



HRD | HUMAN
RESOURCES
DEPARTMENT



RECRUITING AND RETAINING EMPLOYEES – FY23 INVESTMENT

August 9, 2022

FY23 PERSONNEL BUDGET



○ Living Wage

- Addressing compression
- Methodology on costing
- Cost comparison
- Benchmarking

○ Retention, Turnover, and Hiring

LIVING WAGE – COMPRESSION



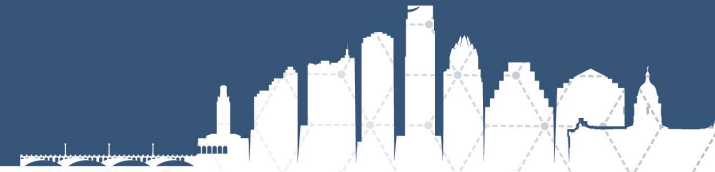
- Compression happens for various reasons, when:
 - There is little difference in pay between employees and their supervisors.
 - There is a minimum wage increase where pay scales are impacted, and levels converge.
 - The market rate of a job increases, and employers bring in new employees close to or higher than what the manager earns.
 - The market rate for starting salaries increases faster than the organization can afford to give raises to existing employees.

LIVING WAGE - COST METHODOLOGY



- The FY23 Budget includes an increase in the living wage to \$18.00 per hour
- For regular employees,
 - Costs are the difference between their current pay and the entry of their classification's pay grade (in some cases, this increased due to dropped pay grades).
 - Final costing includes payroll taxes and the employer portion of retirement.
- Pay Scales starting at \$18/hour
 - Must be reconfigured to allow for a sufficient differential between grades.
 - This includes dropping the lowest 2 grades.
 - The resulting scales have significantly higher entry rates.
 - Temps make up a large majority of the costs for the living wage increase
 - \$15 to \$18 is a 20% increase in the living wage

LIVING WAGE – EMPLOYEE IMPACT



City Employees earning \$18 or less

Number of Employees Earning:	Sworn	Civilian	Temporary	Part-Time
Up to and including \$15.00	0	0	1,060*	124
Up to and including \$16.00	0	21	1,212	7
Up to and including \$17.00	0	137	499	2
Up to and including \$18.00	0	160	132	0

*Includes Summer youth

Total number of impacted employees differs from the chart above based on removing summer youth, and including employees impacted due to the pay scale movement.

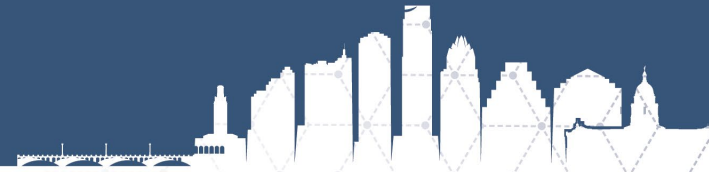
- Number of Regular Employees impacted – 990
- Number of Temporary Employees impacted – 2130



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LIVING WAGE – PAY GRADE IMPACT



	Pay Grade & Zone	Before Living Wage	Pay Grade & Zone	After Living Wage
Employee A	Pay Grade 2, Zone 3	\$16.32	Pay Grade 4, Zone 3	\$19.20
Employee B	Pay Grade 4, Zone 2	\$16.82	Pay Grade 4, Zone 2	\$18.72 (after ATB)

Employees moving up to pay grade 4 will be placed at the entry of the pay grade versus staying in the same zone in which they are currently located.

If employees receive at least 2.6% ATB increase each year, employees will move through the pay scales faster versus rezoning.



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LIVING WAGE – PAY GRADE IMPACT

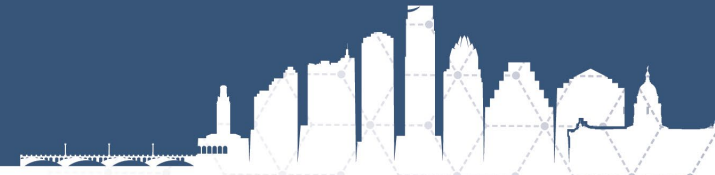


PAY GRADE	CURRENT ENTRY – FY22	PROPOSED ENTRY – FY23	% DIFFERENCE
2	\$15.00	Dropped	n/a
3	\$15.48	Dropped	n/a
4	\$15.97	\$18.00	12.7%
5	\$16.49	\$18.60	12.8%
6	\$17.00	\$19.22	13.1%
7	\$17.54	\$19.85	13.2%
8	\$18.09	\$20.51	13.4%
9	\$18.67	\$21.20	13.6%
10	\$19.26	\$21.90	13.7%
11	\$19.82	\$22.63	14.2%
12	\$20.81	\$23.38	12.3%
13	\$21.85	\$24.16	10.6%
14	\$22.95	\$24.96	8.8%



