



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 4/18/2023

To: Board of Supervisors of the County of Sonoma, Board of Directors of the Sonoma County Water Agency, Board of Commissioners of the Community Development Commission, and Board of Directors of the Sonoma County Agricultural Preservation and Open Space District

Department or Agency Name(s): Human Resources Department

Staff Name and Phone Number: Spencer Keywood, 707-565-3568

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

Hiring Incentive Pilot Program

Recommended Action:

Approve a Concurrent Resolution adopting a Hiring Incentive Pilot Program

Executive Summary:

The County of Sonoma, like other organizations locally and across the nation, is experiencing significant difficulty recruiting for several job classifications resulting in higher-than-normal position vacancy rates and/or small candidate pools that are negatively affecting services, operations, and staff. For example, Licensed Vocational Nurse II (53%), Staff Nurse II (52%), Behavioral Health Clinician (35%), and Senior Environmental Health Specialist (32%), which are reflective of the tight market for health professionals throughout the country.

The County has developed a pilot hiring incentive program in response to the challenging recruitment market for difficult-to-fill positions. The program has been rolled out in two phases, as work has been completed. The first phase, which was approved by the Board of Supervisors on December 13, 2022, was specific to positions in three job classifications in the Sheriff's Office (Communications Dispatcher, Correctional Deputy, and Deputy Sheriff). The second phase of the program, for which approval is being sought today, is applicable to County departments whose positions meet specific criteria. For both phases of the program, there is an initial hiring incentive bonus that an individual receives at time of hire, followed by two additional payment installments paid over a two or three-year period including retention requirements to preserve the payments. Incentive amounts range from \$10,000 to \$25,000 paid over three installments depending upon job classification.

Today, staff is recommending the adoption and implementation of this second phase of the Hiring Incentive Pilot Program to help alleviate operational issues that departments may face as a result of high vacancy rates.

Discussion:

Post COVID-19 pandemic, low unemployment rates, economic factors, and societal shifts have had significant impacts on the labor market across the country. Overall, the County vacancy rate has been higher than past years and some job classes have extremely high vacancy rates. With the broad, specialized, and wide variety of services and programs found within County government, the County employs a broad variety of professions.

Some professions are universal with private and public sector, but some are unique to government services. There are certain professions that have proven to be very difficult for the County to fill even with increased outreach efforts and generally competitive salary and benefit costs.

As of today's writing, the current average vacancy rate at the County is 11.4%, which is approximately 500 vacant positions. In past years, the County vacancy rate hovered around 9%. There was also a 12% turnover rate in FY 21/22, whereas in prior years it was approximately 9%. The County has increased recruitment outreach efforts and conducted 12% more recruitments but saw a 10% decline in applications during the FY 21/22. Some job classes have particularly high vacancy rates. For example, Licensed Vocational Nurse II (53%), Staff Nurse II (52%), Behavioral Health Clinician (35%), and Senior Environmental Health Specialist (32%), which are reflective of the tight market for health professionals throughout the country. These high vacancy rates are causing significant operational issues and service delivery challenges. Given these circumstances, staff believe a pilot hiring incentive program is warranted.

Hiring incentives are a common recruitment and retention aide that employers use when labor market conditions become highly competitive. In the late 1990's, the County temporarily used an incentive for a few job classes. Human Resources believes the current labor market conditions warrant the establishment of a modern incentive program.

Staff research has shown that hiring incentives are being used in law enforcement and other difficult-to-fill positions such as mental health and nursing. Alameda, Marin, Napa, and Santa Cruz Counties have implemented hiring incentive programs for non-law enforcement positions. Incentive amounts at these agencies are in the range of \$1,500 - \$30,000, with many having the incentive paid in multiple installments over a period of time, pre- and post-completion of the probationary period. Additionally, hiring incentives for nursing and mental health professions have been noted in hiring announcements for local employers.

A summary of the County-wide Program are as follows:

- Positions in job classifications will be eligible to receive hiring incentives if they meet the following criteria:
 - The recruitment to fill the position(s) has been posted for at least six months and there are unfilled vacancies; OR
 - The recruitment is being conducted because the last recruitment failed (it resulted in no hires or an insufficient number of hires); OR
 - The position requires professional licensure and/or certification and, historically, has been challenging to fill at the journey-level or above.
- Incentive amounts: \$10,000 to \$25,000 paid over three installments depending upon job classification; the first installment will be paid at the first possible pay period after employee start date, with additional payments at designated milestones over the next two years; employee repayment of 50% of last paid installment if voluntary resignation occurs within one year of receiving an installment payment

- Individuals who receive the incentive would be required to meet probationary requirements, maintain satisfactory performance, and complete required training to qualify for future installment payments
- Vacation and/or Sick Leave advancement of up to 24 hours each
- Up to \$5,000 in relocation assistance, if eligible and applicable

The outcomes of the Hiring Incentive Pilot Program will be evaluated within the pilot program period to determine its effectiveness and if the pilot will be continued for a certain period of time or converted to an ongoing program. Upon agreement by the County Administrator and Human Resources Director, the pilot period could be extended through administrative action.

Staff has fulfilled meet and confer requirements with Engineers and Scientists of California, Sonoma County Law Enforcement Association, and Service Employees’ International Union - Local 1021, who all reviewed the program.

Strategic Plan:

Organizational Excellence. This incentive program helps to support the objective of being an “employer of choice” (Strategic Goal 3)

Prior Board Actions:

12/13/2022 - Sheriff’s Office Hiring Incentive Pilot Program

FISCAL SUMMARY

| Expenditures | FY 22-23 Adopted | FY 23-24 Projected | FY 24-25 Projected |
|------------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Budgeted Expenses | \$331,918 | \$333,916 | \$333,916 |
| Additional Appropriation Requested | | | |
| Total Expenditures | \$331,918 | \$333,916 | \$333,916 |
| Funding Sources | | | |
| General Fund/WA GF | \$3,334 | \$3,333 | \$3,333 |
| State/Federal | \$281,584 | \$281,583 | \$281,583 |
| Fees/Other | \$47,000 | \$47,000 | \$47,000 |
| Use of Fund Balance | | | |
| Contingencies | | | |
| Total Sources | \$331,918 | \$331,916 | \$331,916 |

Narrative Explanation of Fiscal Impacts:

The fiscal impact associated with this program will be determined by the number of made within the program period. Based on anticipated hiring during the pilot term, the total projected cost of signing bonuses is anticipated to be under \$1 million, which will be paid out to employees over two years from their dates of hire. As the signing bonus is considered taxable income and used in determining the employee’s regular and overtime rates of pay for FLSA purposes, there may be some additional increased costs to the department,

Agenda Date: 4/18/2023

however these cannot be easily quantified. The signing bonus is not included as compensation for purposes of retirement calculations.

Impacted departments will absorb costs within their existing appropriations, generally using salary savings from the vacancies for appropriations.

| Staffing Impacts: | | | |
|--|--|---------------------------|---------------------------|
| Position Title (Payroll Classification) | Monthly Salary Range (A-I Step) | Additions (Number) | Deletions (Number) |
| N/A | | | |

Narrative Explanation of Staffing Impacts (If Required):

There are no allocation changes associated with this program. It is anticipated that the program will positively impact recruitment efforts and operational needs and reduce the number of vacant allocated positions in departments.

Attachments:

1. Resolution
2. Resolution Attachment A: Hiring Incentive Program Documents

Related Items "On File" with the Clerk of the Board:

N/A