

# Human Resources & Risk Management

RECOMMENDED BUDGET • FY 2024-25

## RECOMMENDED BUDGET

### Human Resources

The budget for the Human Resources Division is recommended at \$3,054,415, which is an increase of \$132,634 (4.5%) when compared to the FY 2023-24 Adopted Budget. The increased costs are related to salary and benefit-related cost increases, recruitment-related increases, and increased Civil Service Commission-related costs. The Human Resources Division is entirely funded by the General Fund.

### Risk Management

The budget for the Risk Management Division is recommended at \$71,087,203, which is an increase of \$1,484,894 (2.1%) when compared to the FY 2023-24 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.

## DEPARTMENT BUDGET SUMMARY

### Human Resources

Description	FY 2022-23 Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Miscellaneous Rev	45	0	0	0
Other Fin Sources	12,421	0	0	0
<b>Total Revenue</b>	<b>12,466</b>	<b>0</b>	<b>0</b>	<b>0</b>
Salaries & Benefits	2,135,397	2,227,837	2,269,517	41,680
Services & Supplies	227,507	691,944	783,098	91,154
Other Charges	4,770	0	0	0
Fixed Assets	12,421	0	0	0
Intrafund Transfers	1,451	2,000	1,800	(200)
<b>Total Appropriations</b>	<b>2,381,546</b>	<b>2,921,781</b>	<b>3,054,415</b>	<b>132,634</b>
<b>FUND 1000 GENERAL FUND TOTAL</b>	<b>2,369,080</b>	<b>2,921,781</b>	<b>3,054,415</b>	<b>132,634</b>

## MAJOR BUDGET CHANGES

### Appropriations

#### *Salaries and Benefits*

\$70,319      Increase in CalPERS employer's contribution, primarily due to increases to the County's unfunded accrued liability payment.

\$19,329      Increase in Salaries and Benefits costs due to step increases and staff that were previously budgeted in the Health Benefits function having more hours budgeted in Human Resources General Fund programs to meet the need for increased investigations.

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\$7,620	Increase in Workers' Compensation premium charges as the Department's share of overall County claims incurred has increased from prior years, increasing their Workers' Compensation insurance premium expense.
(\$24,567)	Decrease in Retiree Health contribution due to a rate holiday to conserve General Fund costs.
(\$31,021)	Decrease in Health Insurance costs due to the new methodology of budgeting vacancies with the cost of the Kaiser Family plan based on statistics on enrollment of current employees.

### *Services and Supplies*

\$44,000	Increase in Professional & Specialized Services due to an increase in personnel investigation costs by a third party vendor based on historical trends.
\$37,754	Increase in multiple objects due to an increase in recruitment costs.
\$17,209	Increase in General Liability insurance premium expense as the Department's share of overall County claims incurred has increased from prior years, increasing their Liability insurance premium expense.
(\$7,809)	Decrease due to adjustments across multiple objects to align the budget to actual costs.

### *Intrafund Transfers*

(\$200)	Decrease in Intrafund Transfers due to decreased facilities maintenance charges.
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## DEPARTMENT BUDGET SUMMARY

### Risk Management

Description	FY 2022-23 Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Rev Use Money/Prop	317,416	0	0	0
Service Charges	44,613,378	50,507,950	54,197,458	3,689,508
Miscellaneous Rev	417,528	775,000	642,793	(132,207)
Fund Balance	0	18,319,359	16,246,952	(2,072,407)
<b>Total Revenue</b>	<b>45,348,322</b>	<b>69,602,309</b>	<b>71,087,203</b>	<b>1,484,894</b>
Salaries & Benefits	992,980	1,143,347	1,244,850	101,503
Services & Supplies	43,539,610	52,897,305	53,911,099	1,013,794
Other Charges	3,620,568	1,058,298	1,195,908	137,610
Fixed Assets	35,702	0	25,000	25,000
Intrafund Transfers	3,357,384	3,845,998	4,227,360	381,362
Intrafund Abatement	(3,357,384)	(3,845,998)	(4,227,360)	(381,362)
Contingency	0	14,503,359	14,710,346	206,987
<b>Total Appropriations</b>	<b>48,188,860</b>	<b>69,602,309</b>	<b>71,087,203</b>	<b>1,484,894</b>
<b>FUND 5250 RISK TOTAL</b>	<b>2,840,538</b>	<b>0</b>	<b>0</b>	<b>0</b>

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## MAJOR BUDGET CHANGES

### Revenue

#### *Service Charges*

- \$6,245,508 Increase in Service Charges primarily due to increased Workers' Compensation and General Liability reimbursements caused by increased premiums.
- (\$2,556,000) Decrease in Service Charges for Retiree Health due to a rate holiday for departments to conserve General Fund costs.

#### *Miscellaneous Revenue*

- (\$132,207) Decrease in reimbursements from Workers' Compensation Insurance.

