



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

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

Department Name: CEO  
Department No.: 012  
For Agenda Of: 9-20-11  
Placement: Departmental  
Estimated Tme: 10 minutes  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

---

**TO:** Board of Supervisors

**FROM:** Chandra L. Wallar, County Executive Officer 568-3404 *CW*

**STAFF CONTACT:** Jeri Muth, Interim Human Resources Director 568-2816

**SUBJECT:** Human Resources Restructuring

---

**County Counsel Concurrence**

As to form: Select\_Concurrence

Other Concurrence: Select\_Other

As to form: Select\_Concurrence

**Auditor-Controller Concurrence**

As to form: Select\_Concurrence

**Recommended Actions:**

That the Board of Supervisors direct the County Executive Office to:

1. Merge the Human Resources Department into the County Executive Office for the purpose of creating greater efficiency and continuing the cost savings currently in place;
2. Transfer one full-time Administrative Office Professional III position assigned to the Equal Employment Opportunity (EEO) function, and the associated funding, to County Counsel; and
3. Appoint the Assistant Departmental Leader to lead the Human Resources Department and function as the "personnel director" for the County of Santa Barbara as specified in County Ordinance Sec. 27-24 - Duties of Personnel Director and associated Civil Service Rule references.

## **Summary:**

The recommended action would eliminate the Human Resources Department (HR) as a separate department and place it as a division in the County Executive Office (CEO). HR would no longer be led by a Departmental Leader, but rather by an Assistant Departmental Leader, achieving some savings with the action. Other structural changes to the Department were made as part of the Fiscal Year 2011-2012 budget, realized saving in excess of \$400K, and positioned HR to successfully merge with the CEO's Office. This action will streamline County government by reducing the number of County departments and create efficiencies and continued shared services between the CEO and HR.

## **Background:**

In the fall of 2010, the Board directed the County Executive Officer to seek means for restructuring County government to maximize resources and reduce operating costs while continuing to provide essential public services. Subsequently, the County Executive Officer charged the Interim Human Resources Director to work with key County department directors to review the Department and determine if it should:

- 1) Remain a standalone Department and hire a permanent Director;
- 2) Consolidate the Department with another County department;
- 3) Outsource some or all of the Department; and/or
- 4) Recommend other organizational structures.

The Interim Director worked with a team of executives identified as those HR interacted with most frequently and/or closely. In January, the team provided its analysis and recommendation to merge Human Resources with the County Executive Office. Many of the cost-saving actions associated with the proposed merger were already implemented as part of HR's Fiscal Year 2011-2012 budget submission, adopted by the Board in June 2011.

The primary advantages identified with merging Human Resources with the CEO's office included:

- Maintains an existing close and necessary connection between Human Resources policy, labor relations, and workforce management with the CEO and Board of Supervisors;
- Provides the potential for maximizing staffing resources between the two operations. For instance, there is the potential to consolidate services such as: human resources transactions, contract management, purchasing, support services, payroll, etc. This consolidation could potentially provide resources to both the CEO and HR. (Some of this consolidation has already occurred.); and

- o Reduces the number of County departments.

The recommendation to merge HR with the CEO also included the transfer of budget work performed by HR to the CEO's Office, which has already been accomplished, and transferring one full-time Administrative Office Professional III position assigned to the EEO function to County Counsel, along with the funding for that position. These actions allow HR to focus on its core functions and preserve essential human resources services and consolidate EEO responsibilities in County Counsel, which already has an attorney assigned to conduct all EEO complaint investigations

**Fiscal Impacts:**

The following savings were realized as part of HR's Fiscal Year 2011-2012 Budget:

<b>Budget Reductions Associated with Merging HR with CEO</b>	
Eliminate Departmental Leader	\$266,000
Reduce 2 Assistant Departmental Leaders to Enterprise Leader	8,000
Eliminate Administrative Professional	106,000
Eliminate Administrative Office Professional III	110,000
Eliminate HR Specialist	103,000
<b>Subtotal Savings:</b>	<b>\$593,000</b>

Some of the savings were, however, used to offset the following costs, which resulted in a net savings of \$417,000, as shown below.

<b>Savings Offsets</b>	
Refund Administrative Office Professional	\$101,000
Higher than anticipated cost to hire HR Manager for Bus. Center	49,000
Increase .5FTE Admin Office Professional to .75 FTE	26,000
<b>Total Est. Savings</b>	<b>\$417,000</b>

If the Board approves the proposed merger, additional annual savings of approximately \$14,000 will be realized by reducing Interim Human Resources Director's compensation. This individual will lead HR as an Assistant Departmental Leader functioning as the personnel director for the County of Santa Barbara.

**cc:** Dennis Marshall, County Counsel  
 Department Heads