

Department of Employee Relations 2016 Proposed Budget

October 9, 2015

Key Policy/Operational Issues DER Must Address in 2016

What can DER do to streamline the hiring process and compete with other employers to recruit talent?

What can the City do to retain and motivate the City's workforce in light of the continued financial and legislative challenges we face?

How to continue to build upon the success of the Risk Management Program in Worker's Compensation and Safety?

How to ensure Healthcare Changes and the Wellness Program continue to achieve desired Outcomes?

Legal/Compliance Issues and Department Initiatives that have Impacted the Work We Do and How We Do It

2012

- Act 10—Migrating Terms and Conditions of Employment to MCO
- Creation of Meet and Confer provisions
- Creation of Grievance Procedures
- Major Changes to Civil Service Rules
- Training Supervisors and Managers on managing employees NOT contract provisions
- Implementation of health insurance changes (self-fund/benefit design)
- Implementation of first Career Ladder Model after years of frozen wages

2013

- State ends City Residency Rule
- Implementation of 1.5% COLA tied to residency
- Implementation of Management Trainee Program
- Expansion of Career Ladders
- Design and Implementation of Phase II of Wellness Program—Outcomes Based Healthy Rewards

2014

- Supreme Court Decision regarding Member Pension Contributions
- Implementation of New Applicant Tracking System
- Implementation of HRA for Healthy Rewards
- Transitional Work & Compete Milwaukee Programs

2015

- Implementation of Pension Contribution Changes/Pay Admin Provisions
- DER holds first Job Fair showcasing City employment opportunities
- Support and assist FPC with examination and board admin functions
- Court of Appeals Decision to uphold Residency
- Implement Additional Healthcare benefit design changes
- Workplace Clinic Opens in January
- ACA Reporting Readiness begins for first report due early 2016
- Begin Exploration Process for Using a TPA for Worker's Compensation
- Civil Service Reform???

Current Challenges Faced by DER/City

PROBLEM AREAS	CAUSE
Recruitment Difficulty – Technical/Professional positions (TABLE A)	<ul style="list-style-type: none"> • City is not employer of choice • Tough competition from other large employers and municipalities • Lack of understanding of career potential • Confusion about status of residency case • Process takes too long
Difficulty Hiring the Best Candidates (TABLE B)	<ul style="list-style-type: none"> • Rates of pay have fallen behind the market/difficult to Compete • Candidates see limited advancement opportunities • Difficulty meeting the needs of younger generation interested in work life balance, immediate responsibility/reward, not really impressed with authority, or how long people have been here
Difficulty Retaining Talent – High Separation Rate 25% Increase in resignations from 2013 to 2014 (TABLE C & D)	<ul style="list-style-type: none"> • When we hire quality personnel, we train and develop them only to lose them to another employer after a couple years of service • Employees have limited incentive to stay given uncertainty of pay progression and limited promotional opportunities • Younger generations not looking at vesting and retirement benefits – they want opportunity, responsibility and the pay for it, not willing to sacrifice in the interest of the employer

Current Challenges Faced by DER/City

PROBLEM AREAS	CAUSE
Difficulty Motivating Employees (TABLE E & F)	<ul style="list-style-type: none"> • Pay Compression/Pay Inequity • No pay progression unless part of a career ladder • Perception or Reality that the protections available pre-Act 10 are simply not there • Difficulty adapting/adjusting to generations • Employees are asked to do more, be more creative and more efficient but expect no wage increases and greater out of pocket expenses on health care and pension • Little to no incentive to accept positions of greater responsibility and authority • Low morale = ↓ productivity = poor services
Retirement Issues (TABLE G)	<ul style="list-style-type: none"> • 18.8% of general city workforce is eligible to retire in 2015 • Retirement eligible staying longer <ul style="list-style-type: none"> • 45% Retire on Time • 45% Work Another 1-5 Years • 10% Work Another 6+ Years • Lack of succession planning = Difficulty replacing workers and knowledge base • Number of retirement eligible employees doubles to 34% in 2020

Recruitment Difficulty (Table A)

	Exam Component	Total Applications	Rejected	Total on Elig List	Hired
Accounting Specialist	Training & Experience Questionnaire	22	11	11	1
Auditor Lead	Application Screening	10	7	3	1
Building Const Insp	Written Test	28	10	17	2
Dietetic Tech	Training & Experience Questionnaire	14	4	10	3
Equipment Mechanic	Written Test	20	14	3	1
IT Support Specialist	Training & Experience Questionnaire	29	13	15	1
Library Branch Manager	Training & Experience Questionnaire	15	4	11	4
Vehicle Services Tech	Written Test	23	14	6	2

Salary Comparison Data (Table B)

City of Milwaukee Jobs Compared to ERI Survey Data (within 30-Mile Radius of Milwaukee). Employees With a Minimum of 8 Years Experience

City of Milwaukee Title	ERI Job Title	Position Fill Rate (Max Recruitment Rate)	City of Milwaukee Average Annual Salary	ERI Survey Data 30-Mile Radius From Milwaukee©	Milwaukee Avg Salary Compared to ERI Annual
Chemist II, Chemist III, Water Chemist	Chemist, Clinical	\$57,588 & \$66,761	\$52,933	\$70,691	75%
Public Health Nurse	Public Health Nurse	\$53,044	\$52,306	\$66,677	78%
Programmer Analyst	Programmer Analyst	\$60,138	\$58,116	\$72,766	80%
Heating and Ventilating Mechanic II, III	HVAC Mechanic	\$41,700 & \$43,400	\$47,047	\$53,555	88%
Legal Assistant III, IV	Legal Secretary	\$40,800	\$46,452	\$52,137	89%
Administrative Assistant II	Administrative Assistant	\$37,830	\$40,702	\$41,998	97%
Librarian II/III	Librarian	\$46,347 & \$55,381	\$52,255	\$52,959	99%
Civil Engineer II/III	Civil Engineer	\$58,373 & \$74,620	\$68,480	\$66,228	103%
Accounting Assistant II	Account Clerk	\$37,830	\$40,491	\$38,845	104%
Vehicle Services Technician II	Automotive Mechanic	\$47,351	\$52,360	\$48,145	109%

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Turnover Data by Category (Table C)

Turnover by Category (Includes GC & Sworn)	2010	2011	2012	2013	2014	2015 to Date
Resignation	91	115	131	146	184	173
Service Retirement	394	242	169	203	194	176
Termination	13	8	27	20	17	11
Discharge	24	29	31	28	28	17
TOTAL	522	394	358	397	423	377

- Average Age at Time of Resignation in 2014
 - City Attorney 41
 - Comptroller 36
 - Health 37
 - ITMD 38
 - DNS 41
- Average Years at time of Resignation in 2014
 - City Attorney 7
 - Comptroller 3
 - DNS 5
 - Health 6

Resignations by Title (Table D)

Job Title	2010	2011	2012	2013	2014	2015 thru Sept	5 Yr Total (2010-2014)
POLICE OFFICER	12	12	12	13	20	10	69
POLICE AIDE	2	7	3	7	6	7	25
FIREFIGHTER	4	5	3	3		2	15
PUBLIC HEALTH NURSE	6	7	6	9	7	6	35
LIBRARIAN I - V		2	2	3	2	1	9
CIVIL ENGINEER I - III		1	2	2	3	3	8
ENVIRONMENTAL HEALTH SPEC I	3	1		1		0	5
RESIDENTIAL CODE ENFCMNT INSPR			3	1	1	1	5
ASST CITY ATTORNEY	1	2		1	1	1	5
DIETETIC TECHNICIAN	1	1	1		2	0	5
OFFICE ASSISTANT I-III PD	4	6	1	4	7	2	22
POLICE TELECOMMUNICATOR	1	6	2	3	6	3	18
PARKING CHECKER	3		6	4	4	5	17
POLICE DISPATCHER	5		3	6	2	4	16
POLICE TELECOMMUN	4	4	4	1		3	13
FIRE EQUIP DISPATCHER	4	2		5	1	0	12
OFFICE ASSISTANT I-IV	1	2	1	3	4	5	11
LEGISLATIVE ASSISTANT	3	1	2	1	2	0	9
POLICE DISTRICT OFFICE ASST	1		2	2	2	1	7
LIBRARY YOUTH EDUCATOR		1	2	1	3	7	7
OPERATIONS DRIVER/WORKER		7	1	6	9	5	23
CITY LABORER (SEASON)	4	1	1	3	4	0	13
CITY LABORER (REG)		2	2	2		4	6
URBAN FORESTRY SPECIALIST	1		2	2	4	5	9
URBAN FORESTRY SPEC TR			1		5	5	6
CUSTODIAL WORKER II-C L			1	1	4	2	6
WATER DISTRIB REPAIR WORKER II			1	1	3	0	5

Generations in the Workforce (Table E)

	TRADITIONALISTS 1922 - 1945	BABY BOOMERS 1946 -1964	GENERATION X 1965 - 1980	MILLENIALS 1981 - 2000
Current Age	70 – 93	51 – 69	35 – 50	15 - 34
% of Workplace in the Nation	4.4%	26.6%	45.5%	23.5%
% In City Workforce	.7%	20.3%	51.5%	27.5%
Number in City Workforce	50	1,381	3,496	1,868

Generations in the Workforces (Table F)

GENERATIONS MATTER

	TRADITIONALISTS 1922 - 1945	BABY BOOMERS 1946 - 1964	GENERATION X 1965 - 1980	MILLENNIALS 1981 - 2000
Current age	70 – 93	51 – 69	35 – 50	15 - 34
% of Workplace	5%	45%	40%	10%
In the City	1.2%	35.2%	45.4%	18%
Events Experiences	Great Depression World War II	Civil Rights Cold War, Space Travel Assassinations	Fall of the Berlin Wall Women's Liberation Desert Storm Energy Crisis	School Shootings Oklahoma City Technology
Education	A dream	A birthright	A way to get there	An incredible expense
Values	Family/Community Hard work Dedication/sacrifice	Success Teamwork Personal Growth	Time/Technology Diversity Fun	Individuality Confidence Achievement Oriented
Money Matters	SAVE	Buy now, pay later	Conservative	Earn to Spend
Work Ethics	Dedicated, Pay your Dues Age=Seniority, Respect Authority	Driven, Workaholic, Quality, Work Ethic	Balance, work smarter not harder, want structure, skeptical	Ambitious, What's next?, Multitasking, Tenacity
Entitlement	Seniority	Experience	Merit	Contribution
Workplace View on time at Work	Punch the clock Get the job done	Workaholics Visibility	Project Oriented Get paid to get job done	Effective workers but view work as "gig"
Views on the Workplace	Conformity over individuality. Used to strict, vertical lines of authority.	Value individuality, creativity, and personal fulfillment. Want to make a difference.	Work to Live. Expect work to be fun – if it is not it better be significant, tangible rewards	Insist of a work life balance. Skeptical and unimpressed with authority. Less willing to sacrifice for work.
Working with them	Can be frustrated by lack of discipline and respect. Respect policy and procedures. Expect people to put other's needs first.	Need to know why their work matters, how it fits into the big picture, and the impacts they will have on others. Relationship oriented	Don't mind direction but resent intrusive supervision. Prefer regular feedback about work. Will leave a job quickly is a better deals comes along.	High expectations of self and others. Want immediate responsibility and believe they can make important contributions from day one.
Prefer	Clear Chain of Command Top down management	Flat org structure, Warm, friendly environment	Functional, positive, fun, efficient, fast paced, flexible, informal, access to leadership, access to information	Collaboration, achievement oriented, highly creative, positive, diverse, Fun flexible, continuous feedback

