



County of San Mateo

Inter-Departmental Correspondence

Department: HUMAN RESOURCES

File #: 22-159

Board Meeting Date: 3/8/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Rocio Kiryczun, Human Resources Director

Subject: Resolutions Increasing Recruitment and Retention Strategies

RECOMMENDATION:

Recommendation to:

- A) Accept recruitment and retention update; and
- B) Adopt a resolution authorizing a credit to new employees in designated hard-to-fill classifications up to 40 hours of vacation, 80 hours of sick leave, and advanced accrual of vacation under specified criteria; and
- C) Adopt a resolution authorizing an update to the Employee Referral Program, under which an award of \$1,000 would be paid to County employees who refer candidates for employment who are selected for hard-to-fill classifications; and
- D) Adopt a resolution authorizing a pilot program for a hiring bonus for Deputy Sheriffs, Sheriff's Correctional Officers and Nurse classifications.

BACKGROUND:

The County has developed a number of programs and services that have improved the County's ability to competitively recruit, hire and retain a high performing and diverse workforce. These include competitive salaries and excellent benefit programs, diversified outreach strategies, expedited hiring processes, health and wellness programs, flexible work schedules, telecommuting and others. These programs have enabled the County to attract many new employees and to encourage current employees to remain with the County.

While the County offers many robust, innovative, and highly effective programs, the County is currently conducting a recruitment and retention study to assess our current approach and identify opportunities to better attract and retain qualified employees, ensuring a diversity and equity lens.

The study, along with recommendations, is anticipated to be completed in June 2022. However, recognizing the need to address emerging recruitment and retention challenges for hard-to-fill positions, the Human Resources Department has been working with departments to introduce preliminary actions for your Board's consideration.

DISCUSSION:

Similar to other public agencies across the nation and locally, the County has seen an increase in recruitment and retention challenges. According to a recent survey, 52% of state and local government workers are considering changing jobs.* Employees are re-evaluating their jobs largely due to the effects of working during the pandemic. They are seeking better salary and benefits packages and greater flexibility.

A review of the County workforce data shows:

- **Vacancy Rate:** 13%, reflecting a slight increase from last year's 12%. Historically, the County's vacancy rate has been 10%.
- **Turnover Rate:** 11% annualized, reflecting an increase compared to last year's 7%. Before the pandemic, the turnover rate was about 9-10%.
- **Recruitments:** More recruitments are being conducted this fiscal year. The County had a hiring freeze April 2020 through June 2021 and departments have once again begun to recruit for their positions. However, despite the increasing number of recruitments, the County is receiving fewer job applications.
- **Hiring:** Increased number of new hires and internal promotions.

Positions with the highest turnover and vacancy rates include the hard-to-fill positions such as nurses and deputy sheriffs. These positions are difficult to recruit as there are fewer qualified candidates which makes them high in demand. The desire to begin a career in law enforcement has declined over the past several years. Additional challenges that we face is the high cost of housing in the area, commute times and limited flexibility in work/life balance due to the nature of the County's work, providing direct services for the community.

The County has many existing programs and new initiatives underway to expand recruitment and retention efforts. Some key initiatives include: growing the talent pipeline with new internship programs; implementing DEI initiatives that center on inclusive hiring; expanding partnerships; offering employees more learning and career development opportunities; coaching program for new managers and supervisors; wellbeing initiatives to support employees; offering resources for departments and employees on telework to support hybrid work environments; expanding candidate outreach and sourcing; conducting a recruitment and retention study; and developing a new employer brand.

To further enhance recruitment and retention of hard-to-fill positions, the Human Resources Department is recommending three preliminary strategies that will assist in the recruitment of the County's hard-to-fill positions: increasing the advance sick leave accruals, increasing the incentive amount for referring candidates to the hard-to-fill positions and piloting a hiring bonus for Deputy Sheriff, Sheriff's Correctional Officer and Nurse classifications.

Advance Accruals Upon Hire

The County has a program to attract experienced employees from other agencies, by offering an

advance accrual of sick leave and vacation hours for new hires who are hired into hard to fill positions. Experienced employees who leave other agencies to accept a job with the County find it difficult to accrue vacation time at the rate of a new, inexperienced employee and to have no vacation or sick leave to utilize if needed.

This incentive allows the County to offer to new employees in historically difficult to fill positions the following:

- up to 40 hours of vacation credit upon hire
- up to 48 hours of sick leave credit upon hire
- vacation accrual at higher levels based on experience in the field. The level of accrual would be determined based on the candidate's prior work history as it relates to prior relevant service in a public or private setting in the same job.

This program has been a great incentive to attract Deputy Sheriff Lateral applicants as well as hard to fill executive positions. Not all classifications on the hard-to-fill list are eligible for this incentive. The Director of Human Resources, upon written justification request from the hiring department head or their designee, shall have the authority to approve new hires to be eligible for these advanced leave accruals based on recruitment and retention data.

Adopting this resolution would keep the advance of 40 vacation hours and higher vacation accrual levels at the current levels but would increase the number of sick leave hours that an employee is credited at the time of hire from 48 sick leave hours to up to 80 sick leave hours. These additional sick leave hours would provide a greater safety net for employees who are being hired into these designated hard to fill positions.

