

## IMPACT STATEMENT

**Legislation title:** Create a new accrual bank allowing for carry-over of all vacation over max accruals earned by the end of the first pay period in January 2022 for use by City of Portland employees until the end of the first pay period in January of 2024. (Ordinance)

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**Presenter name:** Cathy Bless

**Purpose of proposed legislation and background information:**

On August 5, 2020, Council passed ordinance 190081 providing an exception to Human Resources Administrative Rule 6.03, Vacation, for employees required to furlough; allowing for carry-over of all vacation accruals earned by the end of the first pay period in January 2021 to the end of the first pay period in January of 2022. Because of COVID-19 and impacts to business operations, employees may not have the ability and in some cases the means to use accrued vacation hours the remainder of the calendar year. BHR is recommending a solution to protect and manage the forfeiture of employee’s vacation time due to continuing impacts of Covid-19.

**Financial and budgetary impacts:**

Carryover of excess vacation leave (vacation over the maximum) from one calendar year to the next may impact the budget in the fiscal years which are contained in the subsequent calendar year. Below is an example of how the recommended solution of moving forfeited hours to a separate bank would work.

Employee	Annual Vacation Accrual	Maximum Accrued Time allowed	Amount of time EE has accrued and banked in Vacation	VOM Banked Hours in January 2022	Vacation Used in 2022	Remaining Accrual	2023 forfeited time
10 year employee	156	312	400  (amount is not calculated from this table, and is a starting point for the example)	88	0	88	0
Same EE, just now an	160	320	472	0	120	352	32

11 year EE (year 1 of VOM Bank)			(amount is totaled by adding the prior year max (312) + 11 year accrual (160)		(ee did not use any of their VOM bank, and also did not use all time – some time subject to forfeiture)		(forfeiture is calculated by subtracting 352 (remaining accrual by 320 (maximum accrual allowed)
Same EE just now a 12 year EE (year 2 of VOM Bank)	164	324	516	0	220+88 VOM  Total 308 used  (ee used VOM bank (88 hours) and enough vacation to not forfeit any time)	296  (516 ee accrued time - 220 vacation time used). 296 is under the EE's max of 324.	0

Employee	Annual Vacation Accrual	Maximum Accrued Time allowed	Amount of time EE has accrued and banked in Vacation	VOM Banked Hours in January 2022	Vacation Used in 2022	Remaining Accrual	Retires on December 31, 2022
10 year employee	156	312	400	88	0	88	22 hours paid to the employee (25% of VOM Bank) in final paycheck
Same EE, just now an 11 year EE (year 1	160	320	472	0	100	372	372 hours paid to the employee in final paycheck

of VOM Bank)							
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**Community impacts and community involvement:**

There was no community involvement. This action is largely internal to City government processes.

**100% Renewable Goal:**

This action has no impact on the City's renewable energy goal.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- YES:** Please complete the information below.  
 **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount