



August 12, 2022

To the Honorable City Council President, Nick Mosby
and Members of the Baltimore City Council
City Hall, 100 N. Holliday Street, Room 409
Baltimore, Maryland 21202

Re: CC Bill 22-0114R Baltimore City’s Efforts to Retain Professional Staff

The Department of Human Resources (“DHR”) has reviewed City Council Bill 22-0114R Baltimore City’s Efforts to Retain Professional Staff. For the purpose of inviting the City Administrator, the Director of the Department of Human Resources, and the Director of the Department of Finance to come before the City Council to discuss the Managerial and Professional Society Pay-for-Performance system and what efforts the City is making to ensure that the appropriate funds are allocated in the annual budget to support this program so the City can retain its professional staff.

The MAPS PFP system was created in 2016 by the Office of Performance Management to attract, encourage, and retain high-performing staff by offering competitive compensation and rewarding individual performance by way of a merit increase to total base pay, a one-time bonus, or a one-time special recognition award based on the employee’s performance through the achievement of goals and demonstration of required competencies. At the time, approximately \$700.00-\$800.00 per employee was allocated in the City’s budget for this system. The system was functional under the Office of Performance Management for fiscal years (“FY”) 2016-2018. Beginning in FY 2019, oversight of the system was transferred to the Department of Human Resources. For FY 2019, there were a total of 1,747 employees who were eligible for the PFP system. Of these 1,747, 385 employees did not receive a performance

rating and 25 employees were given an exception to the system, because they were in the State’s Attorney’s Office and did not participate in the City’s program in lieu of their own. The included table contains the breakdown of the evaluations that were received in FY 2019. (*Table 1*).

MAPS Employee Performance Ratings FY 2019	
Performance Rating	Number of Employees
Not Rated	385
1 - Unsatisfactory	1
2 - Improvement Needed	24
3- Meets Expectations	502
4 - Exceeds Expectations	661
5 - Exceptional	149
Exception	25
Total	1,747

Table 1 – Submission compliance for Pay-for-Performance in FY 2019 was 77%.

The PFP system has not been functional since FY 2019, due to budget restraints mostly related to the COVID-19 pandemic; however, we defer to the Department of Finance on the budgetary feasibility and reasoning for not funding PFP recently. Even though each City agency controls the administration of the program within their agencies, the Department of Finance makes the allocation for PFP for all agencies annually during budget preparation season. The Bureau for Budget Management Research (“BBMR”) lets DHR know annually (typically in March) if there is a PFP budget for the upcoming year. PFP is always paid a fiscal year behind the evaluation year. For example, the annual review is completed in June, however, employees do not receive the PFP until fall, which is the first quarter of the new fiscal year. Finance allocates the budget based on a headcount of MAPS employees, and it is loaded at the beginning of the fiscal year.

To that end, having a system that encourages and rewards exceptional work performance, benefits the employees and the City as a whole. An effective PFP system *“makes it easier for HR people to constantly monitor employee performance and reward them rationally,”* furthermore, PFP systems *“encourage employees to do better each day and defeat their performance records.”*¹

Other jurisdictions within the state of Maryland such as Anne Arundel County and Montgomery County have similar pay-for-performance systems which include both merit-based base salary increases and one-time, lump-sum bonuses. The Department of Human Resources supports best practices that attract and retain quality candidates for employment within the City of Baltimore. As previously stated, we defer to the Department of Finance for the economic feasibility of the MAPS PFP system and we remain prepared to partner with Finance and all the agencies to ensure the program runs as intended.

For additional questions or concerns, contact me at Quinton.Herbert@baltimorecity.gov or by phone at 410-396-1563.

Sincerely,

Quinton M. Herbert, JD

¹ Team, E. C. (2021, July 7). *Retain top talent by focusing on pay-for-performance plans*. Empxtrack. Retrieved July 25, 2022, from <https://empxtrack.com/blog/retain-top-talent-by-focusing-on-pay-for-performance-plans>

**CITY OF BALTIMORE
COUNCIL BILL 22-0114R
(First Reader)**

Introduced by: Councilmembers Conway, Porter

Introduced and read first time: June 27, 2022

Assigned to: Ways and Means Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Department of Human Resources, City Administrator, Office of the Labor Commissioner

A BILL ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Baltimore City’s Effort to Retain Professional Staff**

3 FOR the purpose of inviting the City Administrator, the Director of the Department of Human
4 Resources, and the Director of the Department of Finance to come before the City Council to
5 discuss the Managerial and Professional Society Pay-for-Performance system and what
6 efforts the City is making to ensure that the appropriate funds are allocated in the annual
7 budget to support this program so the City can retain its professional staff.

8 **Recitals**

9 According to Willis Towers Watson’s 2022 Global Benefits Attitudes Survey, approximately
10 44% of employees nationwide are looking for a new job or plan to start looking soon. This
11 phenomenon continues the trend that started at the beginning of the pandemic known as “The
12 Great Resignation” or “The Great Reshuffle”.

13 The Bureau of Labor Statistics estimates that more than 3 million people have left their jobs
14 every month since this trend began in January of 2021, with the number reaching its highest point
15 in November of 2021 when 4.5 million workers resigned. Surveyors found that 56% of workers
16 reported that pay or salary was the top reason they were looking for a job with a different
17 employer. Employee health benefits, job security, flexible work arrangements, and retirement
18 benefits rounded out the list of other top reasons.

19 Currently, the City of Baltimore is at a pivotal position where 57% of its workforce is eligible
20 to retire and many mid-career professional staffers are being recruited away to other
21 governmental jurisdictions or the private sector.

22 In 2016, the City of Baltimore implemented the Managerial and Professional Society
23 Pay-for-Performance system. The City implemented this system to attract, encourage, and retain
24 high performing employees by offering competitive compensation and rewarding individual
25 performance. In the Pay-for-Performance system, employees are awarded based on performance
26 as demonstrated through achievement of individual goals and exhibition of required
27 competencies, as well as budget allocation for salary increases.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

Council Bill 22-0114R

1 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the
2 Baltimore City Council invites the City Administrator, the Director of the Department of Human
3 Resources, and the Director of the Department of Finance to come before the City Council to
4 discuss the Managerial and Professional Society Pay-for-Performance system and what efforts
5 the City is making to ensure that the appropriate funds are allocated in the annual budget to
6 support this system so the City can retain its professional staff.

7 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the City
8 Administrator, the Director of the Department of Human Resources, the Director of the
9 Department of Finance, and the Mayor’s Legislative Liaison to the City Council.