



MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors
FROM: Thomas M. Miller, County Executive Officer
By Therese Leonard, Principal Management Analyst
DATE: June 21, 2011
SUBJECT: FY 2011-12 June 21st Layoff Action

Information

Information update on layoff notices to classifications as outlined in Exhibit I for FY 2011-12 with actual layoffs ranging from 0 to 6 due to employee bumping rights and access to other Placer County employment opportunities.

Background

Placer County's population was one of California's fastest growing in the early years of the last decade due to its spectacular and diverse geography; thriving economy; and low unemployment rate. This growth led to intense land development activity, residential and commercial, as well as rapidly increasing land and real estate values. Since that time, for the last several years, the county's population growth is slower, service demands in land development programs areas have significantly declined, and county property revenue collections have dropped.

In December of 2007, in response to this economic downturn, the Board implemented an employee hiring freeze which has resulted in 320 fewer employees today than the County had in 2007. The majority of these vacancies were created through employee retirements or other separations and, as a result, Placer County was able to continue to provide a high level of services to constituents in spite of declining revenues, while avoiding the large number of layoffs that have occurred in other jurisdictions (Attachment 1). These measures, coupled with several labor cost reductions, successfully aligned the County's ongoing operating costs within available revenues. These labor cost reductions included:

- Limited layoffs (17) due to reduced land development work and revenues; building and other permit activity decreased 46% over the last few years.
- Mandatory Time Off (time off without pay) for management, confidential, and professional / general unit employees of 21 days over several years.
- Increased employee pension and health premium cost sharing by all employee groups.

On April 5, 2011 the Board of Supervisors approved Resolution 2010-172 which delegated authority to direct layoffs to the County Executive Officer for FY 2011-12. Board members further directed staff to return to the Board, when ready to issue layoff notices, to receive approval to move forward with layoffs.

**Community Development Resource Agency's (CDRA)
Engineering & Surveying Department**

Due to rapid population and land development growth, many Placer County programs experienced a high volume demand for specialized services, particularly in construction or real estate related fields. To address accelerated service delivery needs, the County actively recruited skilled staff with technical expertise in land development and other specialized areas including building inspectors, engineers, surveyors, etc. For several years now, the demand for these services has declined, as have the revenue collections which are used to fund CDRA's staff and operations.

For several years the county has addressed these workload and funding declines by not filling behind employees that separated from service, by reprioritizing the department workload, and by implementing a limited number of layoffs. In FY 2011-12 land development revenue projections are insufficient to fund the current staffing level and, as a result, 1 engineering technician is recommended for layoff in CDRA's Engineering and Surveying Department (not funded in the FY 2011-12 Proposed Budget).

Department of Child Support Services

Previously the Department of Child Support Services was charged with complete fiscal responsibility for all cases aligned with the department. This work required manual input and financial calculations including collection of payments, reallocation of funds to the appropriate fiscal accounts, calculating payment amounts, interest, etc. Due to changes within the Child Support Program, and with the FY 2007-08 conversion to a statewide child support computer system, certain functions previously handled at the local level have since been transferred to the State's vendors or rendered obsolete due to automation.

The State Department of Child Support Services has conveyed a clear expectation that data entry fiscal functions that remain at the local level are to be performed by child support specialists rather than accounting personnel. In order to receive reimbursement for operations from the State, the department must meet goals mandated by the State and the Federal Office of Child Support Enforcement to ensure that the program is being administered effectively and efficiently.

Due to these State program changes, the Department of Child Support Services has identified the need to reduce the current number of fiscal staff from 8 to 3, and will focus on realigning department activities to better achieve the goals mandated by the State. Of note, the statewide computer system has been in place for a couple of years; a transition that resulted in reduced work for county staff. In keeping with the State's previous direction, over the last year the department initiated 3 promotional recruitments for Child Support Specialists (CSS) in an effort to encourage their staff to transition to a new platform. Unfortunately these recruitments were unsuccessful and, as a result, 5 fiscal staffs are being recommended for layoff.

To meet State and Federal program requirements, the department will run an open recruitment to fill several CSS I/II positions that will begin the week layoff notices are issued (5); the county encourages "at risk" staff to apply. Current State funding will be redirected to CSS positions.

