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Title: AN ORDINANCE relating to establishing a pilot program to retain accountable business transformation program staff necessary for program completion.

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Attachments: 1. Ordinance 17170.pdf, 2. 2011-0341 transmittal letter.doc, 3. 2011-0341 ABT Retention Pay Pilot - Fiscal Note Final.xls, 4. Staff Report Proposed Ordinance 2011-0341 ABT Retention Pay.doc

Date	Ver.	Action By	Action	Result
8/22/2011	1	Metropolitan King County Council	Hearing Held	
8/22/2011	1	Metropolitan King County Council	Passed	Pass
8/16/2011	1	Government Accountability and Oversight Committee	Recommended Do Pass Consent	Pass
8/15/2011	1	Metropolitan King County Council	Introduced and Referred	

Clerk 07/21/2011

AN ORDINANCE relating to establishing a pilot program to retain accountable business transformation program staff necessary for program completion.

STATEMENT OF FACTS:

1. The accountable business transformation ("ABT") program is currently within its program budget and on track to deploy the financial, payroll/time and labor, and budget projects in early 2012.
2. As noted in the ABT program annual report for 2011 recently transmitted to council, which is 2011-RPT0126, ABT is primarily staffed with term-limited temporary employees whose assignments and thus employment are scheduled to end March 31, 2012, coinciding with the end of the ninety-day stabilization period for Oracle Financials and PeopleSoft payroll time and

labor. The ABT program manager and human resources division director have collaborated on methods to retain critical staff on the program, knowing that the program cannot afford to lose these staff and stay on track for ABT implementation in early January 2012. The county's current employment tools are limited and the ABT program has maximized their use, with the risks of losing staff increase as the Program's Go Live date approaches.

3. The Federal Workforce Flexibility Act of 2004, Public Law 108-411, October 30, 2004, allows federal agencies to pay recruitment, relocation and retention incentives to employees in occupations critical to agency missions, including health care, engineering, security and information technology. Beginning in 2006, the United States Office of Personnel Management has reported to Congress on federal agencies' use of incentives payments, and noted that agencies consistently reported using the retention pay incentive to accomplish strategic human resources goals and found it to be cost-effective in retaining key staff. Rules set forth implementing 5 U.S.C. 5754 authorizes payment of retention incentives to a current employee when an agency determines that the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services makes it essential to retain the employee and that the employee would be likely to leave in the absence of an incentive. As reported in the United States Office of Personnel Management's report issued in January 2010, overall, forty-seven Federal agencies paid thirty-nine thousand five hundred twelve recruitment, relocation and retention incentives worth more than \$284 million, with an average incentive payment of \$7,209 during calendar year 2008. This was comprised of: eleven thousand three hundred ninety-six recruitment incentives totaling over \$85.9 million, which is an average payment of \$7,543; three thousand three hundred seven relocation incentives totaling more than \$42.9 million, which is an average payment of \$13,000; twenty-four thousand eight hundred eight retention incentives, who are likely to leave the Federal service, totaling over \$155.8 million, which is an average

payment of \$6,284; and one retention incentive paid to an employee likely to leave for a different federal position, worth \$1,602.

4. Private sector companies also employ similar pay systems to provide continuity and completion of critical activities without disruption.

5. As authorized by RCW chapter 41.06, Washington state's Department of Personnel established a retention incentive program; rules setting forth the program's components are in WAC chapter 357-28. The state's program allows for either step increases within an established salary range or for pay premiums of up to fifteen percent of an employee's base salary, or both, payable incrementally or in a lump sum payment. Use of the lump sum or incremental pay premium program requires establishment of written conditions for the payment, including specified period of continued employment.

6. The city of Seattle additionally has a retention pay system whereby employees are eligible for in-range increases.

7. Authorizing in-range step increases and retention premium payments would, like the models used by the federal, state and other local governments as well as in the private sector, aid in ensuring timely implementation of the ABT financial, payroll/time and labor and budget projects by providing additional incentives for key, critical staff to remain employed with the county.

8. Use of such retention incentive payments for ABT program staff would allow for piloting of the program and to review whether such a program is a cost-effective method of addressing staff retention issues countywide.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. A. The executive is hereby authorized to create a pilot program that provides for up to three weeks of retention incentive pay to staff deemed critical to the success of the accountable business transformation program and who, in the absence of the retention pay, would be likely to leave county

employment. The pilot program shall require an express written condition that the retention incentive pay is payable at the conclusion of employment and in consideration for the staff members remaining employed with the accountable business transformation project through the date required by the accountable business transformation program manager.

B. The accountable business transformation program manager, with rules provided and administered by the human resources division, has the authority to grant in-range step increases notwithstanding any contrary provision in K.C.C. chapter 3.15, to ensure retention of key staff.

SECTION 2. The pilot program authorized by this ordinance expires May 1, 2012. The human resources division shall, by that date, transmit to the government accountability and oversight committee, or its successor, a report detailing the use of the retention incentive authority provided in this ordinance, a cost-benefit analysis of its use and a recommendation on whether the program should be made permanent.

SECTION 3. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.