(Table G)

Service Retirement Eligibility Trends by Department (Cumulative)	FTE Count	Approx. Count of Service Retirement Eligibility							
		By 2015	% of FTE	By 2020	% of FTE	By 2025	% of FTE	By 2030	% of FTE
ASSESSOR'S OFFICE	46	11	24%	21	46%	29	63%	33	72%
CITY ATTORNEY	61	16	26%	28	46%	34	56%	36	59%
CITY TREASURER	30	3	10%	5	17%	8	27%	10	33%
COMMON COUNCIL - CITY CLERK	95	14	15%	25	26%	33	35%	46	48%
COMPTROLLER	58	19	33%	28	48%	34	59%	42	72%
DCD - MGMT & SPECIAL PROJECTS	66	21	32%	30	45%	35	53%	49	74%
DCD - PUBLIC HOUSING	38	12	32%	22	58%	31	82%	32	84%
DEPT OF NEIGHBORHOOD SRVCS	256	49	19%	84	33%	110	43%	147	57%
DER - ADMINISTRATION	5	2	40%	3	60%	4	80%	6	120%
DER - EMPLOYEE BENEFITS ADMIN	19	2	11%	8	42%	10	53%	12	63%
DER - OPERATIONS DIVISION	32	11	34%	14	44%	18	56%	19	59%
DOA - BUSINESS OPERATIONS DIV	21	1	5%	4	19%	6	29%	9	43%
DOA - INFO & TECH MGT DIV	78	12	15%	16	21%	25	32%	39	50%
DOA-BUDGET AND POLICY DIVISION	17	1	6%	7	41%	8	47%	9	53%
DOA-COMMUNITY BLOCK GRANT	16	4	25%	9	56%	10	63%	14	88%
DOA-INTERGOVERNMENTAL RELATNS	4	0	0%	0	0%	1	25%	1	25%
DOA-OFFICE OF SUSTAINABILITY	4	0	0%	1	25%	1	25%	1	25%
DPW - SEWER	115	11	10%	26	23%	43	37%	60	52%
DPW-ADMINISTRATION SERVICES	47	9	19%	23	49%	32	68%	40	85%
DPW-INFRASTRUCTURE	620	119	19%	259	42%	363	59%	439	71%
DPW-OPS	722	80	11%	214	30%	357	49%	495	69%
DPW-WATER	360	55	15%	122	34%	176	49%	207	58%
ELECTION COMMISSION	7	3	43%	5	71%	7	100%	7	100%
EMPLOYEE'S RETIREMENT SYSTEM	44	10	23%	15	34%	21	48%	26	59%
FIRE - SUPPORT SERVICES	78	6	8%	19	24%	33	42%	39	50%
FIRE AND POLICE COMMISSION	13	2	15%	3	23%	4	31%	7	54%
HEALTH DEPARTMENT	240	43	18%	76	32%	103	43%	126	53%
LIBRARY - ADMINISTRATION SRVC	101	25	25%	42	42%	55	54%	61	60%
LIBRARY - CENTRAL LIBRARY	112	14	13%	26	23%	32	29%	46	41%
LIBRARY - BRANCH SRVC	96	11	11%	18	19%	25	26%	36	38%
MAYOR	13	1	8%	2	15%	3	23%	6	46%
MUNICIPAL COURT	36	8	22%	11	31%	17	47%	20	56%
PARKING	119	18	15%	40	34%	57	48%	75	63%
PORT OF MILWAUKEE	20	3	15%	7	35%	7	35%	10	50%
TOTAL	3589	596	17%	1213	34%	1732	48%	2205	61%

ADDRESSING THE CHALLENGES:

How to adapt, react and adjust based on the changing environment and demographics?

ISSUE	SOLUTION
Branding City Employment Opportunities	<ul style="list-style-type: none">• Instead of describing the duties of a position highlight the value of working for the city and the ability to positively impact PEOPLE, the CITY, and the COMMUNITY• Emphasize what is unique about the city and its employment opportunities- loan forgiveness, work life balance, career ladders• Clearly identify what the City is recognized for: Fully funded pension system, competitive benefits, tuition and training reimbursement, generous PTO benefits
Increase and Aggressively Pursue Social Media Recruiting Opportunities	<ul style="list-style-type: none">• Linked In• Glass Door• Facebook/Twitter
Streamline Hiring Process – Departments	<ul style="list-style-type: none">• Succession Planning (develop internal talent vs hiring experienced workers from outside)• Anticipate vacancies, update JD, start discussing with Budget and DER before separation• Identify recruitment sources and SME's to help in process
Streamline Hiring Process – DER	<ul style="list-style-type: none">• Identify high turnover positions and have eligible lists ready for immediate use• Clearly define minimum requirements• Develop exam alternatives based on type of job, number of vacancies, number of applicants, overlap between dimensions tested and interview goals• Increase use of continuous exams and refresh eligible lists regularly

ADDRESSING THE CHALLENGES:

How to adapt, react and adjust based on the changing environment and demographics?

ISSUE	SOLUTION
Need to Continue, Use and Expand Flexible Staffing Models	<ul style="list-style-type: none">• Management Trainees• Temporary/Seasonal Appointments• Flexible Schedules• Telecommuting• Job Sharing
Advancement Opportunities	<ul style="list-style-type: none">• Continue Establishment of Career Ladders where Feasible• Broader Job Classes (apprentice rates, under-fill levels)• Opportunities to become Project Leads without a change in class
Pay Progression	<ul style="list-style-type: none">• Re-establish Pay Progression (contingent upon funding availability)• Not a One-Size-Fits-All approach but designed based on job complexity, responsibility and impact• Establish Pay admin practices that address pay compression and pay inequity: appointment flexibility, promotion rules, retention flexibility

2016 Pay Progression Strategy

► Categories of Pay Progression/Salary Adjustments

- Continue Development and Implementation of Career Ladders where appropriate
 - In Progress: *Forestry, TEAM, Water*
 - *Assumptions: Depts are asked to coordinate with Budget process as a management initiative by aligning pay with productivity improvement and better quality.*
- Allow fixed salary adjustments for positions in administrative, paraprofessional, service & maintenance (not appropriate for career ladders) for meeting performance standards similar to those required as part of probationary periods
- Create matrix to allow salary increases for managers/supervisory positions based on achieving and exceeding documented performance standards. Implementation PP 13
- Create pay administration provisions in the Salary Ordinance that will permit greater recruitment flexibility for difficult to recruit for positions and will allow salary adjustments to address pay compression problems, retention adjustments and labor market adjustments (compression/labor) when approved by DER and the Chair of F&P

► Assumptions

- Funding levels based on departmental salary budgets
- Subject to bargaining requirements with certified groups and meet and confer provisions in the MCO
- DER will develop infrastructure and seek Council approval before the end of the year contingent upon funding approval
- Performance measures have to be developed and implemented for the performance based adjustments
- Implementation details including the mechanics and effective dates will be included in recommended changes to the Salary Ordinance to the Council before the end of the year

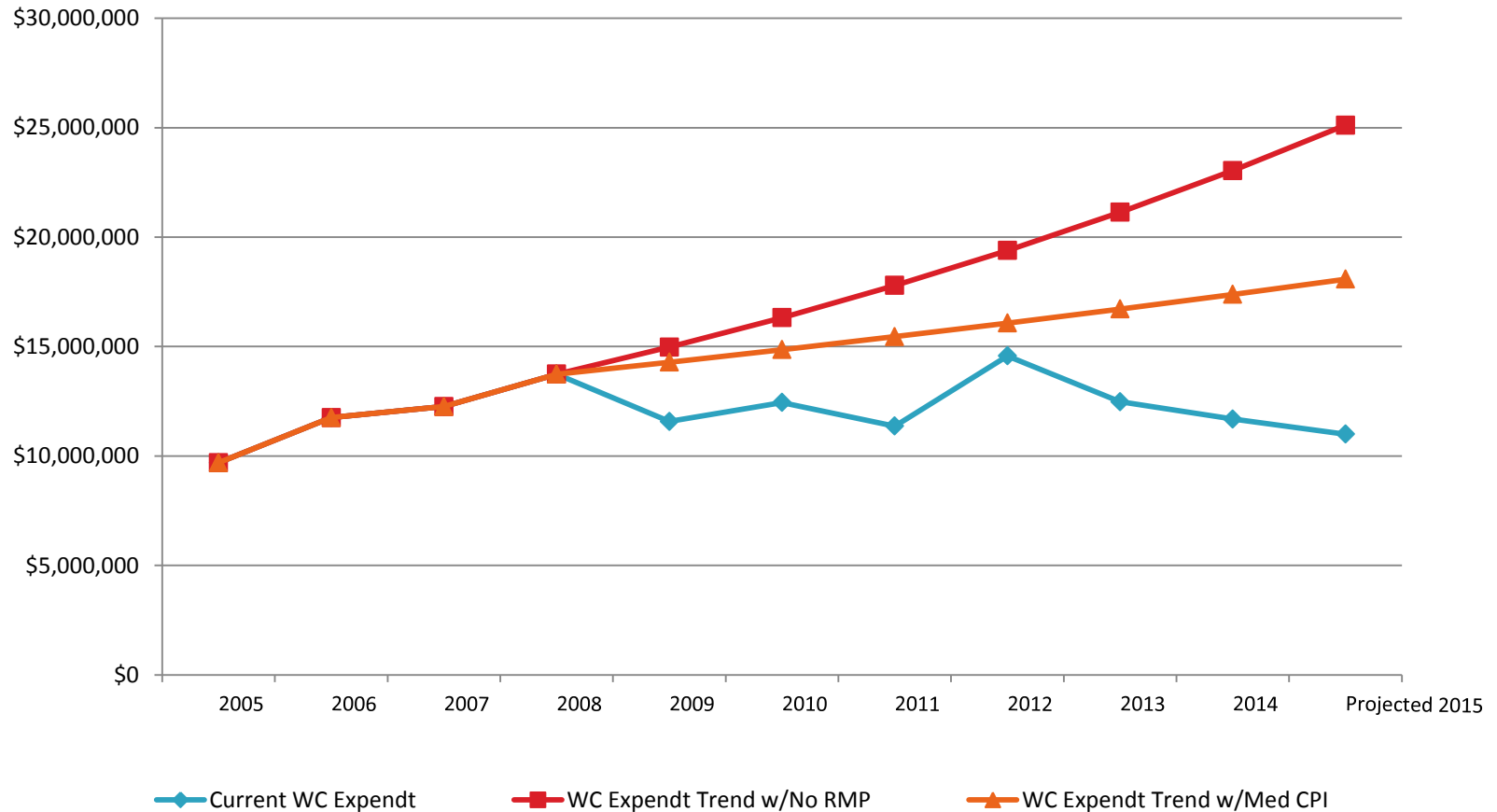
Worker's Compensation

- ▶ 2016 Proposed Budget of \$12M
 - \$1M less than the 2015 Adopted Budget
 - Equivalent to WC budget in 2007 and 2008
- ▶ Implementation of the Risk Management Program in 2009 and the requirement to have Departments produce Safety Plans by reviewing and analyzing claim data and identifying strategies/interventions to reduce injuries has resulted in avoided costs of approximately \$28M
- ▶ These avoided costs are a direct result of:
 - 28% reduction in overall WC claims since 2008
 - 39% reduction in recordable cases since 2008
 - 35% reduction in the incidence rate since 2008
 - 15% reduction in overall worker compensation expenditures since 2008
- ▶ Likewise the implementation/expansion of return to work and transition duty programs in DPW, MFD, and MPD resulted in:
 - 62% reduction in lost workdays since 2008
 - 70% reduction in injury hours since 2008
- ▶ These results are simply amazing considering changes in our workforce demographics and the difficult and challenging environmental hazards that our employees are regularly exposed to