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LIVING WAGE - WAGES IMPACT



Title	Grade	City Tenure	Current Pay – FY22	Methodology	Proposed Pay - FY23
Public Event Worker	4	1 year	\$16.80	New Entry - \$18.00 ATB – 4%	\$18.72
Public Event Worker	4	3 months	\$15.99	New Entry - \$18.00	\$18.00
Library Associate	6	3 years	\$18.00	New Entry - \$19.22 ATB – 4%	\$19.99
Library Associate	6	7 months (Zoned hire w/more exp)	\$19.15	New Entry - \$19.22 ATB – 4%	\$19.99
Hvy Equip Operator II	11	5 months	\$20.00	New Entry - \$22.63	\$22.63
Hvy Equip Operator II	11	15 years	\$27.09	ATB – 4%	\$28.17



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LIVING WAGE – FY23 COST



Living Wage	General Fund (FY23)
\$18.00	\$3.7M
\$19.00	\$6.0M to \$10.1M
\$20.00	\$8.9M to \$14.1M



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LOCAL COMPARISONS



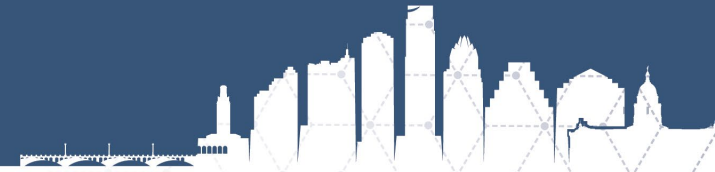
- AISD – \$16/hr
- ACC – \$20/hr
- Travis County – \$17/hr
- Williamson County – \$XX/hr
- Round Rock – \$16.07/hr
- Cap Metro – \$22/hr for bus drivers
- Cedar Park – \$XX/hr
- Pflugerville – \$XX/hr
- Leander – \$XX/hr
- Georgetown – \$XX/hr



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LOCAL COMPARISONS



- ACC Announced a \$20 living wage for their employees.

ACC Title / COA Title	COA Rate/hr in FY23	With 4% ATB
Custodian/Building & Grounds Assistant	\$18.00	\$18.72
Grounds Keepers / Building & Grounds Assistant	\$18.00	\$18.72
Warehouse Clerks / Inventory Control Specialist I	\$18.00	\$18.72
Administrative Assistant / Administrative Assistant	\$18.60	\$19.34
Accounting Clerks / Accounting Associate I	\$19.22	\$19.99
Library Assistants / Library Assistant	\$20.52	\$21.34
HVAC Filter Tech / Heating & Refrig Mechanic I	\$20.52	\$21.34
Lab Assistants / WQ Scientist Assistant	\$20.52	\$21.34



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TURNOVER & RETENTION



- Beginning in February 2022, multiple strategies were introduced to increase retention, compensation, and satisfaction among departments. Common plans include:
 - Increasing entry rate of pay
 - Recruitment incentive
 - Retention incentive
 - Referral incentive for cash or leave
 - Certification stipends
 - License stipends
 - Safety stipends

ALTERNATIVE PAY



- HRD has received requests for Alternative Pay from 14 departments. These plans vary based on business needs and include items for additional pay for:
 - Retention
 - Referrals
 - Recruitment/Sign-On pay
 - Stipends
 - Incentives
- 8 are complete ARR, CTM, APD, ATD, HRD, Muni Court, Fleet, DSD
- 6 departments are pending: Watershed, Austin Energy, Austin Water, Aviation, Austin Public Library, Building Services



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RECRUITMENT STRATEGIES

- Supporting flexible work schedules
- Providing recruitment checklists to Departments
- Developing standard profiles to use in recruiting
- Attending career fairs and engaging potential applicants on social media
- Revising minimum qualifications and simplifying questions on the job application
- Paying allowances for equipment
- Instituting a strong reward and recognition program
- Proactively tracking and recruiting based on need
- Using temporary workers, as needed
- Hosting career fairs:
 - Virtual Community Job Fair- February 23
 - Career Expo - May 2
 - AISD Open House for RIF employees - June 15
 - Fair Chance Hiring Job Fair - June 29
 - 50+ Job Fair – September 22, 2022
 - Community Job Fair – October 20, 2022