Health and Human Services Department

The County has historically been mandated by State law under AB 3632 to provide needed mental health services to special education students to allow for appropriate access to public education. The FY 2010-11 State Budget eliminated direct funding previously sent to counties to provide these services. As a result, the County continued to provide these services to students through a contractual agreement with the Placer County Office of Education (PCOE). This contract is set to expire on July 31, 2011. For several months Health and Human Services Department (HHS) staffs have been in discussions with PCOE to reach agreement on a contract for FY 2011-12. On June 15, 2011 the State budget was passed by the legislature by a simple majority and now awaits the Governor's signature. With contract negotiations in process with PCOE, staffs recommend that layoff requests related to this program be deferred to a later date.

Redevelopment Agency

As noted above, the State Budget was passed by the legislature on June 15th and currently awaits the Governor's signature. This document includes the elimination of redevelopment agencies and, since precise state impacts on the County's Redevelopment Agency need further evaluation, staffs recommend decisions related to Agency employees be deferred to a later date.

The Economy and State Budget

The National, State, and Local economies are in the midst of the longest economic recession since the Great Depression. Some positive economic data has emerged that suggests components of the economy have flattened out and may begin to increase, albeit at a sluggish pace. The real estate market, however, has not hit bottom in California nor in the greater Sacramento region. Foreclosures continue at historically high levels depressing values and that trend will likely continue to some degree through the next few years.

During good economic times Placer County prudently funded reserves to mitigate future challenges; these funds have been used each of the last three years to avoid disruptive swings in service and staffing levels. The sustained economic downturn is expected to continue into future fiscal cycles and, as a result, continued use of these resources to fund ongoing operations would strain the County's financial position in out years and is not recommended. Locally, revenues continue to decline and service demands are increasing in some program areas while others struggle with a significantly reduced workload. In addition, potential State Budget impacts cast a shadow on the County's ability to predict future revenue reimbursement and increased, unfunded county service responsibilities. When a budget is approved by the State, staff will evaluate the impact on Placer County programs and funding, however, staff believes there may be a need for additional employee layoffs at a future date.

Fiscal Impact

The County will not achieve budget savings with these layoffs as funding for the positions were not included in the FY 2011-12 Proposed Budget or was redirected to other position allocations. In order to foster long term financial sustainability, on June 7, 2011 the Board approved a FY

2011-12 Proposed Budget that more closely aligns operating costs with revenue collections. Implementation of this policy direction places the county in a position where it can adjust to continued revenue declines that are anticipated for the next few years. In addition, the Board delegated layoff authority to the County Executive Officer to ensure a flexible and timely approach to the process and to provide the maximum notice to impacted staff. During this time of instability, this action also provides early notice to staff "at risk" due to pending State actions.

Employee layoff notices will be executed to coincide with the new fiscal cycle and / or new recruitment opportunities. The County expects that some positions identified for layoff may not actually separate employment, or could be reinstated at a future date due to:

- Unexpected employee retirements or separations from employment; if full year funding was included in the Proposed Budget and the CEO agrees to the hire.
- The "at risk" employee accepts a different county position by applying through the recruitment process, or takes a voluntary transfer or demotion.
- The laid off employee exercises bumping rights to transfer to a department / position where the employee held prior service (if position funded, vacant and approved to fill).

While the County's negotiating team has met with the Placer Public Employee Organization's (PPEO) team to discuss layoff impacts several times over the last few months, agreement has not been reached and the negotiations will continue.

Attachment 1: Adjacent Counties Survey
Exhibit I: Phase 1 for Layoff Notices (FY 2011-12)
Resolution

2011 Employee Survey
Data compiled by CSAC, February 2011

Attachment #1

County		Number of Positions Eliminated in 2010-11	Number of Layoffs in 2010-11	Total Layoffs Since 2008-09
Butte		-	9	73
El Dorado	*	49	31	204
Nevada		35	12	40
Placer	*	41	3	17
Sacramento			426	790
Solano		145	19	207
Yolo		94	16	77
Yuba	*	26	18	71

Notes:

1. * El Dorado, Placer and Yuba data surveyed by Placer County staff.

