



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: August 25, 2015
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors

FROM: Jeri Muth, Human Resources Director, 568-2816
Contact Info: Joseph Pisano, Employee Relations Manager, 568-2839

SUBJECT: *Terms and Conditions of Employment: Service Employees
International Union, Local 721*

County Counsel Concurrence

As to form: N/A

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Approve a 5% wage increase effective August 17, 2015 for employees in the Eligibility Worker job classification series per the tentative agreement between the County and the Service Employees International Union, Local 721 in Attachment A; and
- b) Approve the Budget Revision Request in Attachment B (BJE No. 0004185) to increase appropriations by \$967,933 in the Department of Social Services, Social Services Fund, for Salaries and Benefits funded by, unanticipated revenue – Federal (\$117,242), use of Social Services Restricted Fund Balance (\$124,890), use of Social Services Committed

Fund Balance (\$116,490) and an operating transfer from the General Fund (\$609,311) and establish appropriations of \$609,311 in the General County Programs Department, General Fund, for Other Financing Uses funded by a release of Committed Fund Balance; and

- c) Approve a provision in the tentative agreement with the Service Employees International Union, Local 721 in Attachment A to provide a bank of 32 hours of paid leave time to all employees in job classifications represented by the union, effective as soon as practicable, related to office holiday closure; and
- d) Determine that these actions are exempt from California Environmental Quality Act (CEQA) review as it is not a project pursuant to CEQA Guidelines section 15378 (b) (2).

Summary Text:

The current Memorandum of Understanding (MOU) between Santa Barbara County (the County) and the Service Employees International Union, Local 721 (Local 721) includes provisions that allowed Local 721 to request to reopen negotiations in February 2015 on potential equity adjustments and on general wage increases for all employees represented by the union in July 2015. The parties began negotiations in April 2015, and reached the tentative agreement in Attachment A in early August 2015.

The recommended actions implement the tentative agreement in Attachment A between the parties to provide a 5% equity wage increase to employees in job classifications in the Eligibility Worker job classification series, who are 20% below their survey market, and to provide a bank of 32 hours of paid time off for all employees in job classifications represented by Local 721 related to holiday office closures. The paid leave time will be used in conjunction with efforts to close County offices to the greatest extent possible from December 28, 2015 through December 31, 2015 so that employees can take time off during that period. This is being negotiated with all unions; when completed, staff will return to the Board with required actions to implement the closure.

In addition, the recommended actions provide an increase in FY 2015/16 of \$609,311 in General Fund Committed Fund Balance to the Department of Social Services, where all the employees who will be affected by the 5% wage increase work.

Background:

Section 14 of the current MOU between the County and Local 721 provided for a general salary reopener in July 2015, and Section 15 allows the union to request in February each year that that the County review the salary placement of up to two job classification series for potential equity wage increases. This year Local 721 requested that the County review three classification series: Eligibility Worker, Public Defender Investigator I, and Probation Assistant.

During the course of negotiations, a joint salary study conducted by the County and Local 721 showed that employees in Eligibility Worker classifications at all levels surveyed were more than 20% below their survey market, and that those working in the Public Defender

Investigator I classification were approximately 18% below their survey market, while those working as Probation Assistants were approximately 9% behind their counterparts in comparison counties. The County and Local 721 met and conferred between April and August 2015 and reached the tentative agreement in Attachment A to begin to address these inequities by increasing salaries for employees in Eligibility Worker classifications by 5%.

Regarding the holiday closure, during the Fiscal Year 2015-2016 budget deliberations, Board of Supervisors' Chair Janet Wolf expressed interest in potentially negotiating with all unions to consider closing County offices between Christmas and New Year's Day as a benefit to employees. Subsequently a survey of County employees rated closing operations to the extent possible during that time period second among the top five ideas for increasing employee engagement. As a result, the Board directed staff to negotiate a closure between the Christmas 2015 and New Year's Day 2016 holidays with all employee groups. Therefore, the tentative agreement in attachment A includes a bank of 32 hours of paid leave for Local 721 represented employees to use to the extent departments where they work are able to implement that closure. Employees in work locations that are unable to close from December 28, 2015 through December 31, 2015 will have until January 1, 2017 to use all 32 hours, at which time any remaining hours will expire. There is no cash value associated with any of these hours if employees separate from County service before using them and no direct cost.

