

**University Police Compensation Plan**  
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*Abstract:*

*Effective December 2005, in partnership with the University Police, Human Resources & Payroll (Classification & Compensation Team and the Payroll Office) enacted a new compensation plan for law enforcement employees. The plan was designed to provide promotion potential and salary increases that are similar to other local police department plans at a cost to the University of \$60,000 per year (not including 40% fringe costs). The goal was to be both more competitive and reduce a 26% turnover rate. The results are impressive. In Fiscal Year 2007, almost no turnover occurred. The benefits to Mason include increased retention of experienced law enforcement officers and campus security as well as reduced recruitment and training expenses and overtime costs.*

### Introduction:

Recognized internationally for its innovation, diversity, and entrepreneurial spirit, George Mason University offers 159 degree programs, some 5000 enterprising faculty and staff, and a student body numbering nearly 30,000 in a distributed university model over multiple campuses/locations including Arlington, Fairfax, Prince William and Loudoun counties in northern Virginia and Ras Al Khaimah in the United Arab Emirates. With its primary location in northern Virginia, only minutes from the nation's capital, Mason provides unparalleled opportunities in research, internships, and work experience through strong alliances with area businesses, government, and the community. Mason draws upon its diversity to harness a creative energy and drive to be the best it can be. Defining community in as broad a term as possible, Mason weaves itself into the educational, cultural, and business community fabric around the region and around the world.

### Statement of Initiative:

The challenge for HR & Payroll and the University Police Department was to address a turnover issue that existed within the University Police. In 2002, the turnover rate within the Police Department was 26%. Each year, Mason was losing 6-12 officers with less than 5 years of service. The turnover cost for each officer was estimated at \$30,296. This figure includes the salary cost that is paid to new officers while in the police academy (6 months) and during follow up training (3 months) during which they cannot assume solo responsibility as an officer. Additional costs such as a weapon, radio, medical and psychological exams, as well as the costs associated with their field training officer are also included in the total.

What is not included, but is also a cost of turnover, is overtime incurred to cover vacant shifts, leave payouts for departing officers and recruitment and selection process costs. Any way that HR & Payroll and the Police looked at it, turnover in the Police Department was costly. But not just in dollars. It is also costly to have experienced officers leaving the university to be replaced by new, less experienced officers. This cost is hard to calculate but anecdotally it refers to the unique culture at a university, the diversity one encounters in dealing with students, parents, faculty and staff and those customer service skills and judgment abilities that are intrinsically important to police officers in carrying out their significant responsibilities.

The Commonwealth had moved from a grade and step pay rate system to a broad band pay system in September 2000. The new system allowed salaries to be anywhere within the band. While the bottom of the pay band was being increased regularly, there were not funds available to adjust the rest of the pay band accordingly and the Police Department was experiencing salary compression. This compression was causing morale issues among the more senior officers.

Turnover costs, an experience drain, and morale issues were creating a perfect storm and our officers were leaving Mason far too quickly. Hence, it was very important for the university to address this situation and develop a creative solution.

#### Design:

The first step in designing a solution to the turnover challenge within the Police Department was to conduct a market study of Northern Virginia police agencies to include average salaries for each rank and salary increase percentages for the upcoming fiscal year. An analysis was undertaken in the summer of 2005. While Mason salaries were competitive with

some, there were a number of jurisdictions where a trained Mason police officer could increase his or her salary substantially by moving on.

The comp team reached out to Police Department management and created a working group which included both command staff and individual officers to discuss possible solutions to the turnover challenge. A number of options were developed including referral bonuses, a pay-back schedule for academy costs if an officer left before completing four years of service at Mason, and devising a pay scale based on steps. After careful deliberation, the group felt that the stepped pay scale would be most effective in improving retention and alleviating salary compression. We were, in some ways, going back to the original Commonwealth grade and step system. But, in more ways, we were moving forward, adapting the compensation format to reflect current market conditions and the culture of the department. This tailored response is unique in the higher education system in Virginia.

The group then worked out a list of pros and cons. The two most pressing “cons” were the start up cost and the possibility that the Police Department staff might view the step pay scale as an entitlement. But these concerns were far outweighed by some important “pros.” The unique culture of the department would lend itself to the predictability of a step pay scale which would be designed to have an appropriate curve in salary to correlate with years of service. It would ensure consistency and it would be viewed by current officers as a fair and balanced decision. Administratively, it would be easy to implement and maintain. For example, any state increases to salary would be implemented universally and the scale moved accordingly.

Of course the major cost to implementing the plan involved the salary adjustment that would be necessary in order to place all police department staff on the step pay scale. The cost

to implement the new initiative was \$60,000 per year (not including fringe). There were no capital, equipment or other staff costs.

Implementation:

In order to implement the new step pay scale most effectively, the comp team collaborated with the Payroll Department to move the Police from a semi-monthly pay period to a bi-weekly one. This was done because the human resource information system (HRIS) used by the university which included the payroll processing system was not able to effectively and accurately handle overtime payments on a semi-monthly basis without significant manual intervention to ensure accuracy. Since the new step pay scale would be a change for the Police Department, it provided a unique opportunity to adjust the pay periods at the same time thereby rolling into one process an upgrade in two areas – compensation and overtime accuracy and timeliness. It was also felt that the adjustment of moving from 24 pay periods to 26 pay periods – and the accompanying decrease in individual paychecks -- would be ameliorated by the increase in salary.

The next step was for police management to inform the department of the move to the step pay scale and the bi-weekly pay periods. The command staff presented the new initiative and it was well received by the department. The Payroll Department prepared a sample pay stub to show individual members of the Police Department how their paychecks would be calculated. This step ensured that all Police Department staff would receive information specifically tailored to them.

The implementation phase was effective on December 25, 2005. Law enforcement personnel were assigned a grade based on their rank and longevity on that date. The data was then uploaded into the system and the step pay scale was put into effect.

Benefits:

The benefits to the new step pay scale have been substantial. In the first 18 months after implementation, turnover decreased significantly – two officers retired and a third left to pursue police enforcement opportunities that are not available at Mason. And turnover has remained very, very low since then. The Police Department staff morale has improved, there is less overtime incurred because there are very few vacancies, and we fully anticipate that the university will retain our experienced and talented Police staff.

Cost Savings:

*Annual cost of turnover per officer:* \$30,296 (includes salary for 9 months, equipment, physical and psychological exams, and field training officer costs)

x 6 officers per year = \$181,776

x 12 officers per year = \$363,552

*Annual cost of police compensation plan:* \$60,000 plus 40% fringe or \$24,000 = \$84,000

*Savings:*

Low range, 6 officers per year = \$97,776

High range, 12 officers per year = \$279,552

Savings do not include overtime paid to cover vacancies, leave payouts for departing officers and recruitment and selection process costs.

Retrospect:

This initiative was one of those textbook cases – it worked out exactly as planned!