

# Human Resources & Risk Management

RECOMMENDED BUDGET • FY 2020 - 21

## 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 is, as an employer of choice, 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 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	89	0	0	0
<b>Total Revenue</b>	<b>89</b>	<b>0</b>	<b>0</b>	<b>0</b>
Salaries & Benefits	1,414,919	1,942,518	1,888,871	(53,647)
Services & Supplies	317,663	382,916	378,297	(4,619)
Intrafund Transfers	5,306	67,534	72,710	5,176
<b>Total Appropriations</b>	<b>1,737,888</b>	<b>2,392,968</b>	<b>2,339,878</b>	<b>(53,090)</b>
<b>FUND 1000 GENERAL FUND TOTAL</b>	<b>1,737,799</b>	<b>2,392,968</b>	<b>2,339,878</b>	<b>(53,090)</b>

### DEPT : 09 RISK MANAGEMENT RISK

Description	Prior Year Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Rev Use Money/Prop	601,692	0	0	0
Service Charges	40,596,406	49,709,512	43,777,839	(5,931,673)
Miscellaneous Rev	1,423,559	0	0	0
Fund Balance	0	3,616,781	11,095,205	7,478,424
<b>Total Revenue</b>	<b>42,621,657</b>	<b>53,326,293</b>	<b>54,873,044</b>	<b>1,546,751</b>
Salaries & Benefits	639,959	826,719	899,913	73,194
Services & Supplies	39,550,117	52,147,289	53,434,734	1,287,445
Other Charges	258,208	352,285	538,397	186,112
Intrafund Transfers	2,786,092	3,217,141	2,768,669	(448,472)
Intrafund Abatement	(2,786,092)	(3,217,141)	(2,768,669)	448,472
<b>Total Appropriations</b>	<b>40,448,284</b>	<b>53,326,293</b>	<b>54,873,044</b>	<b>1,546,751</b>
<b>FUND 5250 RISK TOTAL</b>	<b>(2,173,374)</b>	<b>0</b>	<b>0</b>	<b>0</b>

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## MAJOR BUDGET CHANGES

### Revenue

#### *Risk Management*

(\$5,931,673) Decrease in revenue from charges to departments due to adjustments in Risk Management program funding based on actuarial recommendations.

\$7,478,824 Increase in use of fund balances as part of a three-year approach to draw down excess fund balance, based on actuarial recommendations. Use of fund balance effectively reduces charges to departments.

### Appropriations

#### *Human Resources*

(\$43,599) Decrease in salary and benefits costs primarily due to the allocation of staff to the Risk Management program based on time studies conducted in Fiscal Year 2019-20. This is the first year staff is split between divisions based on job duties.

(\$10,048) Decrease in Workers' Compensation premium charge to bring the program funding level to an acceptable confidence level, as provided by the Risk Management Division.

#### *Risk Management*

\$106,447 Increase to salary and benefits costs primarily due to the allocation of staff to the Risk Management program based on time studies conducted in Fiscal Year 2019-20. This is the first year staff is split between divisions based on job duties.

\$15,500 Increase to overtime and temporary help costs due to utilizing hourly employees for benefits administration instead of exempt employees, and the use of temporary employees during open enrollment.

(\$48,753) Decrease in Workers' Compensation premium charge to bring the program funding level to an acceptable confidence level, as provided by the Risk Management Division.

\$1,609,627 Increase in Worker's Compensation and Liability excess insurance premium costs as determined by the California State Association of Counties – Excess Insurance Authority.

(\$138,491) Decrease in current year claims costs based on prior year and projected claims costs.

(\$85,000) Decrease in contract legal attorney services.

\$149,725 Increase in A-87 Cost Plan charges due to a carry-forward balance that lowered costs in Fiscal Year 2019-20.

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## PROGRAM SUMMARIES

The Department of Human Resources manages and administers a variety of programs and services which are comprised into three primary divisions: Human Resources Services; Risk and Safety Management Services; and Labor Relations, Employee Relations, and Benefit Services.

### Human Resources 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.

#### *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 classes. Additionally, the Department interprets and corrects implementation of wage and hour requirements mandated by the Fair Labor Standards Act and labor contracts.

#### *Training and Employee Development*

The Department of Human Resources develops, coordinates, and administers County-wide 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, and Benefit 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

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administrator on an “as needed” basis to provide legal advice, serve as a chief negotiator, and to 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 arrangement (FSA), including health care and dependent care reimbursement accounts (HCRA and DCRA); health savings account (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.

## 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.

*Loss Control* - This 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.

### *Contract Review*

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 workers’ compensation, sick leave, long term disability (LTD), life insurance, Family Medical Leave Act (FMLA), California Family Rights Act (CFRA), and CalPERS disability retirements. Early return to work is 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.

