

# Human Resources & Risk Management

RECOMMENDED BUDGET • FY 2023-24

## 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 2021-22 Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Miscellaneous Rev	206	0	0	0
<b>Total Revenue</b>	<b>206</b>	<b>0</b>	<b>0</b>	<b>0</b>
Salaries & Benefits	1,722,675	2,065,797	2,227,837	162,040
Services & Supplies	369,417	394,340	717,090	322,750
Other Charges	4,649	0	0	0
Intrafund Transfers	4,765	5,798	2,000	(3,798)
<b>Total Appropriations</b>	<b>2,101,507</b>	<b>2,465,935</b>	<b>2,946,927</b>	<b>480,992</b>
<b>FUND 1000 GENERAL FUND TOTAL</b>	<b>2,101,301</b>	<b>2,465,935</b>	<b>2,946,927</b>	<b>480,992</b>

## MAJOR BUDGET CHANGES

### Appropriations

#### *Salaries and Benefits*

\$162,040 Increase in Salaries and Benefits primarily due to Board-approved compensation increases.

#### *Services and Supplies*

\$153,223 Increase in Services and Supplies due to increased Civil Service Commission Investigation costs that are projected to continue into FY 2023-24.

\$96,500 Increase in Professional Services and training costs primarily related to the Countywide training program where this is the first full year of training program costs being included in the budget.

\$45,000 Increase in Services and Supplies related to an anticipated increase in unit labor contract negotiation costs due to memoranda of understanding expiring.

\$28,027 Increases and adjustments in multiple objects to align the budget with actual costs.

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### *Intrafund Transfers*

(\$3,798) Decrease in Mail and Stores Intrafund Transfers due to a change in budgeting methodology wherein the charges will instead be reflected in the Countywide Cost Allocation Plan.

## DEPARTMENT BUDGET SUMMARY

### Risk Management

Description	FY 2021-22 Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Rev Use Money/Prop	(878,874)	0	0	0
Service Charges	35,115,753	56,724,136	50,507,950	(6,216,186)
Miscellaneous Rev	824,110	0	775,000	775,000
Fund Balance	0	14,046,139	18,563,251	4,517,112
<b>Total Revenue</b>	<b>35,060,990</b>	<b>70,770,275</b>	<b>69,846,201</b>	<b>(924,074)</b>
Salaries & Benefits	873,108	1,029,111	1,143,347	114,236
Services & Supplies	39,895,349	56,805,800	52,897,305	(3,908,495)
Other Charges	(1,274,576)	406,698	1,058,298	651,600
Fixed Assets	178,116	35,702	0	(35,702)
Intrafund Transfers	3,187,039	3,193,811	3,845,998	652,187
Intrafund Abatement	(3,187,039)	(3,193,811)	(3,845,998)	(652,187)
Contingency	0	12,492,964	14,747,251	2,254,287
<b>Total Appropriations</b>	<b>39,671,997</b>	<b>70,770,275</b>	<b>69,846,201</b>	<b>(924,074)</b>
<b>FUND 5250 RISK TOTAL</b>	<b>4,611,007</b>	<b>0</b>	<b>0</b>	<b>0</b>

## MAJOR BUDGET CHANGES

### Revenue

#### *Service Charges*

(\$5,265,830) Decrease in Service Charges for Health Benefit costs to align budget with actuals. Although health premiums are increasing, actual health benefit costs have been lower than budgeted amounts due to vacancies and employee elections.

\$2,255,779 Increase in General Liability Program rates and reimbursements.

(\$3,280,135) Decrease in Service Charges due to a \$3.3 million decrease in Workers' Compensation rates.

\$74,000 Increase in Retiree Health Program rates and reimbursements.

#### *Miscellaneous Revenue*

\$775,000 Increase in reimbursements from Workers' Compensation Insurance.

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## *Fund Balance*

\$3,862,825 Increase in use of Workers' Compensation fund balances, based on actuarial recommendations. Use of fund balance effectively reduces charges to departments.

\$654,287 Increase in Retiree Health fund balance from the prior year available to fund the program.

## Appropriations

### *Salaries and Benefits*

\$114,236 Increase in Salaries and Benefits primarily from Board-approved compensation increases.

### *Services and Supplies*

(\$5,367,521) Decrease in Health Benefit premium costs to align budget with actual costs.

\$1,432,372 Increase in Workers' Compensation and Liability insurance premiums due to rising premiums across multiple insurance programs.

\$26,654 Increase due to adjustments in multiple objects to align budget with actual costs.

### *Other Charges*

\$651,600 Increase primarily to Countywide Cost Allocation Plan charges.

### *Fixed Assets*

(\$35,702) Decrease due to the completion of a security camera project in the prior year.

### *Intrafund Transfers*

\$652,187 Increase in Intrafund Transfers primarily due to the increased Countywide Cost Allocation Plan charges that are transferred to the Risk Administration program from other Risk programs.