Employee Referral Program

It has been historically difficult to recruit experienced employees in several County classifications. The County offers the Employee Referral Program where current County employees who refer successful candidates to positions which have been placed on the hard-to-fill list receive a referral bonus. This bonus is authorized for new hires and would not be paid to employees who refer current County employees for targeted recruitments (e.g., promotional or transfer opportunities). Upon selection, the referring employee would be issued a referral award of \$250, and upon the candidate's successful completion of probation, the referring employee would be issued an additional \$250, provided the referring employee is still employed by the County. No employees engaged in recruitment activities will be eligible for this award. Further, no employee within the scope of selection of the candidate will be eligible for this award. Department Heads and Division Directors, Assistant and Deputy Directors, extra-help, contractors, and elected officials are not eligible for this award.

The list of classifications designated as "hard-to-fill" recruitments will be established by the Human Resources Department based on the following recruitment criteria:

- Over a 10% vacancy rate for a sustained period.
- Length of time of the ongoing recruitment for the classification.
- Number of appointable candidates on the eligible list.
- The Director of Human Resources shall have the authority to designate additional classifications as "Hard to Fill" based on recruitment and retention data.

The Human Resources Director will establish and promulgate guidelines for administration of this program.

This employee referral bonus amount has remained unchanged in twenty years. We are requesting that the employee referral bonus be increased to \$1000, split into two \$500 payments as the program is currently set up.

Hiring Incentive Program

The Sheriff's Office and the Health System are interested in piloting offering a "Hiring Bonus" for new employees hired into their hard-to-fill positions as an additional recruitment tool. Offering a hiring bonus to new employees being hired into these hard to fill positions is becoming more common. Eight local jurisdictions including the City of San Mateo, Alameda County and Santa Cruz County have already been offering hiring bonuses for their Police Officer or Deputy Sheriff positions and Alameda County has also started offering a hiring bonus for their nurses. The hiring bonuses for these eight local jurisdictions range from \$3,000 to \$30,000, with most agencies offering between \$15,000 and \$30,000.

Adopting this recommendation would authorize a pilot program to provide this recruiting incentive to new employees in the following sworn positions in the Sheriff's Office for a period of a year as a recruitment tool: Deputy Sheriff Lateral, Deputy Sheriff Trainee, Deputy Sheriff Promotional and Correctional Officer. This pilot program would also apply to the following Nurse classifications: Staff Nurse, Community Mental Health Nurse, Public Health Nurse, Senior Public Health Nurse, Clinical Nurse, Charge Nurse, Nurse Practitioner and Supervising Nurse Practitioner. We are proposing that a pilot program be conducted for twelve months to determine its effectiveness. This pilot program will be monitored and evaluated to determine the impact on the recruitment of Deputy Sheriffs, Sheriff's Correctional Officers and Nurses.

The structure of the program is as follows as it ensures longevity of the new hire:

A. ELIGIBILITY: The hiring incentive program applies to the following:

1. First-time external new hires into regular positions.
2. Current staff promoted internally or from other County departments into regular positions.
 - a. Program will not be applied retroactively to persons who have already completed the examination process and/or currently in the hiring/promotional process prior to implementation.
 - b. Employees who are re-appointed into an applicable job class either by voluntary demotion/reinstatement or rehire/reinstatement are not eligible.
 - c. Employees who voluntarily demote into a non-qualifying job class after receiving a portion of the hiring incentive will no longer be eligible for the program and shall forfeit the remainder of any future amounts.
 - d. Final determination of those eligible to receive the hiring incentive shall be the responsibility of the Human Resources Director or designee.

B. INCENTIVE AMOUNTS: Eligible personnel must maintain satisfactory performance and meet all required training, probationary, and work requirements at each phase to qualify for this program. Failure to complete one of the below listed phases as described will forfeit all future monetary incentives for the remainder of the Hiring Incentive Program. The Hiring Incentive Amount will be prorated for part-time employees based on their full-time equivalent status.

The payment amounts and structure will be as follows:

1. DEPUTY SHERIFF (Lateral), DEPUTY SHERIFF (Promotional) AND ALL QUALIFYING

NURSE CLASSIFICATIONS: Shall receive a total of \$30,000

- a. **PHASE I:** \$10,000 disbursement upon starting employment with the agency.
- b. **PHASE II:** \$10,000 disbursement upon successful completion of the probationary period or after completing one year of service (2080 hours) (whichever is later).
- c. **PHASE III:** \$10,000 disbursement after three (3) years (6,240 hours) of continuous employment.

2. DEPUTY SHERIFF TRAINEE AND CORRECTIONAL OFFICER: Shall receive a total of \$15,000

- a. **PHASE I:** \$5,000 disbursement upon starting employment with the agency.
- b. **PHASE II:** \$5,000 disbursement upon successful completion of the probationary period or after completing one year of service (2080 hours) (whichever is later).
- c. **PHASE III:** \$5,000 disbursement after three (3) years (6,240 hours) of continuous employment.

County Counsel has reviewed and approved the resolutions as to form.

Financial Impact on County's Retirement System

Government Code sections 31515.5 and 23026 require the County to provide the estimated financial impact that proposed benefit changes or salary increases would have on the funding status of SamCERA's retirement fund, the County's retirement system. The County's actuary has determined the incentives provided for in these resolutions will not increase the unfunded liability because they will not increase pensionable compensation or compensation earnable.

FISCAL IMPACT:

The anticipated cost of these three incentives are: Employee Referral Program is estimated to be an increased cost of \$10,000 in the first year and the increase in sick leave accrual is estimated to be an increase of \$121,000. The hiring bonus is estimated to have cost of \$3 million for the duration of the pilot program. Costs will be absorbed by participating departments.

*MissionSquare Research Institute