



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

August 22, 2011

Ordinance 17170

Proposed No. 2011-0341.1

Sponsors Lambert

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

4 STATEMENT OF FACTS:

- 5 1. The accountable business transformation ("ABT") program is currently
6 within its program budget and on track to deploy the financial,
7 payroll/time and labor, and budget projects in early 2012.
- 8 2. As noted in the ABT program annual report for 2011 recently
9 transmitted to council, which is 2011-RPT0126, ABT is primarily staffed
10 with term-limited temporary employees whose assignments and thus
11 employment are scheduled to end March 31, 2012, coinciding with the end
12 of the ninety-day stabilization period for Oracle Financials and PeopleSoft
13 payroll time and labor. The ABT program manager and human resources
14 division director have collaborated on methods to retain critical staff on
15 the program, knowing that the program cannot afford to lose these staff
16 and stay on track for ABT implementation in early January 2012. The
17 county's current employment tools are limited and the ABT program has
18 maximized their use, with the risks of losing staff increase as the
19 Program's Go Live date approaches.

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

43 eight hundred eight retention incentives, who are likely to leave the
44 Federal service, totaling over \$155.8 million, which is an average payment
45 of \$6,284; and one retention incentive paid to an employee likely to leave
46 for a different federal position, worth \$1,602.

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

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

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

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

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

69 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

70 SECTION 1. A. The executive is hereby authorized to create a pilot program
71 that provides for up to three weeks of retention incentive pay to staff deemed critical to
72 the success of the accountable business transformation program and who, in the absence
73 of the retention pay, would be likely to leave county employment. The pilot program
74 shall require an express written condition that the retention incentive pay is payable at the
75 conclusion of employment and in consideration for the staff members remaining
76 employed with the accountable business transformation project through the date required
77 by the accountable business transformation program manager.

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

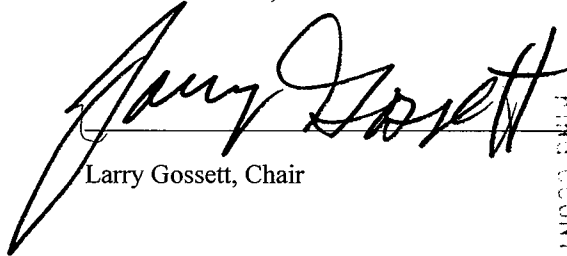
82 SECTION 2. The pilot program authorized by this ordinance expires May 1,
83 2012. The human resources division shall, by that date, transmit to the government
84 accountability and oversight committee, or its successor, a report detailing the use of the
85 retention incentive authority provided in this ordinance, a cost-benefit analysis of its use
86 and a recommendation on whether the program should be made permanent.

87 **SECTION 3. Severability.** If any provision of this ordinance or its application to
88 any person or circumstance is held invalid, the remainder of the ordinance or the
89 application of the provision to other persons or circumstances is not affected.
90

Ordinance 17170 was introduced on 8/15/2011 and passed by the Metropolitan King
County Council on 8/22/2011, by the following vote:

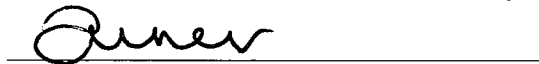
Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr.
McDermott
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Gossett, Chair


ATTEST:



Anne Noris, Clerk of the Council

RECEIVED
2011 AUG 26 PM 3:10
CLERK
KING COUNTY COUNCIL

APPROVED this 26 day of August, 2011.



Dow Constantine, County Executive

Attachments: None