#### *Fund Balance*

- \$3,285,447 Increase in Retiree Health fund balance from the prior year available to fund the program.
- (\$5,357,854) Decrease in use of Workers' Compensation fund balances, based on actuarial recommendations and budget needs.

### Appropriations

#### *Salaries and Benefits*

- \$84,300 Increase in Salaries and Benefits costs due to the reallocation of 10% of the HR Director's salary and benefits and 30% of the Assistant HR Director's salary and benefits to account for the vacant Limited Term Risk Manager and the military deployment of the Permanent Risk Manager.
- \$19,352 Increase in CalPERS employer's contribution, primarily due to increases to the County's unfunded accrued liability payment.
- \$4,441 Increase in Workers' Compensation premium charge.
- \$1,168 Increase in Salaries and Benefits expenses primarily due to employee step increases.
- (\$7,758) Decrease in Retiree Health contribution due to a rate holiday to conserve General Fund costs.

#### *Services and Supplies*

- \$1,013,794 Increase in Services and Supplies primarily due to rising premiums across multiple insurance programs.

#### *Other Charges*

- \$137,610 Increase in Interfund Transfers due to increases in County Counsel charges for anticipated litigation (\$65,000), facilities maintenance charges (\$55,600), and Countywide Cost Allocation Plan charges (\$17,010).

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### *Fixed Assets*

\$25,000      Increase in Fixed Assets due to the addition of security cameras for building security.

### *Intrafund Transfers*

\$381,362      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*

(\$381,362)      Increase in Abatements (shown as a negative expense) primarily due to the increased Countywide Cost Allocation Plan charges that are transferred to the Risk Administration program from other Risk programs.

### *Contingency*

\$523,447      Increase in Contingency in the Retiree Health Program due to a projected increased ending fund balance for the Retiree Health subfund.

(\$316,460)      Decrease in use of Contingency in the Liability Program, based on actuarial recommendations and budget needs.

## 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.

## 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.

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## *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.

### *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

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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.

## BUDGET SUMMARY BY PROGRAM

	<b>Appropriations</b>	<b>Revenues</b>	<b>Net County Cost</b>	<b>Staffing</b>
Human Resources	\$ 3,054,415	\$ -	\$ 3,054,415	16
Risk Management			\$ -	
Liability	\$ 9,039,432	\$ 9,039,432	\$ -	2.9
Workers' Compensation	\$ 10,632,401	\$ 10,632,401	\$ -	3.9
Self-Insured Health	\$ 35,196,564	\$ 35,196,564	\$ -	2.2
Retiree Health Prefunding	\$ 16,218,806	\$ 16,218,806	\$ -	
<b>Total</b>	<b>\$ 74,141,618</b>	<b>\$ 71,087,203</b>	<b>\$ 3,054,415</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.

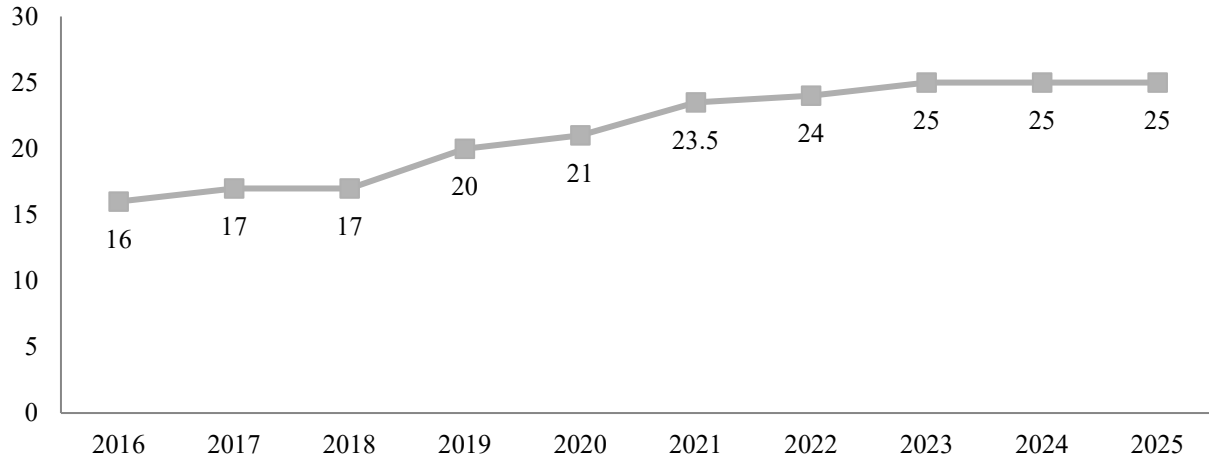
The Recommended Budget does not change the allocations with a total of 25 full-time equivalent positions in the FY 2024-25 Recommended Budget.

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One vacant Sr. Risk Analyst was alternately filled during FY 2023-24 with a Risk Analyst I/II due to ongoing needs primarily related to COVID-19 and other projects. The Recommended Budget revises the allocation to match the current classification of the allocation.



## 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.

