

**RENOVATION AND MODERNIZATION
PRIVATIZING NON-ESSENTIAL LAW
ENFORCEMENT SERVICES**

by

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The Command College Futures Study Project is a FUTURES study of a particular emerging issue of relevance to law enforcement. Its purpose is NOT to predict the future; rather, to project a variety of possible scenarios useful for strategic planning in anticipation of the emerging landscape facing policing organizations.

This journal article was created using the futures forecasting process of Command College and its outcomes. Defining the future differs from analyzing the past, because it has not yet happened. In this article, methodologies have been used to discern useful alternatives to enhance the success of planners and leaders in their response to a range of possible future environments.

Managing the future means influencing it—creating, constraining and adapting to emerging trends and events in a way that optimizes the opportunities and minimizes the threats of relevance to the profession.

The views and conclusions expressed in the Command College Futures Project and journal article are those of the author, and are not necessarily those of the CA Commission on Peace Officer Standards and Training (POST).

RENOVATION AND MODERNIZATION
PRIVATIZATING NON-ESSENTIAL LAW ENFORCEMENT SERVICES

The experience in Kern County, CA is hardly unique in policing in 2010. For the preceding three years, the County's general fund has been unable to sustain the exponential increases in salaries, health benefits, retirement costs, and general inflation. For example, each budget year during this period has begun with a 45 to 55 million dollar deficit in revenues to the County to construct the next year's budget. These shortfalls were absorbed in varying degrees by all County departments. Since the Sheriff's Office is the biggest user of general fund dollars, it absorbs the largest percentage of the deficit in its operating budget each year. The net result has been the layoff of county employees.

The Sheriff's Office suffered 28% of the county's total lay offs in FY09-10. These cuts translated into the loss of 37 detentions deputies and 13 civilian support staff, along with the reassignment of other personnel into vacated positions. This staff reduction had a considerable effect upon the operations of the entire organization. The overall impact of this reduction was a fifty percent decrease in crime scene investigators to process evidence, fewer deputies to respond to calls; no official means to handle phone reports and added work for all employees. The community noticed.

Once reductions had been made, a recurring complaint from the community was significant delays in response time for non-emergency calls for service and follow up investigations. A successfully operating Phone Reporting Unit had been disbanded, resulting in long delays for persons to report a crime. All crime prevention and community service programs were also discontinued, resulting in the cancellation of longstanding participation in 18 community collaboratives to address neighborhood

concerns and problems. Once-thriving Neighborhood Watch programs have also fallen into decline. Additionally, events such as National Night Out, anti-drug campaigns and gang prevention programs no longer occur in Kern's communities. The most significant public concern was the reassignment of 66 patrol deputies to the detentions facilities to fill critical staff assignments. This resulted in delays in response times, a larger backlog of pending calls for service, fewer detectives to investigate cases and a reduction of staff working in support assignments.

Unfortunately, Kern County's experience has not been isolated. For the past two years, similar circumstances have been occurring in most every other county and municipal law enforcement agency across the Golden State. Police leaders are looking for new ways to deliver public safety services. Some have consolidated or regionalized programs and services, while others have just cut personnel and community contact. Others have sought to privatize or outsource functions previously performed by sworn or support personnel.

On the pages that will follow, you will hear about failed attempts to privatize law enforcement services, and the reasons why they were unsuccessful. You will learn about successful partnerships, and why they worked well. Finally, you'll learn the lessons of the agencies that have succeeded, and how you can do the same.

Going Above and Beyond the Call of Duty

Every law enforcement agency performs a myriad of non-critical duties such as human resources management, dispatch, fleet management, public information, crime prevention, school resource officers, technology services and planning and research. Each of these functions requires expensive resources and personnel. When each was

added to our agencies, did we consider if they could be handled more efficiently by a private entity? The most common answer might be...no. In reality, most counties funded the growth and new programs without anticipating or making allowances for a sudden economic decline or recession.

Due to the collapse of the California economy, and the long-term dismal financial outlook for public funding, renovating and redefining essential and non-essential police work is necessary. This problem is not specific to California, in fact, it transcends state borders. Stateline.org notes that “States are rethinking how to deliver services in cheaper, more creative ways” (2010). In addition, most state and local leaders are asking themselves two questions: what are the essential services we must deliver? And, what is the most effective and efficient way to deliver these services with the money available (Stateline.org)? There is no doubt; the current recession has forced local governments to reconsider the priority of their services, along with the potential outsourcing of redundant or non-essential services.