Worker's Compensation Data & Trends

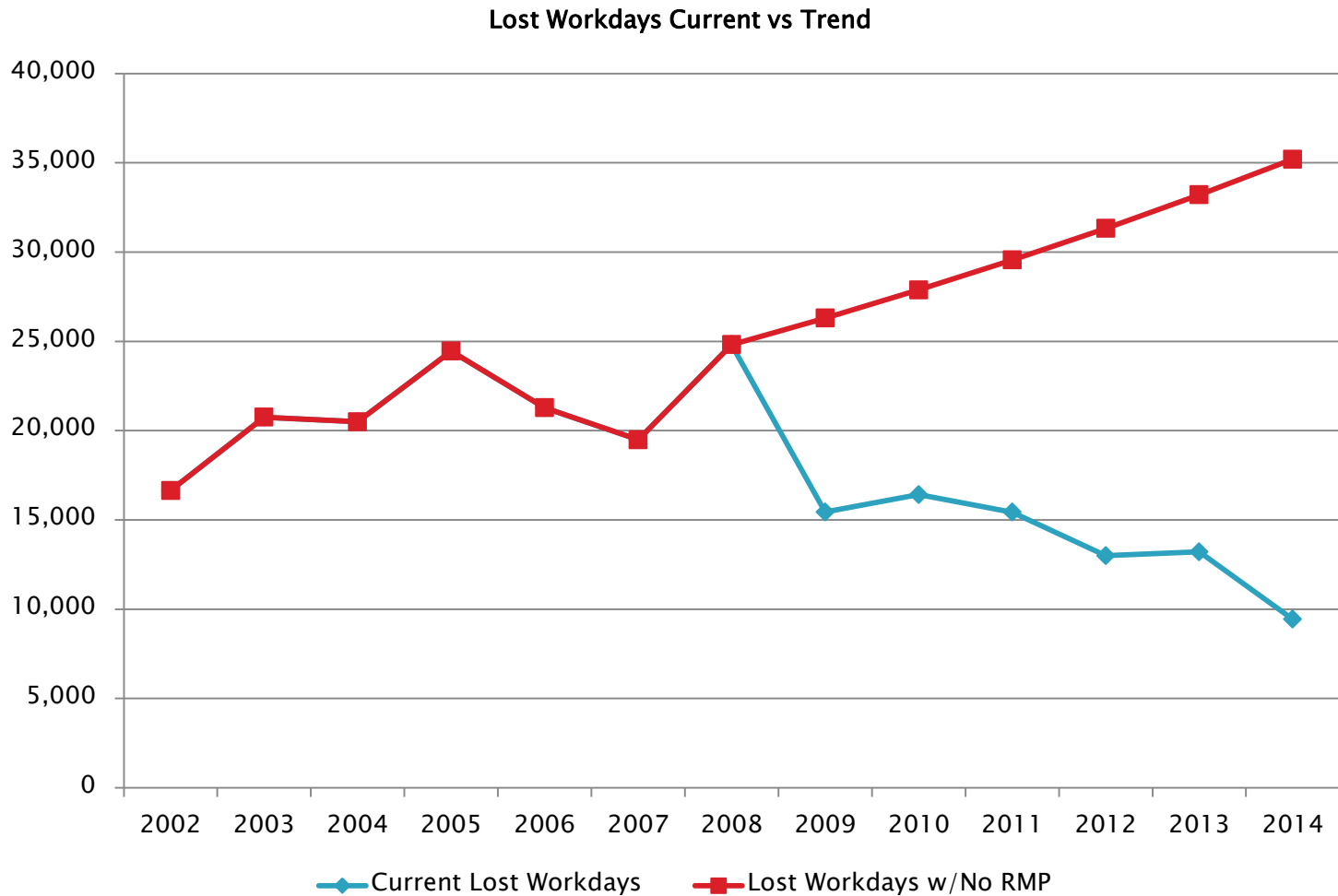
Reversing the Trend: \$28M Avoided WC Expendt

WC Expenditures Current vs Trend



Worker's Compensation Data & Trends

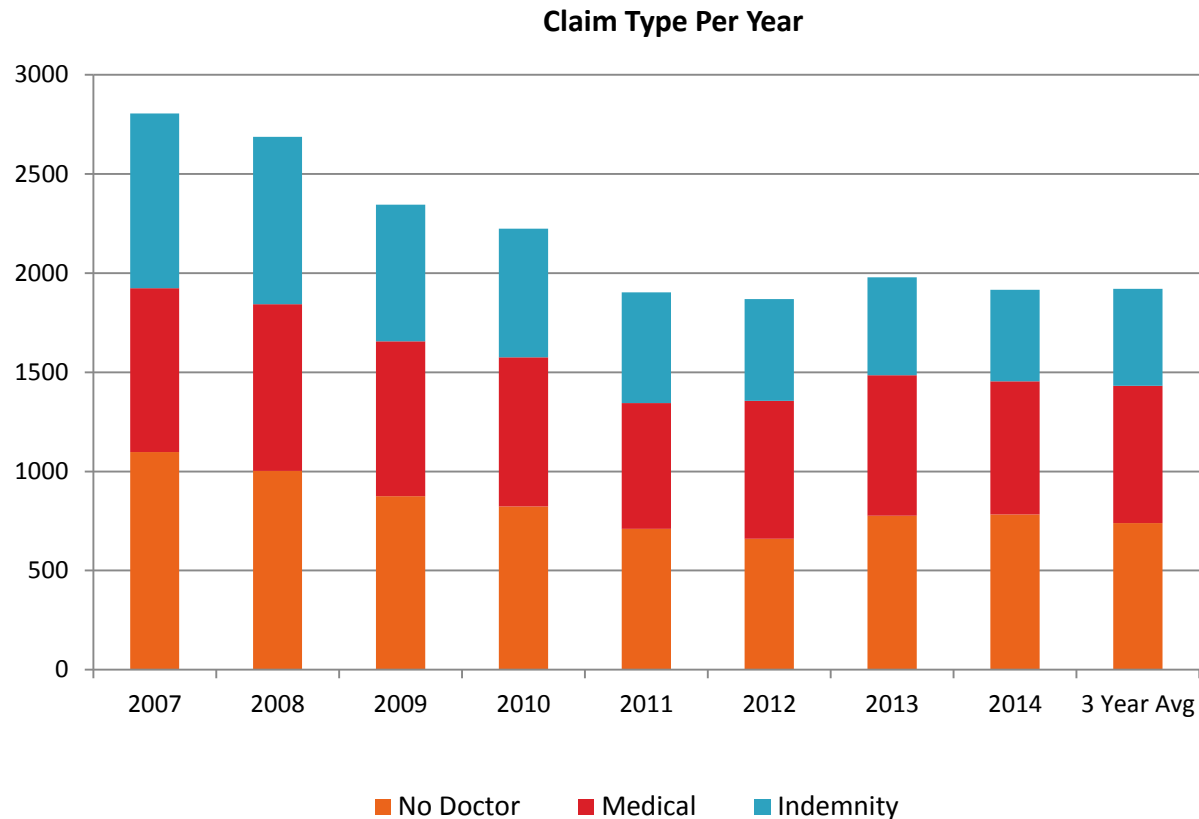
Reversing the Trend: 92,000 Fewer Lost Workdays



Worker's Compensation Data & Budget Trends

	2008	2009	2010	2011	2012	2013	2014	% Change Over Prior	% Change Since 2008
CITY WIDE DATA									
Claims	2,688	2,345	2,225	1,903	1,869	1,979	1,916	-3.2%	-28.7%
Medical/Indem Claims	1,686	1,470	1,401	1,193	1,208	1,203	1,133	-5.8%	-32.8%
Recordable Cases	1,073	927	872	744	656	674	655	-2.8%	-39.0%
Incidence Rate	16.01	14.22	13.82	11.93	10.50	10.82	10.49	-3.0%	-34.5%
Lost Workdays	24,817	15,441	16,421	15,432	12,995	13,215	9,439	-28.6%	-62.0%
Injury Hours	217,584	152,596	165,083	124,874	111,250	90,922	64,161	-29.4%	-70.5%
Injury Pay	\$4,096,525	\$3,062,781	\$3,317,434	\$2,594,507	\$2,340,028	\$1,850,086	\$1,302,507	-29.6%	-68.2%
WC Expenditures	\$13,737,635	\$11,575,195	\$12,444,770	\$11,362,821	\$14,575,235	\$12,476,141	\$11,685,882	-6.3%	-14.9%
MFD									
Claims	627	566	614	432	441	368	335	-9.0%	-46.6%
Recordable Cases	294	270	298	197	195	159	124	-22.0%	-57.8%
Incidence Rate	24.55	22.49	26.99	17.85	17.79	14.51	11.59	-20.1%	-52.8%
Lost Workdays	10,136	3,625	5,755	4,614	4,652	3,850	2,381	-38.2%	-76.5%
Injury Hours	107,094	72,401	86,670	52,670	43,749	35,506	20,769	-41.5%	-80.6%
Injury Pay	\$1,956,139	\$1,442,241	\$1,723,367	\$1,018,141	\$882,209	\$738,214	\$391,787	-46.9%	-80.0%
MPD									
Claims	865	775	663	636	663	680	659	-3.1%	-23.8%
Recordable Cases	251	244	177	166	164	145	157	8.3%	-37.5%
Incidence Rate	10.69	10.78	7.88	7.36	7.44	6.63	7.24	9.2%	-32.3%
Lost Workdays	3,441	3,885	2,833	3,726	3,629	2,064	1,926	-6.7%	-44.0%
Injury Hours	35,116	32,241	29,201	34,540	40,082	23,008	22,130	-3.8%	-37.0%
Injury Pay	\$824,790	\$786,083	\$719,344	\$872,604	\$1,038,491	\$630,555	\$581,062	-7.8%	-29.6%
DPW All Divisions									
Claims	1075	887	862	740	688	839	830	-1.1%	-22.8%
Recordable Cases	474	374	359	343	264	317	339	6.9%	-28.5%
Incidence Rate	26.01	21.25	20.99	20.81	15.77	18.88	19.79	4.8%	-23.9%
Lost Workdays	10,341	7,567	7,061	6,822	3,895	6,626	4,969	-25.0%	-51.9%
Injury Hours	66,553	47,064	44,198	35,007	22,379	27,546	19,945	-27.6%	-70.0%
Injury Pay	\$1,164,474	\$814,767	\$786,257	\$653,849	\$341,124	\$408,486	\$308,806	-24.4%	-73.5%

Worker's Compensation Data & Trends



Per DWD guidelines, injury claims are separated into three categories:

- Indemnity: The loss of four or more workdays along with medical treatment.
- Medical: The loss of up to three workdays along with medical treatment. May result in intermittently lost time.
- No Doctor: The reporting of an injury without the loss of time or medical treatment