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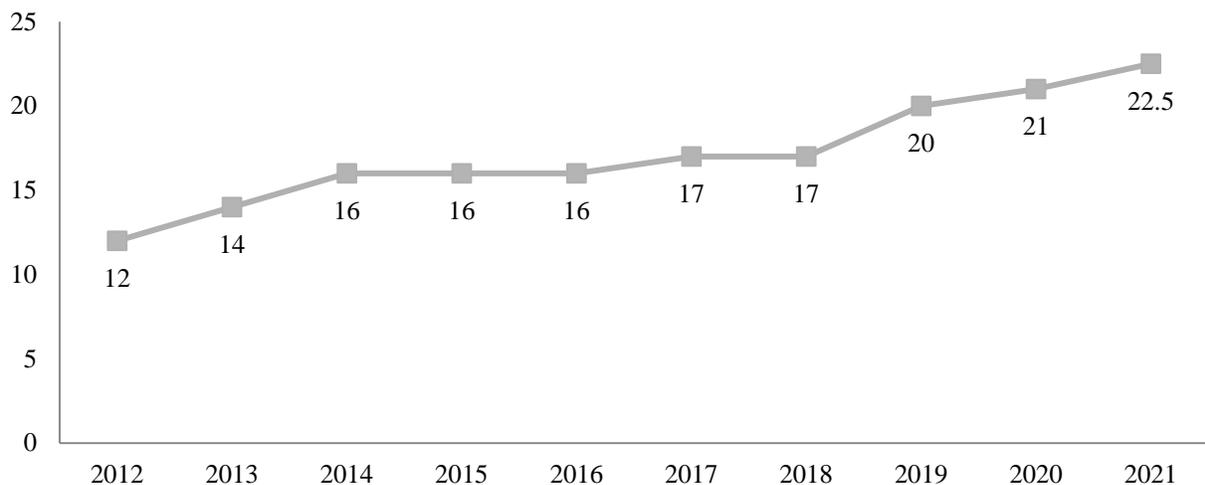
## BUDGET SUMMARY BY PROGRAM

	Appropriations	Revenues	Net County Cost	Staffing
Human Resources	\$ 2,339,878	\$ -	\$ 2,339,878	14.9
Risk Management			\$ -	
Liability	\$ 4,207,205	\$ 4,207,205	\$ -	1.1
Workers' Compensation	\$ 9,267,073	\$ 9,267,073	\$ -	4.4
Self-Insured Health	\$ 39,215,162	\$ 39,215,162	\$ -	2.1
Retiree health Prefunding	\$ 2,183,604	\$ 2,183,604	\$ -	
<b>Total</b>	<b>\$ 57,212,922</b>	<b>\$ 54,873,044</b>	<b>\$ 2,339,878</b>	<b>22.5</b>

## STAFFING TREND

Staffing for Human Resources/Risk Management declined to 12 FTEs in 2009 through 2012 as a result of countywide budget reductions. In 2013, the County began to restore allocations. The Recommended Budget for FY 2020-21 includes 22.5 FTEs reflecting the approved addition of a Limited Term Assistant Director of Human Resources position and a Human Resources Technician position during Fiscal Year 2019-20. The Limited Term Assistant Director of Human Resources was a one-year position and will end during Fiscal Year 2020-21. The Human Resources Technician position was a result of Health and Human Services utilizing Human Resources for more services, and a like position was deleted in HHSA as a result of the change in practice.

Two positions were under-filled during Fiscal Year 2019-20 to accommodate urgent or changing programmatic needs in the Department. An allocation for a Senior Human Resources Analyst was filled with a Human Resources Analyst, and a Senior Risk Analyst allocation was filled with a Human Resources Technician. The Recommended Budget revises the allocation to match the current classification of the positions.



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## RECOMMENDED BUDGET

### Human Resources

The budget for the Human Resources Division is recommended at \$2,339,878, which is a decrease of \$53,090 (2%) when compared to the FY 2019-20 Adopted Budget. The Human Resources Division is entirely funded by the General Fund, so General Fund costs have also decreased by \$53,090 (2%) when compared to FY 2019-20.

Salary and Employee Benefits is recommended at \$1,888,871, a \$53,647 decrease from the prior year. The decrease can be primarily attributed to the splitting of allocations between Human Resources and Risk based on prior year time studies. There are five positions in Human Resources that will be partially allocated to the Risk Management Division based on time studies conducted in the prior year. This change in allocations will decrease the general fund cost of these positions.

### Risk Management

The budget for the Risk Management Division is recommended at \$54,873,044, which is an increase of \$1,546,751 (2.9%) when compared to the Fiscal Year 2019-20 Adopted Budget. The Risk Management budget is funded entirely through charges to other departments and there is no direct General Fund contribution.

A net increase of \$73,194 in Salaries and Benefits costs is primarily due the splitting of allocations between Human Resources and Risk based on prior year time studies. An increase of \$195,141 in salaries and benefits costs is offset by the \$48,753 savings from a decrease in Workers' Compensation premium charge to bring the program funding level to an acceptable confidence level, as provided by the Risk Management Division.

An appropriation increase of \$1,287,445 in the Risk Management Division in Services and Supplies is primarily due to a \$1,609,627 increase in excess liability insurance premiums. The increase is offset by a \$138,491 decrease in current year claims and an \$85,000 decrease in contract legal attorney services.

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 department premium charges 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. Based on this Risk Management program services charges are decreased by \$4,922,186 in the Workers' Compensation Program and \$2,742,480 in the General Liability Program. Use of fund balance is increased by \$7,478,424 in the Recommended Budget to offset the decreased program services charges.

### CAO Adjustments

The department requested additional appropriations that were deferred in the recommended budget, and will be considered in the fall with the Adopted 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 are recovered from other County departments through the Countywide Cost

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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 Inter-fund Risk Management account represents the total of all charges made to County departments for services provided by Risk Management programs.