

Career Service Rule Section 2-20 B. - Adoption, Amendment or Repeal of Career Service Rules. When the Board or the OHR Executive Director determines that a change in the Rules is necessary or desirable, the procedure shall be as follows: ...

2) The proposed rule change shall be posted on the same bulletin boards as the local, state, and federal-mandated posters, as well as the Career Service Board's internet page, and made available to appointing authorities, employees, and the general public for comments and suggestions. A short summary of the proposed rule change and the reason(s) for the proposed change shall be posted with the proposed rule change. 4) A public hearing on the proposed rule change shall be held by the Board."

PLEASE POST ON ALL BULLETIN BOARDS
AS SOON AS POSSIBLE

Public Hearing Notice - No. 551

A Career Service Board Public Hearing has been scheduled regarding proposed revisions to Career Service Rule 9 **PAY ADMINISTRATION**.

The scheduled time for the public hearing is **THURSDAY, SEPTEMBER 7, 2017, at 4:30 P.M.**, in **Room, 4.G.2.**, Webb Municipal Building, 201 West Colfax Avenue.

If anyone wishes to submit written comments or talk to OHR staff regarding this notice, please contact:

Heather Smith
Office of Human Resources
201 West Colfax, 4th Floor
Department 412
Denver, Colorado 80202
heather.smith@denvergov.org
(720) 913-5618

Comments regarding this notice should be submitted no later than **noon on TUESDAY, SEPTEMBER 5, 2017**.

If anyone wishes to address the Board regarding this notice please contact Alisha Gronniger at (720) 913-5650 or at Alisha.Gronniger@denvergov.org no later than **noon on TUESDAY, SEPTEMBER 5, 2017** to get on the agenda. **You are encouraged to submit written comments regarding the subject matter of your testimony at this time so that the Board has time to adequately consider your input.**

Notice of Public Hearing scheduled for September 7, 2017

**PLEASE POST ON ALL BULLETIN BOARDS
AS SOON AS POSSIBLE**

RULE PROPOSAL 459B

TO: Appointing Authorities, Managers, and Employees
FROM: Karen Niparko, OHR Executive Director
DATE: August 24, 2017
SUBJECT: Proposed revision of Career Service Rule 9 PAY ADMINISTRATION

THIS PROPOSED REVISION TO THE CAREER SERVICE RULES IS BEING POSTED FOR PUBLIC COMMENT AND HEARING TO BE HELD ON

THURSDAY, September 7, 2017, at 4:30 P.M.
Webb Municipal Building Room 4.G.2

Please refer to the following table for additional information on the former rule description, the revised rule description and the intended impact of the revisions to Rule 9:

RULE 9 PAY ADMINISTRATION			
CURRENT RULE	REVISED RULE	NEW RULE NUMBER	REVISION INTENTION & IMPACT
Effective date of a pay adjustment is the beginning of the work week following approval by the OHR Executive Director.	Permits, in extraordinary circumstances, a retroactive effective date for the pay adjustment with approval by the OHR Executive Director.	Section 9-39	Rectifies pay adjustments that may be overdue in implementation.
No current rule.	Adds a process for review by the City Attorney's Office for requests for pay equity adjustment to rectify a pay inequity that is alleged to be, or perceived to be, based on a protected class.	Section 9-39	Provides oversight and legal recommendations to the OHR Executive Director by the City Attorney's Office in instances of alleged or perceived discrimination in pay.

Notice of Public Hearing scheduled for September 7, 2017

<p>Permits a one-time recruitment bonus up to \$10,000 to attract a highly qualified external candidate whose KSAs are deemed essential to the city. No repayment requirement if employee voluntarily terminates employment.</p>	<p>Provides monetary guidelines for payment of a one-time recruitment bonus as well as criteria for when recruitment bonus may be paid. Describes process for approval of recruitment bonus. Requires repayment of recruitment bonus if employee voluntarily terminates employment within two years.</p>	<p>Section 9-66</p>	<p>Restores OHR as the approver for the recruitment bonus. Provides leveling guidance for payment of a recruitment bonus. Provides additional criteria/guidance for when a recruitment bonus may be paid. Institutes a recruitment bonus recovery provision consistent with Section 9-67; intended to be an employee retention tool.</p>
<p>Permits a relocation premium up to \$7,500 to attract a highly qualified external candidate whose KSAs are deemed essential to the city. No limit on where employee is relocating from. Requires pro-rated repayment of relocation premium, based on months of service, if employee voluntarily terminates within two years of starting employment.</p>	<p>Limits payment of relocation assistance to when a candidate resides a significant distance from Denver. Provides criteria for when relocation assistance may be paid. Describes process for approval of relocation assistance. Requires pro-rated repayment of relocation assistance, based on years of service, if employee voluntarily terminates employment within two years.</p>	<p>Section 9-67</p>	<p>Restores OHR as the approver for the relocation assistance. Provides additional criteria/guidance for when a relocation assistance may be paid. Simplifies the relocation documentation submittal process. Revises the relocation assistance recovery provision to pro-rated on a yearly, not monthly, basis; intended to be an employee retention tool.</p>

ATTACHED BELOW YOU WILL FIND A STRIKETHROUGH VERSION OF THE PROPOSED REVISIONS TO RULE 9 PAY ADMINISTRATION.