WC Current Environment

- ▶ While great progress has been made in reducing overall claim and frequency numbers, the City's experience is still high
- ▶ The City assumes all the risk and responsibility under the City's current model (self funded/self-administered)
- ▶ Hiring, interviewing, training, and dealing with employee issues requires a significant time commitment from the WC Manager
 - The City is trying to compete with the insurance industry and has difficulty attracting employees with experience
- ▶ The City's Risk Management Information System (iVos) requires a significant time commitment by the WC Manager and ITMD
 - iVOS system costs the City \$130,000 annually
- ▶ State reporting requirements and other compliance mandates require the manager's immediate and ongoing attention.
- ▶ Significant resources devoted to bill review, repricing and payments under less than optimal terms
 - The City and MPS pay approximately \$581,000 per year for those services
- ▶ The City has difficulty finding medical providers to perform Independent Medical Exams (IMEs)
- ▶ The City lacks the internal resources to properly perform case management services
- ▶ Concern with employee privacy and potential conflicts of interest

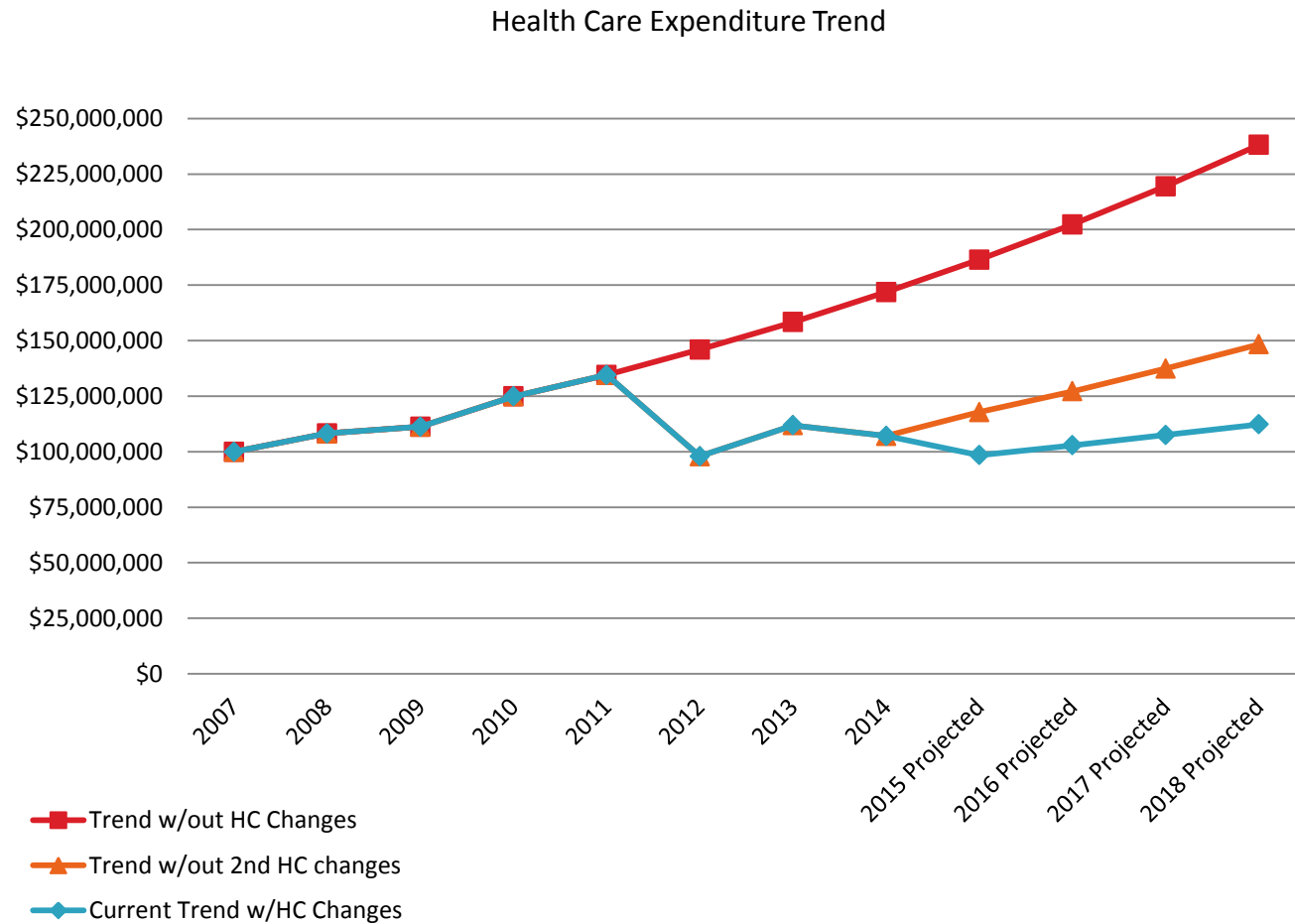
Why Explore TPA Option

- ▶ **TPA is Claim Expert**
 - Sole business focus is Claim Service and as a result attract expert staff from insurance and claims industries with wealth of knowledge/expertise
 - Staff expertise and caliber is hard to match from non-TPA entity
- ▶ **Vendor Leverage in Pricing**
 - Use economies of scale to better negotiate vendor pricing, medical cost pricing, and leverage plaintiff attorney firms
- ▶ **Elimination of City RMIS and Cost Savings**
 - TPA has cutting edge RMIS system to provide clients with real time data and reporting
 - City no longer has iVos system issues/upgrades that are time and staff intensive
- ▶ **Managed Care Savings**
 - Includes better medical bill review costs, increased PPO network/pricing, better prescription programs and monitoring, and specialty reviews of medical bills for reduced costs
- ▶ **City Maintains Control of Claims and Decisions, but Uses TPA as Buffer**
 - TPA has best knowledge of when to use vendors to achieve best claim outcomes
- ▶ **Flexible Pricing Options to Address City's Needs**
 - Able to price claims administration fees in multiple ways that best suit client
- ▶ **Opportunity to Save Significant Money**
 - On the claims expenditure side as well as with internal costs

2016 Healthcare

- ▶ The Proposed 2016 Health Care Budget reflects a \$4.6M reduction from the 2015 adopted budget
- ▶ In 2016 there are no benefit design changes for employees. In fact premium Rates for Active Employees will decrease by almost 1%
 - Employee premiums have remained flat since 2012
- ▶ 2015 Changes:
 - Increased deductibles to \$750 single/\$1,500 family
 - Implemented a 30% co-insurance payment for medical providers not classified as “premium providers” who are recognized for better health outcomes, higher quality care, and competitive costs
 - Increased out of pocket maximums to \$1,500 single/\$3,000 family
 - Added a \$200 co-pay for all ER visits (not part of deductible)
 - Implemented a 20% co-insurance for prescription medications with \$4 min/\$75 max, instead of a co-pay
 - Opened Workplace Clinic
- ▶ Impact of 2015 Changes:
 - Members are making smarter utilization choices
 - Premium Provider usage has increased over 8%
 - Better quality care, improved health outcomes, lower cost
 - High Utilization of Workplace Clinic (expanded to 30 hrs per week within first 3 mos):
 - Avoided costs for employees/City
 - Immediate/convenient access to care
 - Positive impact on attendance/productivity
 - No changes to clinic anticipated for 2016
 - Pharmacy Co-Insurance encourages employees to compare prices at various pharmacies
 - Mail Order Program for maintenance medications will contribute to lower cost for employees

Healthcare Expenditures



2016 Healthcare Rates

	CHOICE PLAN (EPO) for GENERAL CITY ACTIVES									
	2012		2013		2014		2015		2016	
HEALTH PLAN TIERS	City Total Monthly Premium	Employee Monthly Rate*	City Total Monthly Premium	Employee Monthly Rate*	City Total Monthly Premium	Employee Monthly Rate	City Total Monthly Premium	Employee Monthly Rate	City Total Monthly Premium	Employee Monthly Rate
Single	\$624	\$75	\$537	\$64	\$622	\$75	\$622	\$75	\$617	\$74
Employee + Spouse	\$1,248	\$150	\$1,074	\$129	\$1,244	\$149	\$1,244	\$149	\$1,234	\$148
Employee + Child(ren)	\$935	\$112	\$805	\$97	\$933	\$112	\$933	\$112	\$926	\$111
Family	\$1,872	\$225	\$1,610	\$193	\$1,865	\$224	\$1,866	\$224	\$1,851	\$222

**Employee Monthly Rates for 2012 and 2013 do not include the \$10/\$20 monthly premium reduction for wellness participation*

- ▶ Active Rates for the EPO will decrease almost 1% in 2016
- ▶ Employee premium rates have remained at 12% and relatively flat since 2012
- ▶ National employee monthly premiums for Large Employers are significantly higher than City
 - Average \$96 for single (30% Higher than City)
 - Average \$379 for family (71% Higher than City)
- ▶ National employee deductibles for Large Employers average \$800 Single/\$2,210 Family compared to \$750 Single/\$1,500 Family for the City
- ▶ Nationally the total average cost of a family premium has increased 24% since 2010
- ▶ The City's total family premium cost has increased 1% during the same time period

Workplace Clinic Data through Q2

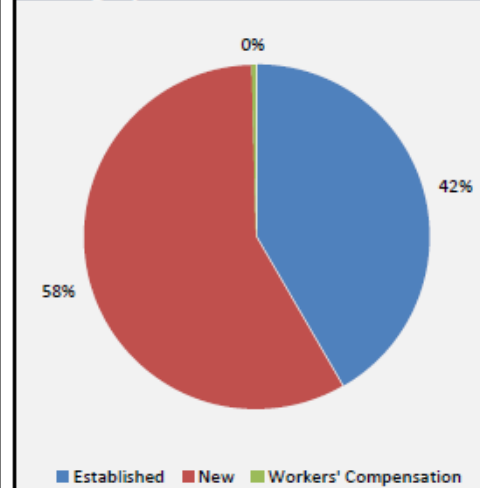
City of Milwaukee Workplace Clinic

April 1, 2015 -
June 30, 2015

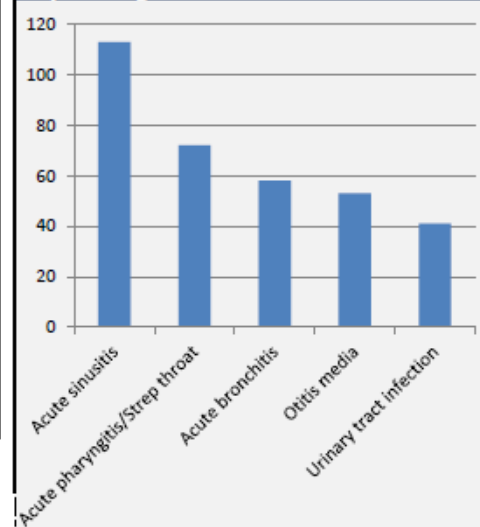
Q2 FY2015

Demographics	Q2	CYTD 2015
Established	204	270
New	284	583
Workers' Compensation	2	5
Employee	442	764
Spouse	48	94
Yes Primary Care Physician (PCP)	443	774
No PCP	46	82
Unknown	1	2
Visit Count	Q2	CYTD 2015
Total Patients	302	601
Total Visits	490	858
Insurance	Q2	CYTD 2015
On Insurance Plan	473	588
Not on Insurance Plan	12	20
Unknown	5	31
Workplace location	Q2	CYTD 2015
Works at City Hall Complex	217	277
Does not work at City Hall	245	303
Top 5 Diagnoses	Q2	
Acute sinusitis	113	
Acute pharyngitis/Strep throat	72	
Acute bronchitis	58	
Otitis media	53	
Urinary tract infection	41	
Orders and Referrals	Q2	CYTD 2015
On-site Lab Testing	487	790
Vaccinations	8	8
PCP Referral	3	5
Specialty Care Referral	5	10

