

Human Resources & Risk Management

RECOMMENDED BUDGET • FY 2021-22

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

DEPT : 08 HUMAN RESOURCES

Description	Prior Year Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Miscellaneous Rev	15	0	0	0
Total Revenue	15	0	0	0
Salaries & Benefits	1,533,540	2,030,009	2,112,229	82,220
Services & Supplies	310,184	378,297	383,620	5,323
Intrafund Transfers	73,212	69,710	74,045	4,335
Total Appropriations	1,916,936	2,478,016	2,569,894	91,878
FUND 1000 GENERAL FUND TOTAL	1,916,921	2,478,016	2,569,894	91,878

MAJOR BUDGET CHANGES

Appropriations

Salaries and Benefits

\$52,235 Increase in Salaries and Benefits costs due to vacancies in the Department that are budgeted to accommodate hiring experienced staff with the maximum cost of employee benefit elections.

\$35,755 Increase in CalPERS Unfunded Accrued Liability cost applied charge.

(\$5,770) Decrease in Workers’ Compensation charge, recommended at \$0 to bring the program funding level to an acceptable confidence level, as provided by the Risk Management Division.

Services and Supplies

\$5,323 Increase in travel and training costs to return to FY 2019-20 levels after a 25% decrease in FY 2020-21 due to Coronavirus pandemic travel restrictions.

Intrafund Transfers

\$4,335 Increase in Central Fiscal administrative charges due to a change in methodology to more closely align budgeted rates with actual charges.

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DEPT : 09 RISK MANAGEMENT

Description	Prior Year Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Rev Use Money/Prop	629,349	0	0	0
Service Charges	39,890,757	43,777,839	46,555,252	2,777,413
Miscellaneous Rev	687,705	0	0	0
Fund Balance	0	28,425,209	22,936,654	(5,488,555)
Total Revenue	41,207,811	72,203,048	69,491,906	(2,711,142)
Salaries & Benefits	705,968	899,913	850,863	(49,050)
Services & Supplies	38,459,402	53,434,934	55,158,251	1,723,317
Other Charges	(1,739,244)	538,197	604,037	65,840
Intrafund Transfers	2,850,151	2,768,669	3,146,346	377,677
Intrafund Abatement	(2,850,151)	(2,768,669)	(3,146,346)	(377,677)
Contingency	0	17,330,004	12,878,755	(4,451,249)
Total Appropriations	37,426,126	72,203,048	69,491,906	(2,711,142)
FUND 5250 RISK TOTAL	(3,781,684)	0	0	0

MAJOR BUDGET CHANGES

Revenue

\$2,777,413 Increase in revenue from charges to departments due to adjustments in Risk Management program funding based on actuarial and program recommendations; a \$3.6 million increase in the Liability Program, a \$2.4 million decrease in the Workers' Compensation Program, a \$1.4 million increase in the Employee Benefits Program, and a \$208,396 increase in the Retiree Health Program.

(\$5,488,555) Decrease in use of fund balances as the second year of a three-year approach to draw down excess fund balance to bring the program funding to an acceptable confidence level, based on actuarial recommendations.

Appropriations

Salaries and Benefits

(\$45,409) Decrease in Salaries and Benefits costs primarily due to updates to the allocation of staff to the Risk Management Program based on time studies conducted in Fiscal Year 2020-21 and benefit election changes.

(\$3,641) Decrease in Workers' Compensation charge, recommended at \$0 to bring the program funding level to an acceptable confidence level.

Services and Supplies

\$95,957 Increase in Liability Insurance Premium costs as determined by the insurance provider, PRISM.

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\$1,678,726 Increase to Insurance Current Year Claims costs based on prior year and projected claims costs: a \$624,320 increase in the Liability Program, a \$695,765 decrease in the Workers' Compensation Program, and a \$1,750,171 increase in the Employee Benefits Program.

(\$18,306) Decrease in Third Party Administrator costs of \$26,736 in the Workers' Compensation Program offset with an increase of \$8,430 in the Liability Program.

(\$33,060) Decrease in Office Expenses to align with prior year actuals.

Other Charges

\$65,840 Increase in Interfund Transfers primarily due to County Counsel service charges.

Intrafund Transfers

\$208,396 Increase in Intrafund Transfers Out of the Retiree Health organization code to the Employee Benefits organization code to administer the Retiree Health Program.

\$169,281 Increase in Intrafund Transfers Out of the Liability, Workers' Compensation, and Employee Benefits programs to the Risk Operations organization code due to current time study analysis of program administration costs.

Intrafund Abatements

(\$377,677) Increase in Intrafund Abatements to offset increased Intrafund Transfers within the Risk Management Fund.

Contingency

\$4,451,249 Decrease in Contingency based on Fund Balance that was budgeted in Contingency with the FY 2020-21 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, Benefit, and Leave Management Services.