DELETIONS ARE INDICATED BY strike through AND ADDITIONS ARE INDICATED BY bold, italics, and underline.

9-39 Pay adjustment within the salary range

- A. An appointing authority may adjust pay for an employee, within that employee's current salary range, if the purpose is to eliminate pay inequity so long as that employee's pay is being compared with the pay of another employee who is:
1. In the same classification; or
 2. In the same classification series; or
 3. In a classification in the same occupational group within the same career path performing comparable types of duties; or
 4. Subordinate to the existing employee in that employee's chain of command.
- B. A pay adjustment within the salary range requires the approval of the OHR Executive Director. The effective date of any such pay adjustment shall be the beginning of the work week following approval by the OHR Executive Director. ***In the case of extraordinary circumstances and with the approval of the OHR Executive Director, the effective date of the pay adjustment may be for a retroactive date at the beginning of a work week. However, no retroactive pay adjustment shall extend into the prior fiscal year.***
- C. ***For pay equity adjustments other than those described in paragraph D of this Rule 9-39,*** ~~The appointing authority's request for approval shall explain:~~
- 1.*** ~~The~~ ***1.*** ~~The~~ ***1.*** ~~reason the pay inequity exists, including—This explanation should include information about how pay factors (as defined in this Rule 9) have contributed to the pay inequity; and—~~

~~D. The appointing authority's request for approval shall explain~~

 - 2.*** ~~Why~~ ***2.*** ~~Why~~ ***2.*** ~~employees in the same classification in the same work group are not being considered in the request. This explanation should include information about how the excluded employees are not affected by the pay factors (as defined in this Rule 9).~~

D. ***When the OHR Executive Director receives a request for a pay equity adjustment within the salary range to rectify a pay disparity that is alleged, or could be perceived to be, based on a protected class, the OHR Executive Director shall forward the request to the City Attorney's Office for review. Once the City Attorney's Office completes its review, it shall provide the OHR Executive Director with its legal recommendations regarding the request. A pay equity adjustment pursuant to this paragraph D does not constitute an admission that the city, or any department or agency, discriminated against any employee. For these pay equity adjustments, the appointing authority's request for approval shall explain:***

- 1. The employee's protected class (e.g., race, sex, etc.); and**
- 2. Why the employee's protected class is alleged to be, or could be perceived to be, the reason for the inequity.**

- E. The OHR Classification and Compensation Division may review employees' pay across departments or agencies within the same classification(s), within the same classification series, or within the classification(s) with the same career path with comparable duties in order to make recommendations on pay actions to be submitted to appointing authorities for consideration of pay action.
- F. Appointing authorities are encouraged to submit pay equity requests to the OHR as soon as possible after a qualifying pay event has been identified. Requests must be made using the current OHR Classification and Compensation Pay Equity Adjustment Request form.

9-66 Recruitment ~~premium~~ **bonus**

- A.** A department or agency may pay a one-time **recruitment bonus** ~~premium~~ of up to \$10,000 **according to the below schedule** to attract a highly qualified external candidate whose skills, knowledge and/or abilities are deemed essential to the mission **and operations** of the City. ~~The request must be approved by the Budget and Management office prior to extending the bonus offer. The candidate will be eligible to receive this bonus upon the completion of employment probation.~~
- B.** **The amount of the recruitment bonus must be justified in writing and submitted by the department or agency to the appointing authority and the OHR Executive Director for approval. The justification must clearly demonstrate that the position is difficult to fill in the absence of a recruitment bonus.**
- C.** **The determination to pay a recruitment bonus must be based on criteria including, but not limited to:**
- 1. The success (or lack thereof) of recent efforts to recruit external candidates for similar positions, using indicators such as job offer acceptance rates, the length of time required to fill similar positions, and the probable cost of renewed recruitment efforts;**
 - 2. The current salary and fringe benefits package the candidate receives;**
 - 3. Employment trends and competition in the local labor market that make it difficult to recruit candidates for similar positions;**

- 4. **Special qualifications or competencies (i.e., knowledge, skills, abilities, education, etc.) required for the position. These competencies must be applicable to a vast majority of the duties and responsibilities of the job or be of critical importance to the job;**
- 5. **The desirability of the duties, work or organizational environment of the position; and**
- 6. **Other supporting factors.**

D. The below amounts may not be exceeded unless the agency appointing authority has justification to do so (e.g., has identified a critical candidate whose skills, knowledge, and/or abilities are essential to the mission and operations of the city) and the appointing authority has obtained the approval of the OHR Executive Director. However, no recruitment bonus may exceed \$10,000.