Demographics Q2



Top 5 Diagnoses Q2



Healthcare Expenditures/Proposed Budget

	2011 Expenditures	2012 Expenditures	2013 Expenditures	2014 Expenditures	2015 Budget	2016 Proposed Budget
Basic/PPO	\$19,132,094	\$14,124,162	\$13,147,949	\$10,647,642	\$9,000,000	\$10,000,000
HMO/EPO	\$111,113,165	\$78,266,451	\$93,932,820	\$90,289,115	\$99,135,000	\$91,800,000
HDHP						\$1,000,000
Dental	\$1,917,162	\$2,178,102	\$1,896,090	\$1,910,345	\$1,900,000	\$1,900,000
Admin	\$6,674,781	\$7,439,687	\$6,958,382	\$8,135,046	\$6,700,000	\$7,700,000
Wellness Program					\$3,200,000	\$2,900,000
HC Expenditures/ Budget	\$138,837,201	\$102,008,402	\$115,935,242	\$110,982,147	\$119,935,000	\$115,300,000

Healthcare:

ACA Employer Shared Responsibility Reporting

- ▶ Beginning in 2015 the City is required to track and report information pertaining to health care coverage offered to employees
 - DER contracting with Health e(fx) to help with this monumental reporting task
- ▶ Reporting Requirements
 - IRS Reporting begins in 2016 for each month of 2015 on the following:
 - If full time employees and dependents are offered affordable, essential health care coverage
 - If and when the employees enrolled in health care
 - The City must issue an ACA tax form to employees to use when filing their tax returns
 - The City must file report with IRS providing summary information on monthly healthcare coverage for all employees
 - The City is subject to penalties for incomplete or inaccurate information
 - \$100 – \$250 for each incorrect form
 - \$3,000 per employee if coverage is not offered and if unaffordable
- ▶ Employment Policies
 - DER is addressing Operational Policies that need to be changed for compliance with new reporting requirements
 - Adding communications during orientation for certain types of positions
 - Educating Payroll Personal on importance of tracking hiring information and offer of coverage
 - Requiring a Waiver form from City employees who choose not to participate in the City's health plan
- ▶ Communicating Changes to Employees and Penalties for Not Having Coverage
 - Requiring all employees to re-enroll in Healthcare Coverage during Open Enrollment
 - Employees subject to steep fines for not having health insurance with City or other entity
 - In 2015, \$325 per person (\$162.50 per child under 18) family maximum penalty is \$975
 - In 2016, \$695 per person (\$347 per child under 18)

Wellness Update

- ▶ Healthy Rewards Ended on June 30
- ▶ More than doubled participation from last year
 - 541 earned 100 points and completed the program
- ▶ Healthy Rewards for 2016 is Underway
 - July 1, 2015 through June 30, 2016
- ▶ Wellness Program Survey Completed with over 12% response rate
 - Feedback used to re-design Healthy Rewards and make changes to Wellness Programs and Services
 - Adding rechecks for all biometric categories
 - Revamped Activity Section
 - Added more Department Specific Programs that count towards Points
 - Increased Communications and Revamping Website to better streamline information dissemination and point submissions/tracking
- ▶ 3-Step Health Appraisal began August 3rd
 - Lab Work and Online Questionnaire must be completed by October 31st
 - Health Appraisal Session must be scheduled by Oct 31 and completed by end of December

Healthy Rewards Point Opportunities

Earn 100 points total to earn a \$250 HRA

Biometric Point Opportunities- A minimum of 20 points must come from this section!

Blood Pressure	Optimal category or improve a category from 2014 to 2015. <i>Eligible for recheck at the Wellness Center after February 1, 2016.</i>	10 points Maximum: 10 points
Waist Circumference	Optimal category or improve a category from 2014 to 2015. <i>Eligible for recheck at the Wellness Center after February 1, 2016.</i>	10 points Maximum: 10 points
Fasting Blood Glucose	Optimal category or improve a category from 2014 to 2015. <i>Eligible for recheck at the Workplace Clinic after February 1, 2016. Appointment required.</i>	10 points Maximum: 10 points
LDL	Optimal category or improve a category from 2014 to 2015. <i>Eligible for recheck at the Workplace Clinic after February 1, 2016. Appointment required.</i>	10 points Maximum: 10 points
Nicotine and Cotinine	Negative test for 10 points. Negative in 2014 after positive in 2013 for 20 points.	10 or 20 points Maximum: 10 or 20 points

Category ranges can be found on the DER website.

Potential biometric points: 60

Activity Point Opportunities

15-Minute Coaching or Nutrition Session	Meet with a Workforce Health coach or registered dietitian to discuss your health goals. May be done in person or telephonically. One session is required if you earn less than 40 biometric points. Schedule at www.pickatime.com/com/healthyrewards	10 points each Maximum: 30 points
Annual Dental Exam	Show a copy of your explanation of benefits or a paid bill.	10 points Maximum: 10 points
Preventative/Wellness Exam	Show a copy of your explanation of benefits or a paid bill.	10 points each Maximum: 20 points
Primary Care Physician Release	Your full lab results will be sent to your PCP.	10 points Maximum: 10 points
Blood Pressure Checks	Complete five blood pressure checks at the Wellness Center.	5 points Maximum: 5 points
Annual Flu Shot	Show a copy of your explanation of benefits, a paid bill or sign a release when WFH provides the shots in fall 2015.	5 points Maximum: 5 points
UHC mobile app or MyUHC.com sign up	Show a copy of your new or existing welcome page for proof.	5 points Maximum: 5 points
Group or Department Programs	Please visit the DER website for more info and a schedule of programs.	Varies Maximum: 30 points
Lunch 'N Learns	See the DER website for a schedule.	Attend 2, receive 5 points Maximum: 15 points
Market Box or Consumer Supported Agriculture Sign Up	Show a copy of a paid bill. To enroll, visit www.growingpower.org , www.farmfreshatlas.org or www.urbanecologycenter.org . Visit the Wellness Center for more information.	5 points each Maximum: 5 points
Physical Activity	Submit proof for 4 weeks in a row of physical activity: <ul style="list-style-type: none"> 10,000 step average per day (for five days of activity) <u>or</u> 150 minutes of activity per week for biking, swimming, running or walking <u>or</u> 8 classes or general visits at an athletic club for 4 weeks Submit proof of an organized athletic event (walk, run, triathlon, etc.).	5 points each Maximum: 30 points

Potential activity points: 165

Communication on Value of Wellness Program

Don't Leave Money on the Table!

Choosing to participate in the 3-step health appraisal process will save you money and allow you the opportunity to earn a \$250 HRA (Health Reimbursement Account) through Healthy Rewards.

City of Milwaukee health insurance participants who do not complete the 3-step health appraisal process will pay a health appraisal fee. See the fee schedule outlined on the back of this sheet for more details.

The 3-step health appraisal includes:

1. Lab Work
2. Online Health Questionnaire
3. Health Appraisal Session
 - Tobacco Education (if applicable)

In addition, those employees and spouses/partners who choose not to participate in the 3-step process are also ineligible to participate in Healthy Rewards and earn a \$250 per person HRA.

The Cost of Not Participating

Example A: Single Employee enrolled in the City's health insurance

- Pays \$30 monthly fee or \$360 annually
- Not eligible to participate in Healthy Rewards and receive \$250 HRA
- **Total amount lost = \$610**

Example B: Employee and Spouse enrolled in the City's health insurance

- Pays \$60 monthly fee or \$720 annually
- Not eligible to participate in Healthy Rewards and receive \$500 HRA
- **Total amount lost = \$1,220**

Join your fellow employees in avoiding health appraisal fees and becoming eligible to participate in Healthy Rewards by choosing to fully participate in the 3-step process today!



Reference Only

Example of New Posting Language

▶ OLD WAY

- Purpose: Under supervision of the Traffic Control Engineer III, this position is responsible for Engineering Design related to the installation, operation and maintenance of traffic control signals and signal systems.

▶ NEW WAY

- Do you enjoy having variety in your work, where no two days are the same? Are you interested in being exposed to the street lighting technology of the future?
- Working in the Traffic section of the Department of Public Works provides a flexible, technology-driven work environment. In this role the Traffic Control Engineer will work on a team to provide the public with safe, efficient travel through engineering design related to installation, operation and maintenance of traffic control signals and signal systems.

Civil Service Hiring Process

- ▶ Open and competitive recruitment—public dissemination of job announcements with a reasonable application period.
- ▶ Reliable and valid selection procedures
 - Based on job analysis – identifies the critical tasks & knowledge, skills, abilities, and personal characteristics needed on entry for the job
 - Minimum requirements are the **minimum**, not ideal, education and experience requirements needed to perform the job at a satisfactory level
 - Test components (e.g., written tests, oral examinations, education and experience ratings, writing sample exercises, performance tests are reliable and job-related through a demonstration of content or empirical validity
 - Standardization of test administration procedures and accuracy of scoring
 - Protection of the confidentiality and integrity of the selection process
- ▶ Process is free from the domination or control of the appointing authority
- ▶ Accurate administration of the certification process according to CSC rules
- ▶ Applicant appeal process for disqualifications, rejections, and removal from eligible list

Selection Process Workflow

Submit vacancy request for approval with personnel requisition and current job description to the Budget Office.

Wait for and receive approval from F&P to fill the vacancy.

Determine if vacancy will be filled by regular appointment, promotion, reinstatement.

Complete Job Analysis to determine essential functions – level of frequency, and importance. Determine minimum requirements and KSA's Importance, Needed on Entry, and Relation to the Job.

Der works with the department to evaluate possible alternatives to filling positions - Transfer/Promotional Opportunity, Use of existing comparable eligible list, Original examination, Promotion without Exam, Reinstatement

If original exam is requested, the analyst works with the department to get suggestions and identify recruitment sources and possible subject matter experts to work on exam administration and testing of candidates.

DER develops job announcement, application materials and exam plan.

For transfer/promotional DER develops the announcement and asks department to review and comment

Appointing authority reviews and comments on announcement and recruitment plan

Post announcement and execute recruitment plan.

Review applications (with input from the department if needed) for meeting minimum requirements and notify applicants of their disposition after application period closes.

(For transfer/promotional refer only applicants who meet minimum qualifications to the department for interview).

Identify raters for training & experience rating and oral exam panels.

Develop exam components and content and coordinate exam: logistics, raters, instruments, etc.

Invite candidates to participate in the selection process

Contact and notify candidates throughout process as needed

Conduct orientation of raters for T&E and oral exam panels

Administer exam components (some exam processes have multiple components).

