

Human Resources & Risk Management

RECOMMENDED BUDGET • FY 2022-23

MISSION

The mission of the Department of Human Resources is to promote the power of public service by fostering a positive, productive and collaborative workplace where all employees are qualified, empowered, respected and valued. The vision of the Department, as an employer of choice, is to maximize individual and organizational success through strategic partnerships and collaboration by implementing and supporting programs, processes and services that add value to both the County of El Dorado's employees and the community.

DEPARTMENT BUDGET SUMMARY

Human Resources

| Description | FY 2020-21 Actual | Current Year Adopted | CAO Recommended | Difference from Adopted |
|------------------------------|----------------------|-------------------------|--------------------|----------------------------|
| Salaries & Benefits | 1,540,076 | 2,112,229 | 2,065,797 | (46,432) |
| Services & Supplies | 282,065 | 383,620 | 394,340 | 10,720 |
| Intrafund Transfers | 82,476 | 74,045 | 102,573 | 28,528 |
| Total Appropriations | 1,904,617 | 2,569,894 | 2,562,710 | (7,184) |
| FUND 1000 GENERAL FUND TOTAL | 1,904,617 | 2,569,894 | 2,562,710 | (7,184) |

MAJOR BUDGET CHANGES

Appropriations

Salaries and Benefits

- \$29,563 Increase in Workers' Compensation charge due to a resumption of premium charges after a rate holiday in Fiscal Year 2021-22.
- (\$88,992) Decrease in Health Insurance Employer Share due to employee elections that result in savings when compared to the prior year.
- \$12,997 Increase in Salaries and Benefits costs due to Board-approved compensation increases that are partially offset by savings resulting from aligning budget to prior year time studies across Human Resources and Risk Management and two underfills during FY 2021-22 that are incorporated into the Recommended Budget.

Services and Supplies

- (\$19,000) Decrease in legal services as it is anticipated there will be decreased bargaining unit negotiations due to current memorandum of understanding end dates.
- \$8,500 Increase in travel and training costs to return to pre-pandemic levels.
- \$5,505 Increase in Software Licenses for contractual increases to the NeoGov software for employee recruitment and evaluation.

Human Resources & Risk Management

RECOMMENDED BUDGET • FY 2022-23

\$10,000 Increase in Computer Equipment for use in new employee onboarding.

\$5,715 Increase due to adjustments in multiple objects to align with actual costs and projected increases.

Intrafund Transfers

\$28,528 Increase in Intrafund Transfers primarily due to increases in Central Fiscal administrative charges to more closely align budgeted rates with actual charges.

DEPARTMENT BUDGET SUMMARY

Risk Management

| Description | FY 2020-21 Actual | Current Year Adopted | CAO Recommended | Difference from Adopted |
|-----------------------------|----------------------|-------------------------|--------------------|----------------------------|
| Rev Use Money/Prop | 169,763 | 0 | 0 | 0 |
| Service Charges | 33,582,458 | 46,555,252 | 56,724,136 | 10,168,884 |
| Miscellaneous Rev | 753,189 | 0 | 0 | 0 |
| Fund Balance | 0 | 22,936,654 | 14,046,139 | (8,890,515) |
| Total Revenue | 34,505,410 | 69,491,906 | 70,770,275 | 1,278,369 |
| Salaries & Benefits | 763,701 | 850,863 | 1,029,111 | 178,248 |
| Services & Supplies | 39,834,072 | 55,158,251 | 56,599,389 | 1,441,138 |
| Other Charges | (1,359,053) | 604,037 | 648,811 | 44,774 |
| Intrafund Transfers | 2,934,481 | 3,146,346 | 3,200,496 | 54,150 |
| Intrafund Abatement | (2,934,481) | (3,146,346) | (3,200,496) | (54,150) |
| Contingency | 0 | 12,878,755 | 12,492,964 | (385,791) |
| Total Appropriations | 39,238,720 | 69,491,906 | 70,770,275 | 1,278,369 |
| FUND 5250 RISK TOTAL | 4,733,310 | 0 | 0 | 0 |

MAJOR BUDGET CHANGES

Revenue

\$10,168,884 Increase in Service Charges due to a \$2.4 million increase in General Liability rates, a \$7.4 million increase in Workers' Compensation rates, a \$102,00 increase in Retiree Health rates, and a \$270,192 increase in Health Benefit costs partially as a result of a rate reduction for General Liability and a rate pass for Workers' Compensation in FY 2021-22.

