

Williamson County Proposals for Unallocated

Ashlie Koenig, Alison Gleason, Tara Raymore



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Adopted 2012 UNALLOCATED

- ▶ What is Unallocated? – monies allowed to be retained by departments across fiscal years; monies stem from salary savings attributed to unspent merit and/or hiring in at a lower salary when a person leaves; monies may be used for merit, retention, recruiting and re-organization
- ▶ Intent - to give Department Heads and Elected Officials the flexibility to attract/retain talent and reward performance within the policies approved by the Commissioners Court

Unforeseen Consequences

- ▶ Uncontrolled growth of unallocated accounts

	Unallocated Rollover	Increase
2013	\$158,232	
2014	\$484,931	206%
2015	\$1,228,464	132%
2016	\$1,577,344	28%

Due to the Salary/Position policies some monies can never be used.

Unforeseen Consequences

- ▶ Administration cost – most of the cost is attributed to ensure merit/cola is not applied to unallocated.

Years	Admin Cost	Hours	Savings on 3%
2014	\$35,000	700*	\$4,746
2015	\$17,000	340	\$14,547
2016	\$19,000	380	\$20,240
2017	\$20,000	400	\$25,867
Total	\$91,000		\$65,400
Net			-\$25,600

*2 year catchup Plus set-up

Reconciliation / Challenges

Most of the challenges are due to inconsistencies in policies that cannot be programmatically defined.

- Shaved amounts
- New positions or re-classifications are partially funded
- Line Item Transfers occur into and out of salary lines requiring manual reconciliation
- Lump Sums are paid out and not attached to the annual salary requiring manual reconciliation
- Reporting
- Data Integrity
- Back out split funded position into the correct departments
- Vacancies (salary for last FTE)
Position salary variance due to static data in budget process, while departments continue to process PASS

Proposed Options

- ▶ Continue w/Current Process with some additional constraints
- ▶ Revise current process to maintain current flexibility but limit resources and dollars to maintain the process

SOLUTION #1

Retain Current Process

▶ New Constraints

- No reclassifications outside of budget process
- Additional FTEs Needed to Manage Process
- Internal salary survey every 5 years

◦ PROS

- Decreases Administration Cost
- Maximum Management Flexibility

◦ CONS

- Requires Extensive Administration from Multiple Depts

SOLUTION #2

Replace Carryover of Unallocated with Carryover of Merit

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- ▶ Replace Carryover of Unallocated with Carryover of Merit
- ▶ Replace 8000 Accounts with 1130 Merit line
- ▶ Internal Salary Survey Every 5 Years
- ▶ Remove All Unallocated in PT and FT lines
- ▶ Re-classes only to titles/grades already existing
- ▶ Budget Remains on Positions (Cannot be used for other positions)

PROS

- Decreases administration cost
- Reduces the budget by over \$ 1M
- Reduces Sense of Entitlement
- Reduces Pay Inequities
- Retains Current Management Flexibility
- Corrects Reporting Inaccuracies

CONS

- Reduces Unallocated Funding

Questions or Comments?



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