Score the test(s)

Conduct criminal background checks

Create eligible lists

2015 City Salary Distribution

General City and Civilian, No Sworn

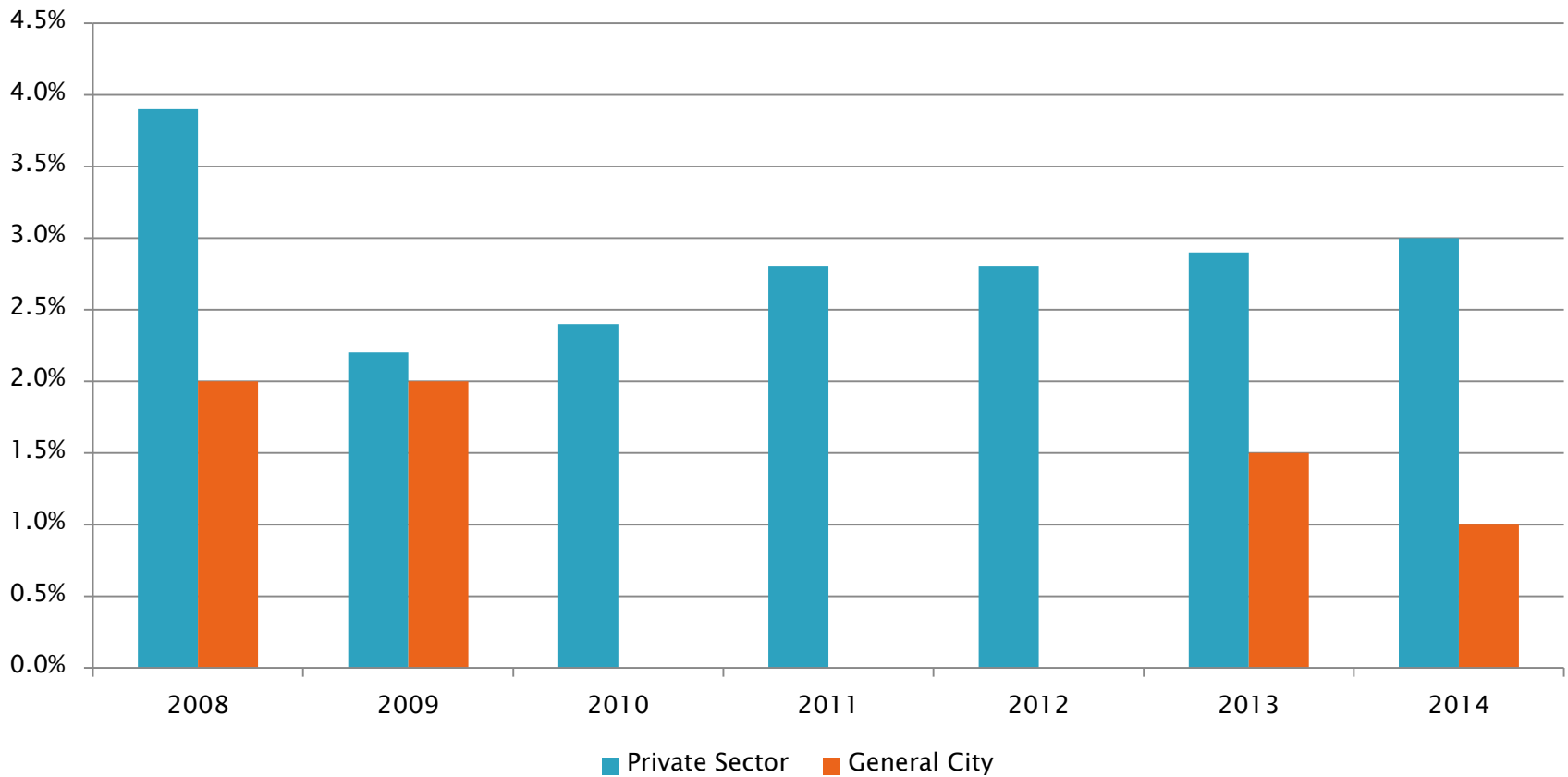
Average Salary: \$52,684 (52% make below that amount)

2015 Salary Ranges	Number in Range	Percent of Total	
\$20,000 - \$30,000	68	2%	22%
\$30,000 - \$40,000	717	20%	
\$40,000 - \$50,000	1,196	33%	54%
\$50,000 - \$60,000	765	21%	
\$60,000 - \$70,000	455	12%	24%
\$70,000 - \$80,000	185	5%	
\$80,000 - \$90,000	104	3%	
\$90,000 - \$100,000	59	1.5%	
\$100,000+	96	2.5%	
Total	3,645	100%	

***Salary ranges include 2015 increase to offset pension contribution*

City Salary Progression Compared to Private Sector

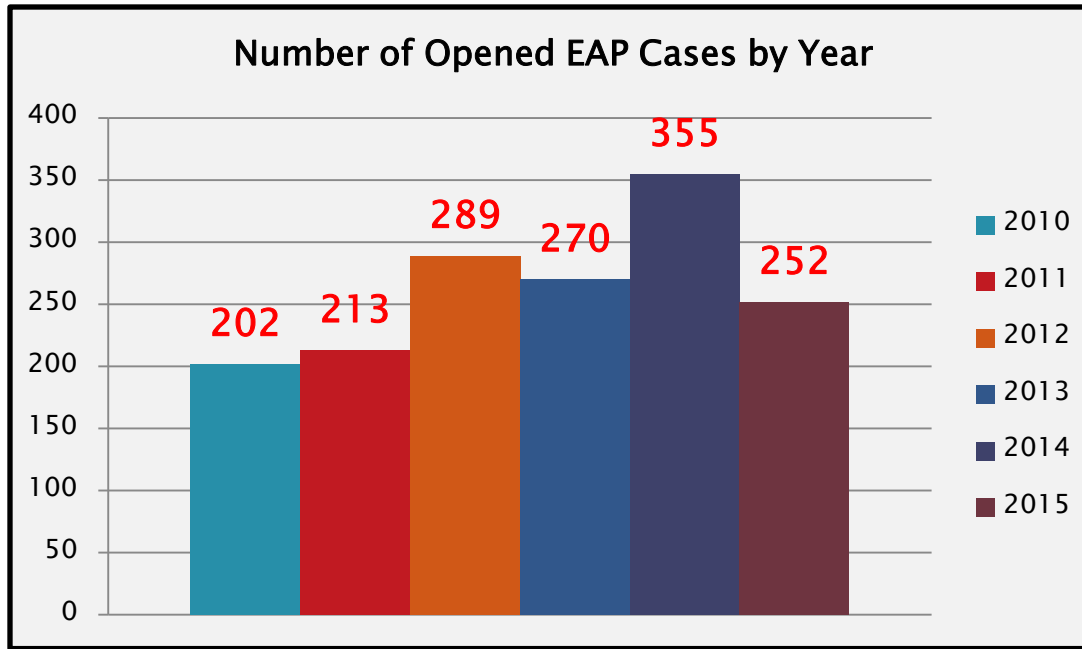
Annal Salary Increases Private Sector vs Gen City



Career Ladders

Implemented	In Progress
Property Appraisers– ASSESOR'S OFFICE	Engineers, Architect & Related DPW INFRASTRUCTURE
License Specialists CITY CLERK	Landscape/ Forestry Related DPW FORESTRY
Auto Techs & Related DPW OPS	Water Treatment Operators & Scientists WATER
Environmental Health Specialists MHD	Public Health Nurses MHD
Enforcement / Construction Inspectors DNS	Librarians MPL

EAP Metrics



	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2010	14	24	22	18	23	14	17	18	17	14	22	13	216
2011	20	13	20	16	19	13	22	21	20	16	17	16	213
2012	25	20	20	23	24	23	21	24	19	28	31	31	289
2013	22	20	21	27	27	17	24	23	20	34	18	17	270
2014	27	29	47	30	31	23	28	25	28	41	22	24	355
2015 to date	30	29	39	38	29	25	30	32					252

Employee Relations Post Act 10

Gen City Data	2010	2011	2012	2013	2014	2015 to Date
Disciplinary Actions						
Discharges	14	8	11	12	10	6
Suspensions	87	98	119	126	148	94
Employee Complaints						
Formal Complaint Investigations	6	6	7	12	16	9
Disciplinary Grievances						
Total Gen City Grievances		60	21	42	28	21

- ▶ DER holding ADA training for Personnel Officers to help departments deal with these ongoing challenges
- ▶ In addition to formal complaints, DER will start tracking informal complaints (not written but investigated) and inquiries/facilitations
 - Will help DER better gauge the total annual volume of employee complaints, investigations, and facilitations
 - Improved data tracking will also help identify and address problematic trends

Disciplinary Grievance Data

Type of Discipline	Settled and/or Reduced	Withdrawn	In-Process	Denied	Non-Action Untimely	Total
2012 Data						
Written Warnings	5			3		8
Verbal Warnings						0
Suspension 1 day				2		2
Suspension 3 day				2		2
Suspension 5 day				1		1
Suspension 10 day	2	1		2		5
Suspension 15 day						0
Workplace Safety	2			1		3
2012 TOTALS	9	1	0	11	0	21
2013 Data						
Written Warnings	21			3	7	31
Verbal Warnings					1	1
Suspension 1 day				4	2	6
Suspension 3 day				1		1
Suspension 5 day					1	1
Suspension 10 day				1		1
Suspension 15 day				1		1
Workplace Safety						0
2013 TOTALS	21	0	0	10	11	42
2014 Data						
Written Warnings	3	3		5	2	13
Suspension 1 day				2	2	4
Suspension 3 day					1	1
Suspension 5 day		1		3	1	5
Suspension 10 day	1			2		3
Suspension 15 day				1		1
Workplace Safety				1		1
2014 TOTALS	4	4	0	14	6	28
2015 Data thru Sept						
Written Warnings			3	1	1	5
Suspension 1 day	1		5			6
Suspension 2 day					1	1
Suspension 3 day			1			1
Suspension 5 day						0
Suspension 8 day			1			1
Suspension 10 day			3			3
Suspension 15 day			1		1	2
Workplace Safety	1		1			2
2015 TOTALS	2	0	15	1	3	21

DER Initiatives:

Applicant Tracking & Test Management System

	2011			2012			2013			2014		
Staffing Performance Measures	City	MPS	Total	City	MPS	Total	City	MPS	Total	City	MPS	Total
Applications Processed	8,927	1,666	10,593	8,553	5,202	13,755	6,026	2,076	8,102	5,540	327	5,867
Positions Filled from Eligible Lists	174	89	263	309	213	522	216	229	445	338	26	364
Original Exams	49	15	64	66	17	83	66	16	82	75	3	78
Promotional Exams	23	7	30	25	2	27	21	1	22	27	2	29
Exam Sessions	146	47	193	141	65	206	110	45	155	112	14	126