<u>Position Level of New Hire</u>	<u>Amount</u>
<u>Below the level of Manager</u>	<u>Up to \$2,500</u>
<u>Manager</u>	<u>Up to \$5,000</u>
<u>Director</u>	<u>Up to \$10,000</u>

The above amounts will not be grossed-up to cover taxes and other deductions on behalf of the candidate.

E. A request to provide a recruitment bonus must be approved by the appointing authority and the OHR Executive Director before the recruitment bonus is included in an offer. The appointing authority's approval indicates sufficient existing budget funds to cover the expense.

F. The candidate is eligible to receive the recruitment bonus as a one-time payment (less applicable taxes and other deductions) upon successful completion of employment probation. If the candidate does not successfully complete employment probation, the recruitment bonus will not be paid.

G. The employee receiving the recruitment bonus must remain employed by the city for two (2) years. If the employee voluntarily terminates employment before serving two (2) years, the employee must repay part of the recruitment bonus. The amount of the repayment shall be pro-rated for each year of service. The repayment of the recruitment bonus shall be deducted from the employee's final paycheck. Any remainder shall be paid by the employee to the city within 30 days of the employee's last day of employment with the city. These terms must be included in the employment offer letter, and the employee receiving the recruitment bonus shall acknowledge acceptance of these terms when signing the employment offer letter. Payment of a recruitment bonus and the employee's acceptance of these terms shall not constitute an employment contract.

9-67 Relocation premium**assistance**

- A.** A department or agency may pay relocation costs of up to \$7,500 to attract a highly qualified external candidate whose skills, knowledge, and/or abilities are deemed essential to the mission **and operations** of the ~~City~~, **provided that the candidate's new main job location is at least 50 miles farther from his or her former home than the candidate's old main job location was.** ~~The individual receiving the relocation assistance must stay employed by the city for two (2) years. If the individual voluntarily terminates employment prior to serving two (2) years, he or she must repay part of the relocation pay. The basis for repayment shall be pro-rated for each month of service. The Budget and Management office must approve relocation pay and the employee receiving such pay shall sign a form acknowledging their acceptance of the terms of this rule.~~
- B.** **The amount of the relocation assistance must be justified in writing and submitted by the department or agency to the appointing authority and the OHR Executive Director for approval. The justification must clearly demonstrate that the position is likely to be difficult to fill in the absence of relocation assistance.**
- C.** **The determination to pay relocation assistance must be based on criteria including, but not limited to:**
- 1.** **The availability and quality of local candidates possessing the competencies required for the position, including the success of recent recruitment efforts to recruit external candidates for similar positions, using indicators such as job offer acceptance rates, the length of time required to fill similar positions, and the probable cost of renewed recruitment efforts;**
 - 2.** **Employment trends and competition in the local labor market that make it difficult to recruit candidates for similar positions;**
 - 3.** **Special qualifications or competencies (i.e., knowledge, skills, abilities, education, etc.) required for the position. These competencies must be applicable to a vast majority of the duties and responsibilities of the job or be of critical importance to the job;**
 - 4.** **Personal and/or professional disruption that will occur as a result of relocation;**
 - 5.** **The desirability of the duties, work or organizational environment of the position; and**
 - 6.** **Other supporting factors.**
- D.** **An appointing authority may offer up to, but may not exceed, a relocation assistance payment of \$7,500. The amount of the offer is to be determined by the appointing authority with considerations given to the distance of the move, the size of the household involved in the move, etc. The relocation**

assistance payment will not be grossed-up to cover taxes and other deductions on behalf of the candidate.

- E. A request to provide relocation assistance must be approved by the appointing authority and the OHR Executive Director before relocation assistance is included in an offer. The appointing authority's approval indicates sufficient existing budget funds to cover the expense.
- F. The candidate is eligible to receive relocation assistance as a one-time payment (less applicable taxes and other deductions) within his or her first month of employment. The candidate is not required to submit qualifying expenses documentation to Accounts Payable, but the candidate should work with his or her tax advisor to appropriately declare the qualifying expenses to the IRS.
- G. The employee receiving relocation assistance must remain employed by the city for two (2) years. If the employee voluntarily terminates employment prior to serving two (2) years, the employee must repay part of the relocation assistance. The amount of the repayment shall be pro-rated for each year of service. The repayment of the relocation assistance shall be deducted from the employee's final paycheck. Any remainder shall be paid by the employee to the city within 30 days of the employee's last day of employment with the city. These terms must be included in the employment offer letter, and the employee receiving the relocation assistance shall acknowledge acceptance of these terms when signing the employment offer letter. Payment of relocation assistance and the employee's acceptance of these terms shall not constitute an employment contract.