BOARD OF SUPERVISORS
AGENDA LETTER

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

Agenda Number:

Department Name:	Human Resources
Department No.:	064
For Agenda Of:	March 20, 2018
Placement:	Administrative
Estimated Time:	
Continued Item:	No
If Yes, date from:	
Vote Required:	Majority

TO:	Board of Supervisors	
FROM:	Department Director(s)	Lori Gentles, Human Resources Director, 568-2816
	Contact Info:	Joe Pisano, Interim Chief of Employee Relations, 568-2839 Robert Clark, Employee Relations Manager, 568-2829
SUBJECT:	**Voluntary Early Separation Incentive Program.**	

County Counsel Concurrence
As to form: Yes

Auditor-Controller Concurrence
As to form: Yes

Other Concurrence:
As to form: N/A

Recommended Actions:

That the Board of Supervisors:

a) Determine that the Voluntary Early Separation Incentive Program (VESIP) serves the public purposes of the County because it addresses a projected budget shortfall with a minimum amount of disruptive reductions in workforce, and

b) Adopt the resolution (Attachment A) which establishes VESIP and authorizes the Human Resources Director to implement the program in accordance with the resolution.

c) Determine pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4) that the above action is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and therefore is not a project subject to environmental review.

Summary Text:

The County is going through the process of transforming the way it works in order to provide services in an efficient and sustainable way. This is expected to include changes in the make-up of the workforce, and elimination of some current positions. VESIP provides a way to downsize the workforce by incentivizing employees who desire to leave for any reason to do so.

If an application for VESIP is approved, the position will not be filled for one year, and, if the positon is filled after that, the base pay can be at no more than 75% of the cost of previous incumbent. The County does not provide severance pay when employees are laid off, and with voluntary separations, VESIP avoids the difficult and complex ‘bumping” process required by the Civil Service Rules when there are layoffs.

The general parameters of the program as presented to the unions are as follows:

Eligibility Criteria

1. Must be full time regular employees to participate
2. Hired prior to January 2013
3. Cannot be in a hard to fill position as determined by the department head
4. Must volunteer to participate in the program and agree to sign a release (Note: the release contains the following provisions:
    a. No appeal of the CEO’s decision to deny an application
    b. The employee will not apply for unemployment compensation
    c. The employee will not apply for future County employment
    d. The employee waives rights for reinstatement
    e. The employee will receive all benefits normally available upon separation
    f. The employee will not apply for retirement until after the separation date
    g. The employee must be in good standing at the time of application)
5. Agree to work until May 25, 2018 (unless earlier separation is in the best interest of the County as determined by the department head)

Approval Process

1. Approval is at department head discretion based on operational need and may include non-discriminatory factors such as location, workload, special skill/knowledge, performance, etc.
2. Approval is NOT based on seniority
3. All things being equal between two similarly situated employees who apply for VESIP, department may employ a random selection or lottery system if the benefit cannot be provided to both.

Separation Amount Non-Management (tiered by years of consecutive SBC service)

5-10 years = $19,500
11-15 years = $26,000
>15 years = $32,500

As of the date of filing these parameters have been accepted by SEIU, Local 620, SEIU, Local 721, the Deputy Sheriffs’ Association and the Engineers & Technicians Association. The same terms will apply to confidential employees. An incentive of $39,000 is proposed for unrepresented management employees below the department head level. The rationale for this higher payment is that management positions are generally paid more, and elimination of management positions will result in a greater amount of savings, but will also require a larger incentive. Employees, once separated, may not apply for any County employment including Extra-Help, Independent Contractor, or Contractor-on-Payroll. The terms of separation will be documented in a “Separation Agreement and Release of All Claims,” a draft of which is attached (Attachment B) We are continuing discussions with the Unions who had not accepted the program. Any agreements that result from those discussions will be brought forward for Board consideration at a subsequent meeting.

Background:

The Voluntary Early Separation Program (VESIP) is a budget reduction and restructuring tool that will incentivize employees to voluntarily resign from their position in exchange for a one time lump sum payment. Full time regular employees represented by labor unions that have approved the program, managers and confidential employees will be eligible to apply for the program. Applications will be approved at the discretion of department heads based on operation needs and non-discriminatory factors such as location, workload, special knowledge or skills, and performance. By providing an incentive for employees to leave County employment, we can minimize or avoid involuntary separations through layoffs or other disruptive reductions in force. Although the program is timed to coincide with the FY 2018-19 budget cycle, the Board could authorize it again in future years if warranted.

Fiscal and Facilities Impacts:

The cost of the incentive, which will generally be paid in June, will be more than offset by the savings generated by keeping the positions vacant for at least one year, and, if the position is filled after that, by appointing a lower cost employee. Because of the timing, the cost will not fully be recouped in FY 2017-18. Any budget adjustments that are needed to address this timing issue will be addressed as part of the FY 2018-19 Budget. The amount of savings will depend upon the number of applications that are received and approved.

Budgeted: The cost of the incentive will not be fully recouped in FY 2017-18.

Fiscal Analysis:

Key Contract Risks: N/A

Staffing Impacts:

Legal Positions:	FTEs:
N/A	N/A

Special Instructions:

Attachments:

Attachment A: Resolution establishing the Voluntary Early Separation Incentive Program
Attachment B: Draft Separation Agreement and Release of All Claims

Authored by: Robert Clark, Employee Relations Manager

cc: Mona Miyasato, County Executive Officer
Michael C. Ghizzoni, County Counsel
Theo Fallati, Auditor Controller