### *Intrafund Abatements*

(\$652,187) Increase in Intrafund Abatements primarily due to the increased Countywide Cost Allocation Plan charges that are transferred to the Risk Administration program from other Risk programs.

### *Contingency*

\$1,600,000 Increase in Contingency in the Liability Program based on the actuarial recommendation to increase fund balance for the Liability subfund.

\$654,287 Increase in Contingency in the Retiree Health Program due to a projected increased ending fund balance for the Retiree Health subfund.

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## 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 and Services; Risk and Safety Management Services; and Labor Relations, Employee Relations, Benefits, and Leave Management Services.

### Talent Acquisition 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 the 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.

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## *Employee Benefits*

The Department of Human Resources manages employee benefits contracts and administers employee benefits programs including 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.

## *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 the 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, that 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 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.

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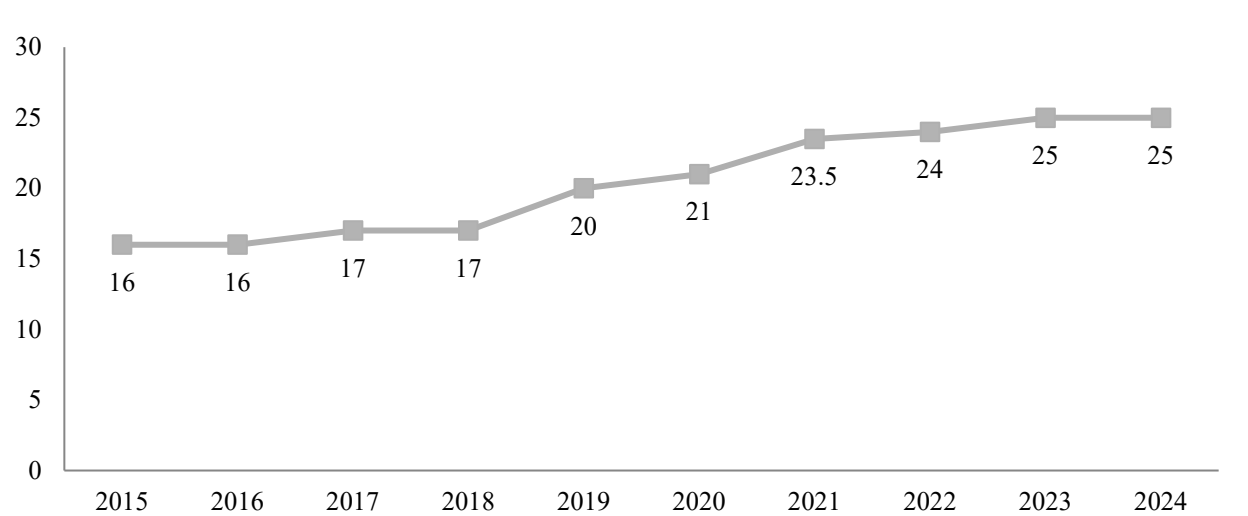
## BUDGET SUMMARY BY PROGRAM

	Appropriations	Revenues	Net County Cost	Staffing
Human Resources	\$ 2,946,927	\$ -	\$ 2,946,927	16
Risk Management			\$ -	
Liability	\$ 8,267,960	\$ 8,267,960	\$ -	2.9
Workers' Compensation	\$ 10,252,936	\$ 10,252,936	\$ -	3.9
Self-Insured Health	\$ 35,592,054	\$ 35,592,054	\$ -	2.2
Retiree Health Prefunding	\$ 15,733,251	\$ 15,733,251	\$ -	
<b>Total</b>	<b>\$ 72,793,128</b>	<b>\$ 69,846,201</b>	<b>\$ 2,946,927</b>	<b>25.0</b>

## STAFFING TREND

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

The Recommended Budget does not change the allocations with a total of 25 full-time equivalent positions in the FY 2023-24 Recommended Budget.



## RECOMMENDED BUDGET

### Human Resources

The budget for the Human Resources Division is recommended at \$2,946,927, which is an increase of \$480,992 (19.5%) when compared to the FY 2022-23 Adopted Budget. The increased costs are related to Board-approved compensation increases, implementation of the countywide training program, and increased Civil Service Commission-related costs. The Human Resources Division is entirely funded by the General Fund, so General Fund costs have also increased by \$480,992 (19.5%) when compared to the FY 2022-23 Adopted Budget.

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## Risk Management

The budget for the Risk Management Division is recommended at \$72,793,128, which is a decrease of \$443,082 (0.6%) when compared to the FY 2022-23 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 2022, determined that a decrease in Worker's Compensation premium charges paid by departments and an increased use of Workers' Compensation fund balance in FY 2023-24 could be used to bring the program funding levels to an acceptable confidence level. This year's Workers' Compensation charges to departments total \$4,091,936 and General Liability charges total \$6,954,664.

## 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. 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 the 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.