“Even as the economy slowly heals, history shows that the worst budget crunch for states comes in the year or two after a recession ends and that a full recovery can take years” (Stateline.org). So, while we await an economic recovery, the opportunity has arrived for police leaders to redefine the way they deliver services. “If organizations are to evolve successfully into the future, they need to be seeding the next generation of products, services, or business models today” (Bishop and Hines 2006, 50). Currently, law enforcement is faced with an onslaught of demands with limited resources; perhaps outsourcing or privatization of non-essential services is the answer.

How do we refine the delivery of public safety services?

Privatization is the practice of delegating public duties to private firms. It is advocated as a means of shrinking the size of government, reducing deficits, and increasing efficiencies in public services (Answers.com US History Encyclopedia). In broader terms, privatization refers to the shifting of any government function to the private sector, such as the collection of citation fines and fees. So, why not outsource other non-essential law enforcement services?

There are variations of outsourcing to reduce costs and improve efficiencies. For instance, contracts with private providers can be negotiated to handle a specific duty requiring expensive and ongoing training, such as polygraph examinations. Generally, this expertise is not needed on a regular basis; therefore it is a good option for outsourcing. Other duties performed on a more constant basis are background investigations, parking enforcement, vacation patrol checks and burglar alarm responses. These duties could also be performed by someone other than a highly trained and compensated peace officer.

There are also vitally important functions occurring on a daily basis which require specialized skills or knowledge that exist in the private sector. For example, why do we have law enforcement officers with minimal or no experience overseeing financial offices where millions of dollars are accounted, accrued and disbursed? Although this function is a critical component of any law enforcement agency, it may not be the most efficient utilization of sworn personnel. According to Chief Al Youngs of the Lakewood, Colorado, Police Department, agencies should consider any relatively low-skilled or specialized high-skill services as a candidate for transfer to the private sector. Youngs

writes “Just as corporations outsource many services to enable them to concentrate on core competencies, the use of private firms by law enforcement agencies frees them to concentrate their efforts on duties that only trained police officers can, and should do” (Youngs 2004, 2). One place to look for ways we might consider privatizing is the private sector itself.

Managers in the private sector outsource a variety of functions in many large companies. “According to a Hewitt Associates study of nearly 100 large U.S. companies representing 2 million employees, 91 percent of the companies have taken steps in the past year to standardize HR processes in an effort to prepare for outsourcing implementation” (Ketter 2007,1). These companies have realized the need to standardize HR processes and policies as the initial step in their HR transformation. According to Mark Oshima, director of Human Resource Office strategy at Hewitt Associates “This is often a precursor to outsourcing, since outsourcing enables both HR and line management to focus on issues vital to the business’s strategic initiatives, instead of being burdened with HR administration” (Ketter 2007, 2). This private sector model for outsourcing may be a good framework for law enforcement to emulate.

Success and failures in outsourcing

There are good arguments to justify privatization of at least some policing functions. One is the lesson of police history. Private police services are not a new phenomenon. “Until the middle of the 19th century most of Britain’s policing was provided by groups known as Associations for the Prosecution of Felons. These groups provided law enforcement, crime prevention, and insurance services to their members”

(Elliot 1991, 1). Today, there are already a number of agencies who have transitioned to the private delivery of services formerly provided by members of staff.

Local police in Amarillo, Texas have contracted with private security to respond to alarm calls (Elliott 1991, 1). In the 1990's, in an effort to reduce costs, the City of Fresno CA contracted with 21 private security firms to provide security at shopping centers, concerts, apartment complexes and sporting events. These private firms provided their services to the city for \$10 per hour, compared to the cost of \$59 per hour if the police were to do the job (Elliott 1991, 2). According to Deputy Chief Keith Foster of the Fresno Police Department, this public-private partnership was very successful and cost effective. In 2004, though, the Department discontinued their use of private security firms by increasing their reserve police officer staff, and then deploying those (unpaid) officers to these assignments. Others, however, continue to use private agencies to perform functions related to public safety.

