of Accessions," in Barry E. Goodstadt, G. Thomas Sicilia, and H. Wallace Sinaiko (eds.), *Proceedings of the Joint Service Workshop on Recruiter Productivity*, Washington, DC: Office of the Assistant Secretary of Defense (MRA&L), 1983).

Morale

Recruiting needs to be improved. Pay needs to be improved. But so do the working conditions of the NOPD. It is hard to see how recruiting and retention will get better as long as much of the department works out of trailers. A year after the storm, little has been done to rehabilitate police headquarters or the three district headquarters that were flooded. The whole infrastructure of the criminal justice system was a casualty of Katrina. As one observer put it, “The criminal justice system here is on its knees.”³⁴ According to the U.S. Attorney for New Orleans, “Rebuilding the criminal justice system, including the infrastructure of the NOPD, must be a priority.”³⁵ The national system of post-disaster infrastructure reconstruction under the provisions of the Stafford Act has failed to move New Orleans forward in a timely manner. If the private gambling casinos on the Mississippi coast can be rebuilt quickly, why can’t the justice system of New Orleans also be rebuilt quickly? To complement the efforts discussed here, RAND also recommends that priority be given to moving forward with rebuilding that system as quickly as possible, especially since much of it will be done with funds provided by the federal government. This would go a long way toward improving the community’s image of the NOPD, the self-image of serving officers, and the willingness of prospective recruits to associate themselves with the NOPD.

³⁴ The quote is attributed to Peter Scharf, Founding Director/Co-Director of the Center for Society, Law and Justice at the University of New Orleans (Levin, 2006).

³⁵ For example, the U.S. Attorney called for a new state-of-the-art computerized system to record police reports and leads (Filosa, 2006).

Conclusion

Since Hurricane Katrina, resignations from the NOPD have increased and recruiting has all but stopped. Compensation lags behind that of comparable departments. There are, however, measures the NOPD can take to address these problems. The NOPD can focus future compensation programs on the recruiting and retention of junior officers. It can give officers in the PO2 to PO4 grades the salary increases they have earned. The tragedy in housing can be turned into a positive program to foster recruiting and retention. Reform of the promotion system can encourage the best officers to stay and advance. Proactive recruiting must be the norm. The current charter-school programs can be expanded to include a new academy for first responders. Actions can be taken to move forward with rebuilding the police infrastructure (along with the criminal justice system). While none of these alone, or even collectively, is guaranteed to solve the recruiting and retention problem, none of them is so expensive that it should not be tried.

Should the city decide to adopt these recommendations, it will face a decision as to their priorities for implementation. To assist in this judgment, Table 3.1 provides a *rough* classification of our eight recommended initiatives according to two criteria, cost and immediacy of effect.

Time has not permitted cost-benefit analysis or even a serious costing of the recommendations. But as a first step, Table 3.1 provides the authors' subjective judgment as to their cost and immediacy of impact on the recruiting and retention problems. Low-cost initiatives are anticipated to cost no more than a few thousand dollars annually;

Table 3.1
Cost and Immediacy of Effect of Recommended Initiatives

Recommendation	Relative Ranking by Goal	
	Cost	Timing of Impact
Convert appropriate jobs from officer to civilian	Low	Mid-term
Develop a proactive recruiting program	Low	Mid-term
Use housing stock to benefit officers	Uncertain	Long-term
Increase frequency of promotion boards	Medium	Near-term
Eliminate backlog of PO1–PO4 promotions	Medium	Near-term
Focus compensation on recruiting and retention problems	High	Long-term
Establish a police-oriented charter school	High	Long-term
Rebuild police infrastructure	High	Near-term

medium-cost initiatives, less than a million dollars; high-cost, more than a million dollars, but as explained below, not all the cost would be borne by the city. Near-term impact is defined as a few months, mid-term as within a year, long-term as more than a year.

Cost and immediacy of impact are not in every case well correlated, making it important for the city, after further analysis, to make tradeoffs between the two objectives. For example, the first two listed initiatives, converting jobs from officer to civilian and developing a proactive recruiting program, will cost very little, but the benefits may take a year or so to accrue. Paying for promotions to those backlogged in grades PO2 to PO4, while moderately costly (several hundred thousand dollars), should provide the greatest immediate payoff in terms of retention. Both of these initiatives should provide a continuing benefit to both recruiting and retention.

The rebuilding of the police infrastructure is both costly and long-term. It is likely to take more than a year to accomplish, but once completed, it will have an immediate effect on retention due to improved morale.¹ Similarly, the restructuring of the compensation system to

¹ Informal discussions with a number of police officers indicated that the lack of decent working conditions is a severe morale issue.

more directly improve recruiting and retention will be costly and will require a lengthy political process.

The cost of using existing housing stock in ways to benefit officers is uncertain and would depend on how the initiative is structured and what state and national programs might be brought into play. According to city officials, the housing initiative is also at risk due to political issues. Some are concerned about perceptions of favoritism. Further, such a program would need to overcome police perceptions of earlier housing programs that attempted to leverage blighted housing, even though the program envisioned here would not.

Again, the lack of detailed costing limits the utility of Table 3.1. Decision makers must decide which objective is most important to them and whether they are comfortable with the rough order-of-magnitude of cost or need more detailed costing and other analysis before adopting any of the recommendations.

Further, RAND has not performed a comparative analysis of these recommendations against other city priorities outside the police department. It is up to the mayor and the city council to decide among competing initiatives within a constrained budget. We can say only that in other contexts, implementing these recommendations has been effective in ameliorating recruiting and retention problems similar to those of the NOPD, which are significant. We cannot say that our recommendations warrant funding over other city priorities, because we have not examined those priorities. To make such comparative judgments would require a detailed cost-benefit analysis of all the competing demands on the budget.

That said, funding and measuring the effect of the initiatives recommended here should be a high priority, because public safety is an essential precondition to the successful execution of other programs designed to aid in the city's recovery. Finally, we reiterate that the general selection of topics covered in this report and the specific recommendations presented are based on the situation in which the NOPD found itself at the end of 2006. While the issues addressed here are generally relevant for many police departments, the specific recommendations have been tailored to meet the unique circumstances of the NOPD.

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