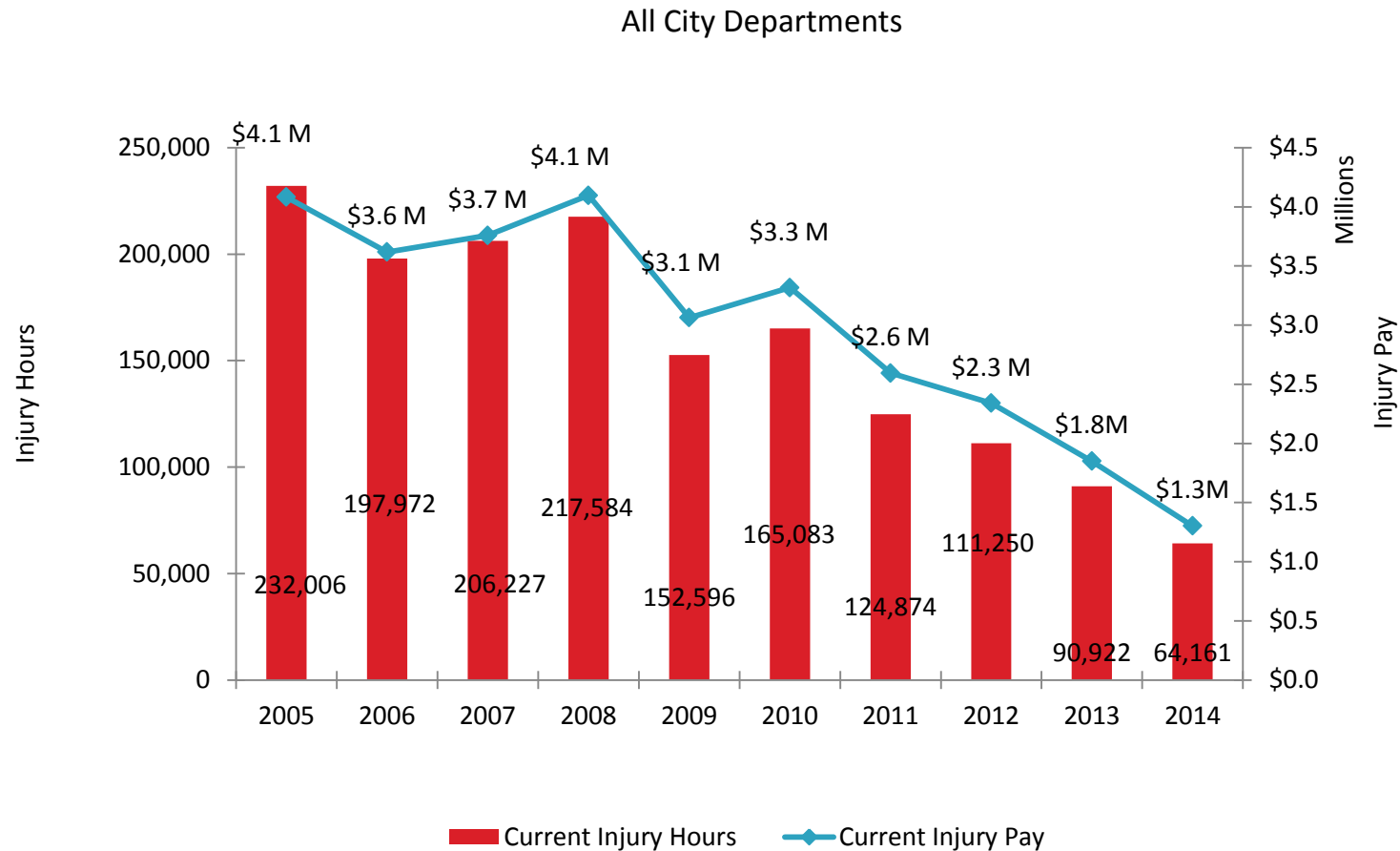
- In 2014, per the MPS Board of School Director's request, the City Service Commission delegated recruitment and hiring duties for MPS classified positions to the MPS Board
- DER staffing has engaged in other responsibilities in anticipation of this shift

Healthcare Enrollment Data

Healthcare Plan	2011	2012	2013	2014	2015	% Change Over Prior
Active Choice (EPO)	5,564	5,191	5,353	5,343	5,332	-.2%
Active Choice Plus (PPO)	646	520	510	386	349	-9.6%
Total Active	6,210	5,711	5,863	5,729	5,681	-0.8%
Retiree Choice (EPO)	1,836	1,811	1,849	1,850	1,869	1.0%
Retiree Choice Plus (PPO)	2,456	2,288	2,177	2,041	1,816	-11.0%
Total Retiree	4,292	4,099	4,026	3,891	3,685	-5.3%
TOTAL	10,502	9,810	9,889	9,620	9,366	-2.6%
*Active Enrollment as % of FTEs	85%	78%	82%	79%	78%	-1.0%

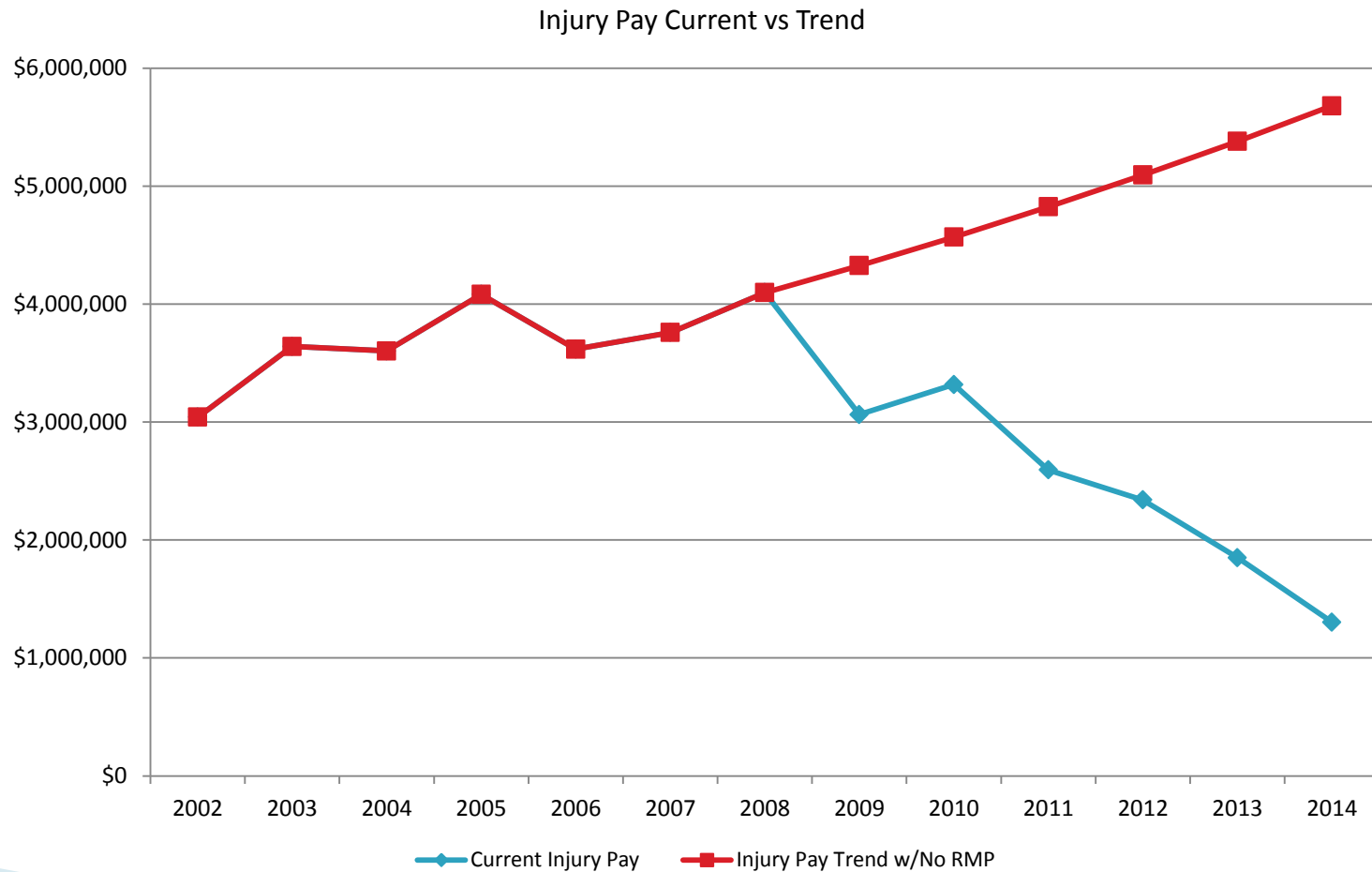
*Employee's that waive insurance because their spouse works for the city and has HC coverage totals approximately 200 which adds 3% to the active enrollment as a % of FTEs