**Board of Supervisors
June 21, 2011**

EXHIBIT I

Phase 1 Layoff Approval

Department & Reason for Layoff	Total Number of Layoffs	Classification
LAYOFF NOTICES:		
Child Support Services - State Funding Restrictions		
	1	Accounting Technician
	2	Account Clerk, Journey
	3	Account Clerk, Journey
	4	Account Clerk, Journey
	5	Senior Account Clerk
CDRA, Engineering and Surveying - Lack of Work / Funding		
	6	Engineering Tech
		16

Before the Board of Supervisors County of Placer, State of California

In the matter of: A resolution delegating authority to direct layoffs under Chapter 3 of the Placer County Code to the County Executive Officer for fiscal year 2011-12 and extending and providing further direction for Resolution 2010-127.

Resolution No.: 2011-84

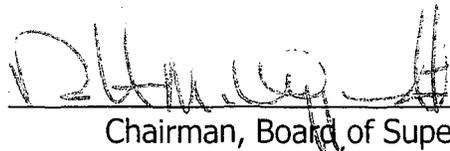
The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held April 5, 2011, by the following vote on roll call:

Ayes: DURAN, HOLMES, UHLER, MONTGOMERY, WEYGANDT

Noes: NONE

Absent: NONE

Signed and approved by me after its passage.


Chairman, Board of Supervisors

Attest:
Clerk of said Board


Ann Holman

Whereas, Placer County Code section 3.08.1090 provides that layoffs shall be made solely under the direction of the Board of Supervisors, and that under the Board's direction an appointing authority may lay off employees for necessity based on lack of funds or work;

Whereas, the County is currently experiencing significant revenue slowdown coupled with cost increases for countywide services;

Whereas, the national economic downturn, particularly in the housing sector, has created a decrease in demand of some County services, particularly in the land development area, and has thus caused a related decrease in workload in certain program areas;

Whereas, County's General and Public Safety Funds anticipate deficits in fiscal year 2011-12 and, in addition, is expected to experience funding reductions in state and other revenues which will create additional program and service impacts;

Whereas, in anticipation for the 2011-12 fiscal year, staff has already implemented a number of spending reduction measures;

Whereas, layoff of county employees in certain program areas has become necessary due to lack funds and/or lack of work;

Whereas, staff is exploring options to redirect funding to critical services or priority programs that are currently allocated to other program service areas within the County's adopted fiscal year 2010-11 Final Budget;

Whereas, this redirection of funding to critical services may result in identified program service cuts in the other service areas, which in turn could result in a lack funding or work in those service areas; and

Whereas, the County Executive Officer is seeking delegated authority in instituting layoffs in order to respond flexibly and efficiently to the changing economic and budget conditions; to respond to the Board's desire to augment funding to certain critical services; and to reduce staff in service program areas where significant workload reductions have occurred;

Therefore Be It Resolved, By The Board Of Supervisors Of The County Of Placer, State Of California, As Follows:

That this Resolution extends and provides further direction for Resolution No. 2010-127.

The Board finds that layoffs of county employees are necessary due to lack of funds and/or lack work in certain program areas.

The Board directs the County Executive Officer to proceed with layoffs of county employees in program areas that are experiencing a lack of work and/or lack of funds, and to so proceed as provided for in Chapter 3 of the Placer County Code and applicable law, including state labor laws.

The Board delegates to the County Executive Officer the authority under section 3.08.1090 to determine the timing, department, classes and number of employees who will be subject to layoff.

The County Executive Officer's layoff determinations will be informed by the directions of the Board in the adopted Placer County fiscal year 2011-12 Proposed Budget as will be presented in June 2011, during Board Budget Workshops in August 2011, through adoption of a Final Budget in September and by further actions taken by the Board.

In making any layoff determinations the County Executive Officer will coordinate with the department heads of any affected departments, and will obtain the cooperation of the elected officers who head any affected departments.

This finding and delegation of authority will be effective from date of adoption through fiscal year 2011-12, or until revoked or modified by further action of the Board of Supervisors.

