

Department of Alcoholic Beverage Control

Report Pursuant to 2014-15 Budget

This report has been prepared by the Department of Alcoholic Beverage Control in compliance with provisions contained in the Supplemental Report of the 2014-15 Budget Package, Item 2100-001-3036.

These provisions state:

No later than January 2015, the Department shall report on the following issues to the appropriate budget subcommittees:

- (a) What is the vacancy rate of the Department? Of the newly authorized positions, how many have been filled?
- (b) When does the Department expect to be at full capacity?
- (c) How does the Department work with the Department of Human Resources to address the issues of recruitment and retention?
- (d) What challenges is the Department facing to keep existing officers and recruit new ones?
- (e) Have there been any changes to the descriptions that the Department uses to advertise its positions?

(a) What is the vacancy rate of the Department? Of the newly authorized positions, how many have been filled?

The Department has 439.9 authorized positions. 145 of these positions are sworn rank-and-file agents. As of December 31, 2014, the Department's overall vacancy rate was 10.7%, and the sworn agent vacancy rate was 27.8% (or 40 positions).

The FY 2014/15 budget authorized 12 new sworn peace officer positions, two limited term positions to support enforcement of specific trade enforcement legislation and 10 permanent positions. Since July 1, 2014, ABC has filled 15 Agent positions, seven of which were newly authorized.

The chart below provides information regarding the number of Agent vacancies and the Agent vacancy rate percentage experienced by ABC at the close of each fiscal year (FY) since FY 2004/05:

ABC AGENT VACANCY RATE

Fiscal Year	Authorized Agent Positions	# Vacant	% Vacant
04/05	165	24	15%
05/06	153	29	19%
06/07	146	32	22%
07/08	143	29	20%
08/09	141	26	18%
09/10	142	35	25%
10/11	142	46	32%
11/12	132	39	30%
12/13	132	24	18%
13/14	133	20	15%
14/15	145	40	28%

FY 14/15 Data as of December 24, 2014

(b) When does the Department expect to be at full capacity?

It is rare for any department to have 100 percent of its vacancies filled. As a practical matter, normal attrition due to job changes and retirements, and the time required to fill vacant positions, makes it very difficult to achieve "full capacity". There are multiple variables that contribute to a candidate's or existing employee's decision to accept or continue employment with the Department. These may include: working conditions; costs associated with relocating; residing in high cost of living areas; and, salary and retirement benefits. The Department has made changes to increase the efficiency of the testing, selection, and background investigation processes, and is poised to fill its current and future vacancies as quickly as possible.

Between July 1, 2014 and January 29, 2015, the Department hired 15 Agents. During this period, ABC selected an additional 31 applicants and extended conditional offers of employment (COE) contingent on their passage of psychological and medical examinations by the Department of Human Resources (CalHR). ABC has an additional 58 candidates in the background investigation process to fill the remaining vacant agent positions.

(c) How has the Department worked with the Department of Human Resources to address the issues of recruitment and retention?

Establishment of New Minimum Qualifications

The Department worked closely with CalHR to revise the sworn agent minimum qualifications to expand the candidate pool and to improve recruitment and retention. One of the changes made allowed any four-year college degree to

count for the educational requirements (not just Criminal Justice degrees) or two years of experience as a peace officer. Another change included broadening the agent trainee classification to allow applications from candidates with a high school diploma (or equivalent) combined with one of the following: (a) Completion of a POST basic course; or, (b) Two years of qualifying experience in the United States Armed Services.

New ABC Agent Classifications and Exams

Prior to 2012, ABC agents were part of the Statewide Investigator classification. This classification did not account for many of the unique aspects of ABC investigations, such as undercover operations, often in dangerous environments, and the late-night, weekend and holiday shifts that are a necessary requirement of the job. To address these issues, CalHR approved the Department's proposal to create the ABC Agent classification in April 2012, thus discontinuing ABC's inclusion in the Statewide Investigator classification series.

In January 2014, CalHR completed the new on-line agent exam and the initial testing period was concluded in early May 2014. The results of the agent exam did not meet the Department's expectations and did not produce the wide pool of candidates desired. This prompted an evaluation of the exam itself, and it was found that the on-line exam utilized was targeting experienced law enforcement officers, thus reducing the pool of potential candidates. The on-line exam was immediately discontinued and the Department continued working with CalHR to develop a new agent exam. The decision was made to discontinue the on-line exam and adopt a written exam format. This should help the Department increase the qualified candidate pool.

The revised written exam was completed in November 2014. In December 2014, exam bulletins were released and the Department is currently advertising and accepting applications, with testing dates scheduled for March 14 and 15 and April 25 and 26, 2015. The Department will continue to evaluate the written exam to insure it meets the objective of identifying the largest possible pool of qualified candidates.

Streamline Selection Processes

In addition, the Department relies upon CalHR's experience and expertise during the medical and psychological screening of agent candidates. Since ABC Agents are designated peace officers under Section 830.2 of the California Penal Code, and pursuant to Government Code Sections 1031(d) and 1031(f), each candidate must undergo a background investigation, which includes a medical examination and psychological screening prior to employment. Both of these screenings are done by CalHR for ABC.

The Department understands that reducing the vacancy rate for our sworn officers is a two-fold effort that consists of continuous recruitment and development of better retention strategies. The Department is working with CalHR to improve both recruitment and retention for agents.

(d) What challenges is the Department facing to keep existing officers and recruit new ones?

