

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on:
Department Name: Human Resources
Department No.: 064
Agenda Date: 07/15/03
Placement: Departmental
Estimate Time: 20 minutes
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Ann Goodrich, Human Resources Director

STAFF CONTACT: Joe Pisano, Sr. Human Resources Analyst x2839

SUBJECT: Report Regarding Retirement Service Credit for Employees Subject to Layoffs
- Resolution Regarding Outplacement Services for Employees Subject to Layoffs
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Recommendations:

That the Board of Supervisors:

- 1) Adopt the attached resolution implementing Government Code Section 31648.3 Authorizing Purchase of Retirement Service Credit by Laid-Off Employees, effective July 15, 2003, and
- 2) Receive a report identifying the outplacement services that Human Resources will provide for employees subject to layoffs.

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with Goal No. 3. A Strong, Professionally Managed County Organization.

Executive Summary and Discussion:

This Board letter asks for your Board's approval of a package of services for County employees who are laid off. Human Resources recommends that your Board authorize these actions mainly out of concern for current employees directly affected by layoffs, but also to maintain the County's position as an employer of choice. Offering retirement buyback and providing comprehensive outplacement services is the right thing to do for laid-off workers and their families. In addition, treating employees affected by layoffs with compassion and respect also improves the morale and productivity of employees *not* themselves subject to layoffs, increases the likelihood of retaining these highly trained employees when the war for talent reignites, and puts the County in a position to recruit effectively when our departments need to add new employees, as some departments do in some job classes even in the midst of layoffs.

Retirement Service Credit Program

At the Board's direction, Human Resources staff negotiated and reached agreement with all employee organizations to implement Government Code Section 31648.3 authorizing purchase of retirement service credit by laid off employees. This section allows employees rehired by the County to purchase up to one year of service credit for the time of their absence from County employment due to layoff. This benefit will encourage employees who have been laid off to return to County employment, thus providing a savings to County departments in training and recruitment costs.

Outplacement Services

Human Resources staff members are prepared to meet with employees directly affected by layoffs to:

- explain employees' displacement/reemployment rights and provide internal placement services;
- offer assistance with job search planning, resume and cover letter writing, and practice interviews;
- provide office space with Internet access and the use of computers, copy machines, and fax machines to assist the job searches of employees who leave County service as a result of a layoff;
- publish job search-related links and information on a Human Resources maintained web site;
- post resumes of employees who leave County service on the County Intranet, creating a pool of workers from which departments with Extra-help positions can hire;
- offer benefits counseling so employees who leave County service know: how to apply for State unemployment insurance, who to contact regarding retirement benefits, and what options exist for continuing coverage of health insurance and other County-provided benefits;
- extend Employee Assistance Program benefits for six months to employees who do not elect Employee Assistance Program as part of their COBRA benefits, which guarantees access to counseling to employees and their covered family members;
- work with County departments and the Employees' University to continue for six months access to computer skills and related classes that can improve the employability of those who leave County service as a result of a layoff; and
- make referrals to community college programs and other local resources that can provide additional services.

In developing Human Resources outplacement services, Human Resources surveyed all other state counties. That research indicates that no other California county provides or plans to provide outplacement services at this level. Although Santa Barbara County is not obliged to provide more than the displacement rights and minimal counseling prescribed in the Civil Service Rules, we believe that offering this retirement buy back program and providing comprehensive outplacement services will: greatly reduce the trauma that employees being laid off experience, enhance the County's image as an employer of choice, and augment our retention and recruiting efforts.

Mandates and Service Levels:

No change to mandates and service levels.

Fiscal and Facilities Impacts:

To date, forty-three layoff notices have been sent. Based on the layoff abstracts departments have submitted, at least seven more notices will be sent in the near future. All but two of the forty-three employees affected to date have been offered displacement rights, and all but two employees from this group have opted to displace rather than leave County service. However, given the uncertainty surrounding the state budget, it is impossible to know at this time how many more employees will be affected, so the exact costs of offering the retirement buyback program and providing the outplacement services described are difficult to calculate.

Retirement Buyback Program

On January 14, 2003 your Board had on your agenda cost information from the Retirement System Actuary for this benefit. It is difficult to estimate the cost of this retirement charge since costs would be affected by how many people are laid off, and how many return to buy back service credit. Based on past experiences and given that most laid off employees have limited service credit and are further away from retirement, costs for the County should be minimal.

Outplacement Services

The costs of providing the outplacement services described come primarily in the form of increased staff time plus minimal office expenses. In addition, it will cost Human Resources \$1.24 per pay period for a maximum of twelve pay periods (\$14.88) per affected employee to extend Employee Assistance Program benefits. Human Resources will absorb these costs. The potential cost to individual departments is \$50.00 for each Employees University class, but given that the program is limited to six months and restricted to classes that directly improve employability, these costs are not likely to be significant.

Special Instructions:

ATTN Clerk of the Board: Please send certified copies of the adopted resolution and any minute order associated with this action to Susan Kean in Human Resources and to Oscar Peters, Retirement Administrator.

Concurrence:

All Employee Organizations (Retirement credit only)
Department Heads (Outplacement Services only)

CC: Oscar Peters, Retirement Administrator
All Employee Organizations
Retirement Board Members
Department Heads