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 coordinates pre-employment medical examinations for selected candidates.

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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.

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.

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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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, ensuring 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.

BUDGET SUMMARY BY PROGRAM

	Appropriations	Revenues	Net County Cost	Staffing
Human Resources	\$ 2,569,894	\$ -	\$ 2,569,894	15.7
Risk Management			\$ -	
Liability	\$ 4,662,092	\$ 4,662,092	\$ -	2.25
Workers' Compensation	\$ 8,971,367	\$ 8,971,367	\$ -	4.3
Self-Insured Health	\$ 40,587,692	\$ 40,587,692	\$ -	1.75
Retiree Health Prefunding	\$ 15,270,755	\$ 15,270,755	\$ -	
Total	\$ 72,061,800	\$ 69,491,906	\$ 2,569,894	24.0

STAFFING TREND

Staffing for Department of Human Resources declined to 12 FTEs in 2009 through 2012 as a result of countywide budget reductions. In 2013, the County began to restore allocations. On November 17, 2020 with Legistar item 20-1553, the Board approved the addition of a Limited Term Risk Manager due the

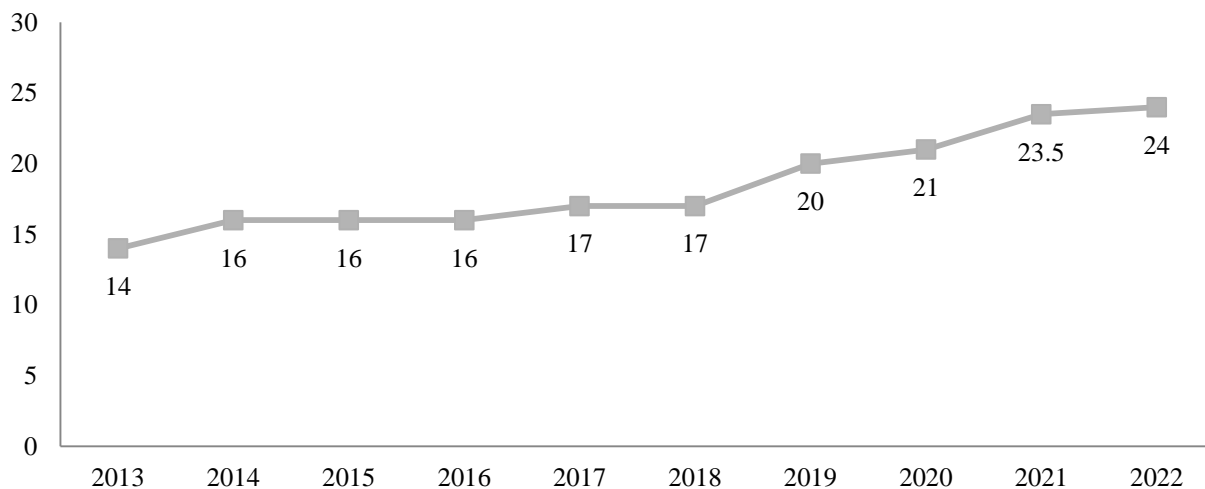
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military deployment of the County's Risk Manager bringing the allocation to 24.5. The Limited Term Risk Manager allocation is a four-year position and will end during FY 2024-25.

Two positions were under-filled during FY 2020-21 to accommodate urgent or changing programmatic needs in the Department. An allocation for a Sr. Human Resources Analyst was filled with a Human Resources Analyst, and a Senior Office Assistant allocation was filled with an Administrative Assistant I/II 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 2020-21.

The FY 2021-22 Recommended Budget recommends that the Board delete a 0.5 FTE Limited Term Assistant Director of Human Resources position that was added in FY 2019-20 and was planned to end in FY 2020-21. These changes bring the Department to a total of 24 FTE positions in the FY 2021-22 Recommended Budget.



RECOMMENDED BUDGET

Human Resources

The budget for the Human Resources Division is recommended at \$2,569,894, which is an increase of \$91,878 (3.6%) when compared to the FY 2020-21 Adopted Budget. The Human Resources Division is entirely funded by the General Fund, so General Fund costs have also increased by \$91,878 (3.6%) when compared to FY 2020-21.

Risk Management

The budget for the Risk Management Division is recommended at \$69,491,906, which is a decrease of \$2,711,142 (3.8%) when compared to the FY 2020-21 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 to an acceptable confidence level, but

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Workers' Compensation is still not at the desired confidence level. Based on this, General Liability charges of \$2,827,537 are returning this year after a rate holiday in FY 2020-21 and Workers' Compensation charges are being waived this year resulting in a savings of \$2,391,073 for departments countywide. Use of Fund Balance is decreased by \$5,488,555 in the Recommended Budget because the department relied on Fund Balance in FY 2020-21 due to the decreased Workers' Compensation charges and a waiver of all Liability charges.

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 also 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.