Appropriations

Salaries and Benefits

\$132,282 Increase in Salaries and Benefits costs due to the addition of a Sr. Risk Analyst allocation through an overfill of a HR Technician allocation during FY 2021-22 that has been incorporated into the Recommended Budget.

Human Resources & Risk Management

RECOMMENDED BUDGET • FY 2022-23

\$5,555 Increase in Workers' Compensation charge due to a resumption of premium charges after a rate holiday in Fiscal Year 2021-22.

\$40,411 Increase in Salaries and Benefits costs primarily due to Board-approved compensation increases and increases from aligning budget to prior year time studies across Human Resources and Risk Management.

Services and Supplies

\$5,150 Increase in travel and training costs to return to pre-pandemic levels.

\$1,312,324 Increase in insurance premiums due to rising premiums across multiple insurance programs.

\$81,804 Increase in medical services costs due to pandemic mitigation costs.

\$31,000 Increase in Legal Attorney Contracts due to projected increased use of contract attorneys in Risk programs.

\$10,860 Increase due to adjustments in multiple objects to align with projected costs.

Other Charges

\$44,774 Increase in Interfund Transfers primarily due to increased facilities service charges and increases in Central Fiscal administrative charges to more closely align budgeted rates with actual charges.

Intrafund Transfers

\$54,150 Increase in Intrafund Transfers to align budget to prior year time studies across Risk Management programs.

Intrafund Abatements

\$54,150 Increase in Intrafund Abatements to align budget to prior year time studies across Risk Management programs.

Contingency

(\$385,791) Decrease in Contingency based on Fund Balance that was budgeted in Contingency with the FY 2021-22 Adopted Budget, rather than placing in Reserves/Designations.

PROGRAM SUMMARIES

The Department of Human Resources manages and administers a variety of programs and services that are comprised of three primary divisions: Talent Acquisitions Services; Risk and Safety Management Services; and Labor Relations, Employee Relations, Benefits, and Leave Management Services.

Human Resources & Risk Management

RECOMMENDED BUDGET • FY 2022-23

Talent Acquisitions and Services

Recruitment and Selection

Effectively recruits and identifies applicants with the qualifications and characteristics needed for each job; maximizes reasonable competition, ensures compliance with the County's Personnel Rules as well as federal and state laws; and contributes to the overall effectiveness of County services and operations. This is accomplished by conducting recruitments and administering selection activities for County classifications, which include advertising, targeted outreach, participation in job fairs, and development and administration of various employment exams. Successful candidates are placed on a certified employment list utilizing the results of the recruitment and selection processes, and then Department of Human Resources staff coordinate pre-employment medical examinations for selected candidates.

Classification and Compensation

The Department of Human Resources administers the County's Classification Plan by developing and updating County classification specifications, reviewing positions for possible reclassification, and collaborating with County departments on the structure of their respective departments. In addition, the Department of Human Resources administers the Salary Schedule by collecting salary and benefits information, and recommending to the Board of Supervisors new and revised salaries for County classifications. Additionally, the department interprets and corrects implementation of wage and hour requirements mandated by the Fair Labor Standards Act and labor contracts.

Training and Organizational Development

The Department of Human Resources develops, coordinates and administers countywide training with the goal of employee and organizational development by providing or managing skills-based training programs and employee development services. Further, the Department administers internship programs and conducts new employee orientation sessions for new hires.

Labor Relations, Employee Relations, Benefit, and Leave Management Services

Employee Relations and Labor Relations

The Department of Human Resources promotes and achieves collaboration through the development of harmonious relationships with labor organizations and oversees all bargaining unit modifications. Under the Meyers-Millias-Brown Act, the Department of Human Resources is also responsible for preparing and conducting labor negotiations; interpreting Memoranda of Understanding and policy provisions; investigating, advising on, and hearing grievance and disciplinary appeals; and administering employee relations statutes, ordinances and policies. The Department utilizes the services of a third party administrator on an "as needed" basis to provide legal advice, serve as a chief negotiator, and provide County representation in employment and labor relation matters.