Worker's Compensation Data & Trends



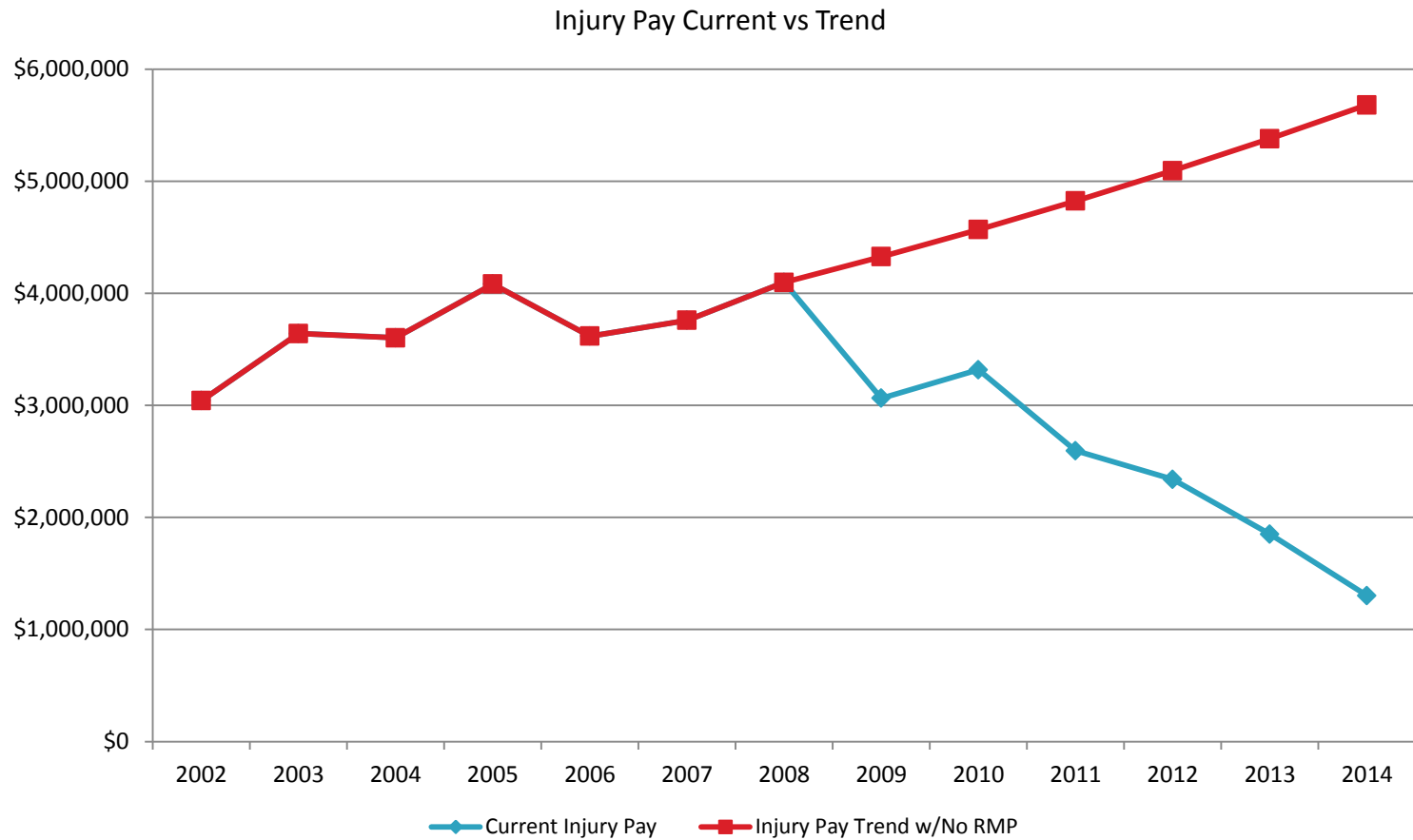
Worker's Compensation Data & Trends

Reversing the Trend: \$15.4M Avoided Injury Pay



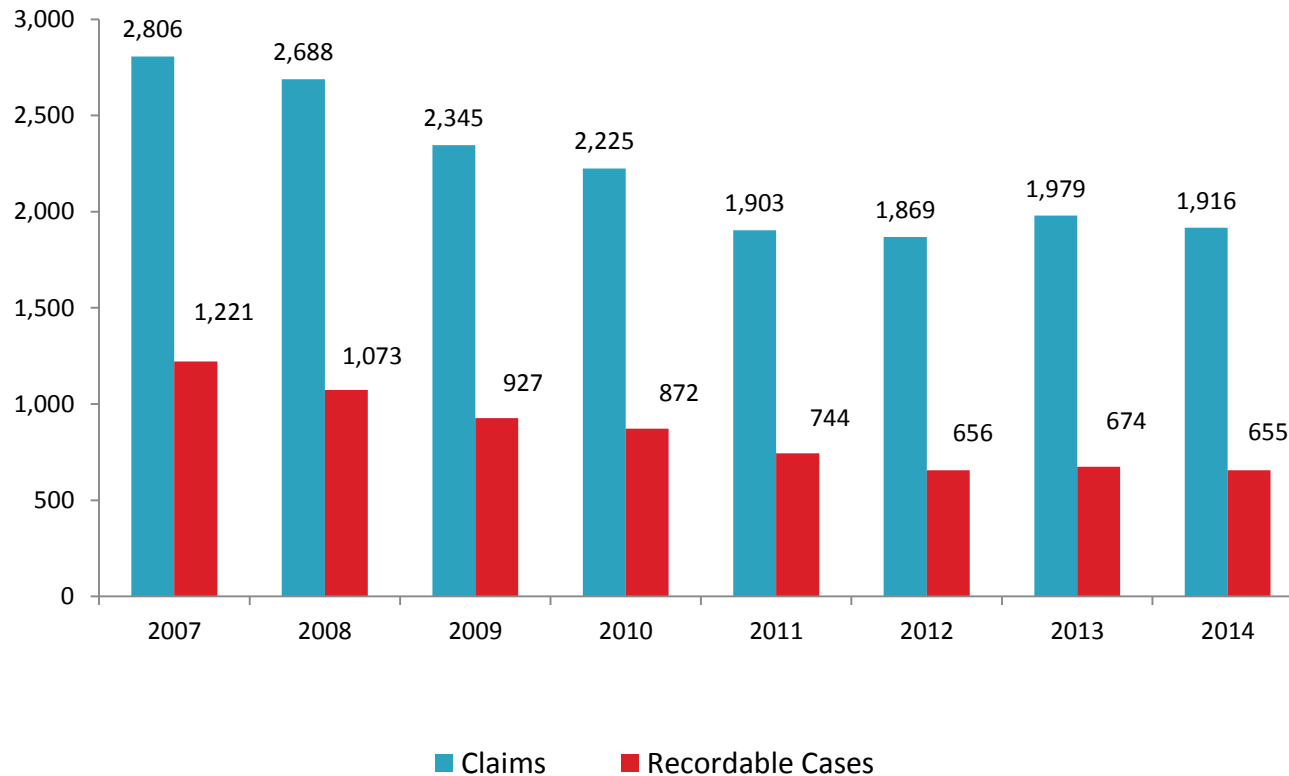
Worker's Compensation Data & Trends

Reversing the Trend: 735,725 Fewer Injury Hours



Worker's Compensation Data & Trends

WC Claims & Recordable Cases



Residency Update

Employees/New Hires/Rehires Non-Residents as of July 31, 2015

Employees that Live Outside City (as of 7/31/15)	General City	Sworn	FPC Civilian	Total
Employees who moved after 07/02/2013	114	359	24	497
New Hires/Rehires that have not moved	109	66	31	206
Total Current Non-Residents	223	425	55	703
(% Change over 4 mos from April 9th—see below)	34%	24%	22%	26%

Employees that Live Outside City (as of 4/9/15)	General City	Sworn	FPC Civilian	Total
Employees who moved after 07/02/2013	93	282	20	395
New Hires that have not moved	73	61	25	159
Total Current Non-Residents	166	343	45	554

Residency Preliminary Analysis as of 7/31/15

(Excludes New Hires/Rehires)

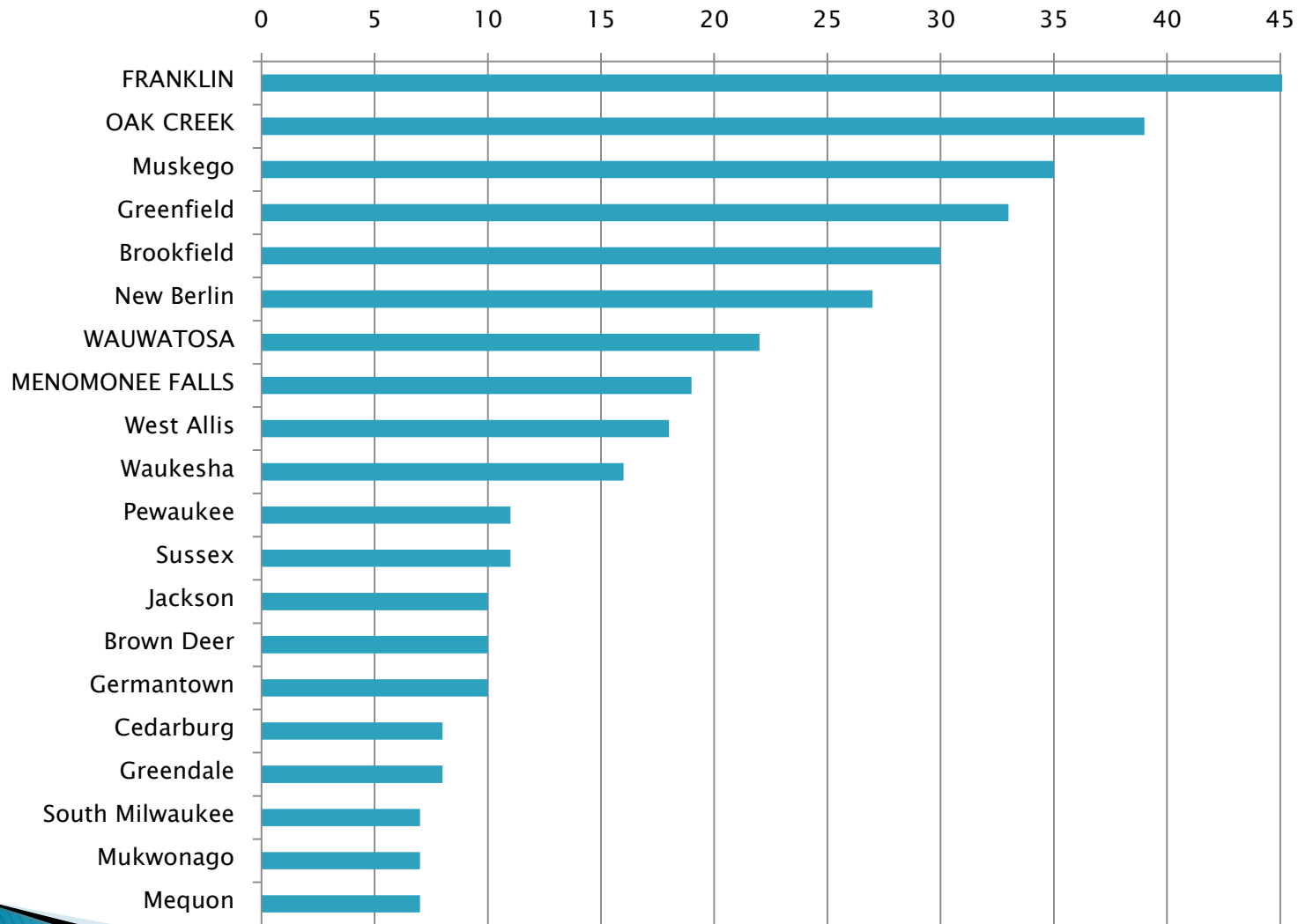
Move Numbers by Department (excludes new hires/rehires)	
MPD	248
MFD	130
DPW	48
DNS	13
City Attorney	9
Water	9
MPL	7
MHD	6
DPW	4
Assessor's Office	3
Treasurer	2
CC-CC	2
ERS	2
ITMD	2

Move Numbers by Job Title (excludes new hires/rehires)	
POLICE OFFICER	168
FIREFIGHTER	55
DETECTIVE	31
HEAVY EQUIPMENT OPERATOR	22
POLICE SERGEANT	20
FIRE LIEUTENANT	20
FIRE PARAMEDIC	16
Operations Driver/Worker	10
FIRE CAPTAIN	7
Assistant City Attorney	6
Forensic Investigator	6
Office AssistantI-IV	6
Fire Cadet	5
Police Aide	5
Urban Forestry Specialist	5
Bridge Operator	3
Police Services Special investigator	3
Electrical Mechanic	3
Commercial Code Enforcement Inspector	3
Special Enforcement Inspector	3
Battalion Chief, Fire	3
Senior Property Appraiser	2
Programmer Analyst	2
Librarian III	2
Crime Analyst	2
Electrical Worker	2
POLICE ID SUPERVISOR	2
POLICE LIEUTENANT	2

Move Outs by Month	2013	2014	2015
January		14	9
February		8	12
March		16	16
April		15	17
May		34	20
June		28	38
July	7	22	43
August	17	34	
September	14	24	
October	15	29	
November	13	15	
December	7	21	
	73	260	155

Residency Preliminary Analysis

Where People are Moving (as of 7/31/15)



State Civil Service Reform

Changes to State Statutes

Change the manner to assess merit and fitness from competitive exams to competitive procedures

- *Under 230.16(3) allows a representative of the appointing authority to participate as evaluators as part of the hiring process*

Prohibit questions about conviction record prior to certification.

Preference for veterans and spouses in hiring process for positions in the classified service (must interview if on the certification list and must give preference to veteran if everything else is equal).

Require appt auth to review pers file of a person before making an offer to a person who holds a position in the civil service.

Reduce the deadline for making an appt from 60 days to 30 and the deadline to certify applicants from 45 days to 30.

Probationary periods changed from 6 mos or 1 year to 2 years with ability to waive after 1 year.

Reinstatement privileges are limited to ees on lay off status and are reduced to 3 yrs from 5 (other employees who separate in good standing are not eligible to reinstate, including those who separate to fill an elective position).

Elimination of restoration rights.

Layoffs status based primarily on job performance and elimination of bumping rights

State Civil Service Reform

Changes to State Statutes

HR Dept to prepare standards for progressive discipline plans to be prepared by state agencies.

- *The standards shall address discipline for conduct and performance that is inadequate*

Re-defines the standard separating people for poor performance/conduct: inadequate, unsuitable, inferior

Establishes that progressive discipline is NOT needed for the following offenses:

- *harassment on duty,*
- *inflicting physical harm to another person while on duty,*
- *being intoxicated or under the influence while on duty,*
- *possession while on duty,*
- *falsification of records of the agency,*
- *theft of agency property or services,*
- *felonious conduct connected with the employee's employment,*
- *intentional or negligent conduct that cause substantial damage to property,*
- *misuse or abuse of agency property, including the intentional use of agency's equipment to download, view, solicit, seek, display or distribute pornographic material.*
- *A serious violation of the code of ethics*

Change the threshold to consider an employee to have abandoned his/her job from 5 consecutive working days to 3 working days during a calendar year. An appointing authority may treat this as a resignation under 230.34(1)(am).

Maintain an Employee File and prohibits the removal of disciplinary records