A leading agency in the privatization of police services is the Lakewood Police Department in Colorado. In her book, *Introduction to Private Security, 5th Ed.*, Karen Hess highlights this department's success. Lakewood Police has contracted with private security firms for more than 10 years. Private security officers are used to guard prisoners and crime scenes. This department pays a security guard an hourly rate as opposed to calling in a police officer in on overtime or pulling someone from patrol duty. The cost of a security officer is approximately twenty-two percent less than paying a Lakewood Police Officer to perform the same duties. In addition, to this partnership making good business sense, this agency believes it has also strengthened lines of

communication and trust between the police and the private security personnel (Hess 2009, 88).

Not all ventures with private firms have improved efficiencies and the usual cost reductions associated with them. Former Chief Prosecutor D. O'Leary of Sussex Borough, New Jersey, described a failed effort to privatize police services. In 1992, following a drug scandal in the borough's police department, the agency was taken over by the Sussex County Prosecutor's Office. Soon thereafter, political leaders of the borough decided the police department was an expense they could no longer afford. Ultimately, Sussex Borough leaders decided to rely on the New Jersey State Police for their law enforcement needs (O'Leary 1994, 22).

The State Police had limited resources and were unable to provide timely responses to calls for service. The mayor and council were peppered with complaints from their community who demanded additional police protection. "The council's response to this demand was to hire a private security company to provide a more constant uniformed presence within the borough" (O'Leary 1994, 22). Within a brief period, the County Prosecutor's Office began receiving reports of citizens being stopped, summonses being issued and persons being detained and arrested. Several incidents were mishandled by the private firm leading to an injunction that effectively ended the privatization of police services in Sussex Borough (O'Leary 1994, 22).

O'Leary described the Sussex experiment as ill-planned (O'Leary 1994, 26). The primary problems with the partnership had to do with the poorly trained security guards whose actions resulted in civil rights violations. A number of the security guards had criminal backgrounds. Furthermore, there were no safeguards in place in terms of

accountability and qualifications (O'Leary 1994, 23). Using the positive and adverse outcomes of these, and similar, efforts, one can deduce means by which to enhance success in their own privatization effort.

Framework for outsourcing police services

In most instances, privatization of non-essential services can be a successful endeavor when a well thought out plan is implemented. Some agencies have done it very well, others have done it poorly. In March 1997, the United States General Accounting Office (GAO) conducted an extensive study on privatization endeavors by: Georgia, Massachusetts, Michigan, New York, Virginia and Indianapolis, Indiana. These governments were studied because they were successful in their privatization partnerships. The following guidelines were an important part of their privatization successes:

- Have a political champion- political leaders can help build support or introduce privatization initiatives. This would be important for any agency needing to change an ordinance or state law to permit a duty that is currently mandated to be outsourced. Engage labor organizations- While forceful leadership was reported to be an important ingredient in the success of privatization, these agencies also recognized a need for flexibility, especially when working with the labor associations, who might see privatization as an attack on their tenure (GAO 1997, 9).
- Provide cost data- Another key step is having reliable and complete cost data on the services slated for outsourcing. Having this information ensures a sound competitive process and helps with assessing overall performance. Reliable and

complete data simplifies privatization decisions and makes these decisions easier to implement and justify to potential critics (GAO 1997, 12).

- Evaluate outcomes- Another critical component in achieving success is the monitoring and oversight to evaluate compliance with the contract terms and to evaluate the firm's performance in service delivery. This is necessary to help ensure the agency's interests are protected and to maintain accountability for both parties (GAO 1997, 16).
- Use time to your advantage- Finally, to improve your chances for success it will be important to give yourself enough lead time to research all aspects of your privatization plan before the transition occurs.

So where do we go from here?

The status quo for the delivery of law enforcement services, particularly non-essential duties, should be scrutinized for opportunities to reduce the outlay of scarce municipal government funding. Privatization is one option to help balance and manage our budgets in the emerging future. A periodic formal review of department operations should be continued even after the current recession has passed. Police leaders have a responsibility to their communities to be frugal shepherds of their tax dollars. Without ongoing internal reviews, agencies have historically expanded beyond the parameters of their normal and mandated law enforcement responsibilities.

Apart from the financial savings, an agency will likely realize the opportunity to enhance police services through privatization. A shifting of non-essential duties to private providers will free up law enforcement officers to perform the customary and

mandated duties expected of them. Private sector innovation can bring opportunities for greater efficiency, quality and integrity to the law enforcement profession along with cost savings (Chapman 2008, 5). Twenty-first century law enforcement leadership should be willing to evaluate their own agencies to identify opportunities to implement public-private partnerships and create their own models for success.

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