Employee Benefits

The Department of Human Resources manages employee benefits contracts and administers employee benefits programs to include employee and retiree health and dental plans; employee assistance program (EAP); life insurance; flexible spending arrangements (FSA), including health care and dependent care reimbursement accounts (HCRA and DCRA); health savings accounts (HSA); Internal Revenue Service Section 125 Cafeteria Plan Consolidated Omnibus Reconciliation Act; disability management leaves; and deferred compensation (Internal Revenue Code Section 457). Benefits are delivered through a number of contracts establishing and administering both fully insured and self-insured health plans.

Human Resources & Risk Management

RECOMMENDED BUDGET • FY 2022-23

Performance Management

Provides consultative advice and assistance to supervisors and managers on employee relations and performance management matters, monitors the completion of employee performance evaluations, and reviews performance evaluations for completeness and clarity where appropriate.

Risk and Safety Management Services

Liability Program

Liability management focuses on identifying and correcting the County's exposure to accidental losses, analyzing the risk factors associated with those losses, identifying trends in losses, and managing their reduction. This program also coordinates procurement of County insurance such as excess insurance, airport liability, medical malpractice, property, and other types of risk transfer. Program elements include insurance, risk transfer, fitness-for-duty exams, ergonomics, employee safety, and violence prevention. The Liability Program, which includes Loss Control and Operations Support, is funded by revenues from cost applied charges to County departments.

The Loss Control program focuses on identifying and correcting the County's exposure to accidental losses, analyzing the risk factors associated with those losses, and the development of programs to prevent or reduce losses to both County employees and assets. Program elements include employee safety, Injury and Illness Prevention Program (IIPP), and attention to workplace violence prevention and other critical incidents.

Risk Management reviews all County contracts to ensure regulations are followed and that risks are transferred to the extent possible in protecting the County's interests. This includes reviewing indemnification language, and ensuring that appropriate insurance is provided and that insurance is provided at appropriate levels for the respective contract scope of services.

Workers' Compensation and Medical Leave Management

This program includes the administration of all employee disability management programs, such as early return to work as promoted through a modified work program, reasonable accommodation in accordance with the Americans with Disabilities Act (ADA), and coordination with employees on medical leaves and their respective department supervisors and managers. The Medical Leave Management Program is funded by revenues from cost applied charges to County departments.

Leave Management

This program includes the administration of all employee protected leaves such as Family Medical Leave Act (FMLA), California Family Rights Act (CFRA), Pregnant Disability Leave (PDL), Military Leave Act, etc.

Human Resources & Risk Management

RECOMMENDED BUDGET • FY 2022-23

BUDGET SUMMARY BY PROGRAM

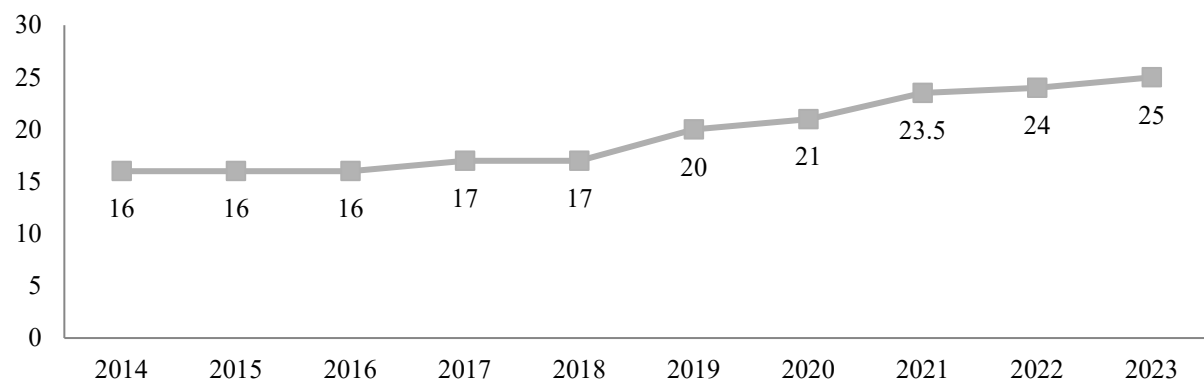
| | Appropriations | Revenues | Net County Cost | Staffing |
|---------------------------|----------------------|----------------------|---------------------|-------------|
| Human Resources | \$ 2,562,710 | \$ - | \$ 2,562,710 | 16 |
| Risk Management | | | \$ - | |
| Liability | \$ 6,012,181 | \$ 6,012,181 | \$ - | 2.9 |
| Workers' Compensation | \$ 8,895,246 | \$ 8,895,246 | \$ - | 3.9 |
| Self-Insured Health | \$ 40,587,692 | \$ 40,587,692 | \$ - | 2.2 |
| Retiree Health Prefunding | \$ 15,004,964 | \$ 15,004,964 | \$ - | |
| Total | \$ 73,062,793 | \$ 70,500,083 | \$ 2,562,710 | 25.0 |