Fiscal Analysis:

	FY15-16	FY16-17	FY17-18
	5% salary increase less 2 FTE's above normal planned 5% vacancy rate	5% salary increase less 2 FTE's above normal planned 5% vacancy rate	5% salary increase less 7 FTE's above normal planned 5% vacancy rate
Uses of Funds			
Total Cost Increase (5%) for 372 FTE's	\$1,110,685	\$1,255,557	\$1,255,557
Reduction of Funded FTE's	-\$142,752	-\$161,372	-\$564,802
Total Use of Funds	\$967,933	\$1,094,185	\$690,755
Sources of Funds			
MediCal (Federal)			\$387,928
Food Stamps (Federal)	\$106,921	\$120,868	\$76,304
Foster Care (Federal)	\$10,321	\$11,667	\$7,365
	\$117,242	\$132,535	\$471,597
Use of DSS Committed Fund Balance	\$116,490		\$219,158
Use of DSS Restricted Fund Balance	\$124,890		
Use of County General Committed Fund Balance/Contribution	\$609,311	\$961,650	
	\$850,691	\$961,650	\$219,158
Total Source of Funds	\$967,933	\$1,094,185	\$690,755

The recommended equity wage increase affects approximately 372 employees in the Social Services Department. The total estimated cost of this recommended wage increase is approximately \$1,110,685 for the remainder of Fiscal Year 2015-16 and approximately \$1,255,557 annually beginning in Fiscal Year 2016-17.

The cost of the recommended actions would be paid from various funding sources, as well as holding additional positions vacant above DSS' normal vacancy rate of 5% (additional vacancies would be required only if there is no growth in State Funding for these programs). These funding sources are made up of Federal reimbursements, one time Social Service fund balance and County General Fund Committed Fund Balance. The General Fund portion is estimated at approximately 63%(\$609,311), 88% (\$961,650) and 0% (\$0.00) in Fiscal Years 2015-16, 2016-17 and 2017-18 respectively. The recommended Budget Revision Request allocates General Fund Committed Fund Balance of \$609,311 for the Department of Social Services for Fiscal Year 2015-16.

The current Fiscal Year Cost of \$967,932 (\$1,110,685 less holding 2 positions vacant for the remaining fiscal year) in the Department of Social Services would be funded by Federal Reimbursements (\$117,242), use of Social Services Restricted Fund Balance (\$124,890), use of Social Services Committed Fund Balance (\$116,490) and an operating transfer from the General Fund (\$609,311). The annualized ongoing cost in Fiscal Year 2016-17 of approximately \$1,094,184 (\$1,255,557 less holding 2 positions vacant for the entire fiscal year above normal planned vacancies) in the Department of Social Services would be funded by unanticipated revenue -Federal (\$132,535), and General Fund Committed Fund Balance (\$961,650). For Fiscal Year 2017-18 with less seven FTEs above what was planned, the annualized ongoing reduced cost of approximately \$690,755 would be funded by unanticipated revenue – Federal (\$471,597), and use of DSS Fund Balance (\$219,158).

There are no increased financial costs of providing the 32 hours of paid leave time, as funds are already budgeted to pay employees for a full work year, though some loss in productivity will occur if County offices close between Christmas 2015 and New Year's Day 2016.

cc: Mona Miyasato, County Executive Officer
Daniel Nielson, Social Services Director

Attachment A: Tentative Side Letter Agreement
Attachment B: Budget Journal Entry No. 0004185