The differences in peace officer authority, working conditions and personal risk that exist between the ABC Agent classification series and the Statewide Investigator classification series, each receiving the same compensation, are significant factors in retaining sworn personnel.

ABC Agents have full peace officer authority while sworn personnel from departments utilizing the Statewide Investigator classification have only limited peace officer authority to investigate a narrow band of specific crimes. This difference in peace officer authority is substantial. It sets ABC Agents apart from all other State Investigators by authorizing them to enforce any and all provisions of law, anywhere in the State, while specifically focusing on those laws that are violated in and around venues where alcohol is sold and consumed. ABC Agents routinely conduct a wide variety of investigations; make spontaneous on-view arrests for dangerous illegal activities involving alcohol, narcotics, gang activity, organized crime, illegal weapons, fights, disorderly activity, gambling and prostitution; and serve arrest and search warrants throughout the State. The majority of crimes that ABC is responsible to respond to and investigate occur during evening and late night hours, and it is not uncommon for officers to be assaulted during routine enforcement operations.

Employee exit interviews conducted with ABC Agents leaving the Department indicate that a majority are choosing other employment options for a variety of reasons, including such things as compensation and the nature of ABC's work. These exit interviews reflect 56% of agents leaving ABC are going to other state agencies that can offer either increased pay, or equal pay combined with better working conditions.

This situation is also reflected in the hiring process. Over the last five years, the Department extended 36 conditional offers of employment to candidates who elected not to work for the Department and instead accepted employment offers from other state agencies in part for the same reasons.

The chart below provides the information about the Department's hiring and retention data since FY 2004/05.

ABC HIRING AND RETENTION DATA

Fiscal Year	№ Appointed / Hired	№ Separated to DOJ	№ Separated to Corrections	№ Separated to Insurance	№ Separated to Consumer Affairs	№ Separated to DMV	№ Separated to Health Services	№ Separated to Lottery	№ Separated to Local Law Enforcement	№ Separated to Retirement	№ Separated to Rejection / Discipline / Demotion	№ Separated from State Service	Total № Separated
FY 04/05	10	1	0	1	0	2	1	1	1	8	0	3	18
FY 05/06	11	4	1	1	1	0	1	0	0	7	0	5	20
FY 06/07	26	5	3	5	5	1	0	0	0	2	6	5	32
FY 07/08	33	6	1	4	0	0	0	0	0	5	2	0	18
FY 08/09	15	2	0	1	0	0	0	0	1	11	0	2	17
FY 09/10	5	0	0	0	0	1	0	0	0	4	0	1	6
FY 10/11	8	1	0	2	1	2	0	0	0	1	0	0	7
FY 11/12	19	0	0	0	1	0	0	0	0	3	0	0	4
FY 12/13	15	0	0	0	1	0	0	0	0	2	1	2	6
FY 13/14	8	6	1	0	0	0	0	0	1	0	1	3	12
FY 14/15	15	6	2	0	0	0	0	0	1	1	0	0	10
Total	165	31	8	14	9	6	2	1	4	44	10	21	150

FY 14/15 Data as of January 29, 2015.

Agent Turnover Increases Workload

New agents receive continuous on-the-job training, evaluation and development by more tenured agents until they are able to work independently. Forty percent of ABC's Agents have less than five years tenure with the Department. Agent turnover takes a toll on our existing sworn staff who are training new officers. This impacts the time agents can dedicate to resolving the more complex ABC issues in their communities.

(e) Has there been any changes to the descriptions that the Department uses to advertise its positions?

The new ABC Agent classification, created in 2012, substantively changed the minimum qualifications from those of the existing Statewide Investigator classifications. The changes have allowed ABC to reach a larger and more diverse potential candidate pool than previously realized using the existing Statewide Investigator classifications.

The following chart provides further comparison of the minimum qualifications of Statewide Investigator series and the ABC Agent series:

Minimum Qualification Comparisons

Existing Statewide Investigator Assistant	New ABC Agent Trainee	Existing Statewide Investigator	New ABC Agent
Equivalent to 2 years of college with a major in Criminal Justice, Law Enforcement, Criminology or Police Science	Equivalent to 2 years of college with a major in Criminal Justice, Law Enforcement, Criminology or Police Science	Equivalent to Graduation from 4 year college with a major in Criminal Justice, Law Enforcement, Criminology or Police Science	Equivalent to Graduation from 4 year college with <u>any major</u>
	Or	Or	Or
	Equivalent of Completion of high School	Equivalent to 2 years of college with a major in Criminal Justice, Law Enforcement, Criminology or Police Science	One year experience as an ABC Agent Trainee
	And	And	Or
	2 Years Honorably Serving in the U. S Armed Services	2 Years Experience as a Peace Officer under 830 et. Penal Code	2 Years Experience as a Peace Officer under 830 et. Penal Code
	Or	Or	
	Graduation from POST Basic Academy	Equivalent to 2 years of college with a major in Criminal Justice, Law Enforcement, Criminology or Police Science	
		And	
	1 Year State Civil Service as an Investigator Assistant		

The Department now accepts applications on a continuous basis for both our Agent and Agent Trainee examinations and advertises these examinations and vacant positions on University of California and California State University campuses, Community and Junior College campuses, California Army and Air National Guard installations the Work for Warriors website, Facebook, and Twitter. ABC also continuously advertises through the California Peace Officers Association (CPOA) and California Commission on POST websites, and other state-sponsored webpages.