STAFFING TREND

On November 17, 2020, with Legistar item 20-1553, the Board approved the addition of a Limited Term Risk Manager due the military deployment of the County's Risk Manager, bringing the allocation to 24.5. The Limited Term Risk Manager allocation is a four-year position and will end during FY 2024-25.

During FY 2021-22, an allocation for a Principal Human Resources Analyst was underfilled with a Training and Organizational Development Specialist allocation. The Principal Human Resources Analyst position was added with the FY 2020-21 Adopted Budget that would be focused on organization development. The department was unable to fill the position at the Principal Human Resources Analyst level and determined that the Training and Organizational Development Specialist classification would meet the organizational need and resulted in a successful recruitment. During FY 2021-22 a Principal Human Resources Analyst allocation became vacant, and it was determined that a Sr. Human Resources Analyst allocation would be sufficient for current organizational needs. The Principal Human Resources Analyst was underfilled with a Sr. Human Resources Analyst allocation. The Recommended Budget recommends that the Board revises the allocation to match the current classifications of the positions that were alternately filled in FY 2021-22.

Lastly, with the ongoing impacts of the coronavirus pandemic on the Risk Management division, the department requested to overfill a vacant Human Resources Technician allocation with a Sr. Risk Analyst allocation. This new allocation would provide Risk the staffing and oversight necessary to respond to pandemic related regulations and provide the leadership necessary to implement the Risk Management programs. Human Resources determined that it was not sustainable to operate with one less Human Resources Technician over the long term, so they requested that the FY 2022-23 Recommended Budget include the restoration of the Human Resources Technician allocation and the new Sr. Risk Analyst allocation. These changes bring the Department to a total of 25 FTE positions in the FY 2022-23 Recommended Budget.



Human Resources & Risk Management

RECOMMENDED BUDGET • FY 2022-23

RECOMMENDED BUDGET

Human Resources

The budget for the Human Resources Division is recommended at \$2,562,710, which is a decrease of \$7,184 (0.3%) when compared to the FY 2021-22 Adopted Budget. The Human Resources Division is entirely funded by the General Fund, so General Fund costs have also decreased by \$7,184 (0.3%) when compared to FY 2021-22.

Risk Management

The budget for the Risk Management Division is recommended at \$70,770,275, which is an increase of \$1,278,369 (1.8%) when compared to the FY 2021-22 Adopted Budget. The Risk Management budget is funded entirely through charges to other departments and there is no direct General Fund contribution.

El Dorado County self-insures its General Liability and Workers' Compensation Programs. To maintain the General Liability and Workers' Compensation Funds, annual actuarial studies are conducted to determine program funding confidence levels. The actuarial study, conducted in fall 2019, determined that a decrease in premium charges paid by departments and an increased use of fund balance in FY 2020-21 could be used to bring the program funding levels to an acceptable confidence level. This approach in FY 2020-21 brought the General Liability Fund closer to an acceptable confidence level, but Workers' Compensation was still not at the desired confidence level. Based on this, Workers' Compensation charges were waived and there was a rate reduction for General Liability during FY 2021-22. This year's Workers' Compensation charges to departments are returning totaling \$7,372,071 and General Liability charges are increasing by \$2,424,621.

CAO Adjustments

The department did not request any additional appropriations that were not included in the Recommended Budget.

Sources & Uses of Funds

The Human Resources Division is primarily funded with discretionary General Fund revenues. These revenues are collected in Department 15 – General Fund Other Operations. A portion of the costs for Human Resources is recovered from other County departments through the countywide Cost Allocation Plan (A-87 Plan). This reimbursement to the General Fund is shown in Department 15 – General Fund Other Operations.

The Risk Management Division operates as an Internal Service Fund and must balance revenues to expenditures within the Risk Management fund. All costs for the Risk Management Fund are recouped from County departments through charges, with some cost sharing by employees/retirees, based on relative use of these programs. The Interfund Risk Management account represents the total of all charges made to County departments for services provided by Risk Management programs.

