



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager's Office



DATE: May 19, 2010
BOARD MEETING DATE: May 25, 2010
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: David S. Boesch, County Manager

SUBJECT: **Mid-Year Elimination of Filled Positions – Supplemental Information**

RECOMMENDATION:

Adopt an ordinance amending the salary ordinance, deleting 65 positions and adding 8 positions, for a net deletion of 57 positions related to additional mid-year budget reductions.

BACKGROUND:

The County began using Reserves in FY 2007 to balance the General Fund, as operating costs began to outpace growth in revenues. Since that time, unemployment rates have doubled and continue to remain near 10%. Property tax revenues have declined from an average of 7-8% annual growth in the last five years to negative (-1%) next fiscal year and 0-2% through FY 2015. Investment losses resulted in a 22% decline in the Retirement Fund's value last year. Unfunded pension liabilities are now over \$1 billion, about the size of the General Fund budget, and annual County contributions will increase by an additional \$50 million effective July 1, 2010. While there has been some improvement in investment earnings, they are on a smaller base, and questions remain as to whether the fund can continue to earn a minimum of 7.75% each year.

Over the last nine months, your Board has taken action to adopt budget balancing principles and strategies for use in exploring all options to close the deficit. Departments have used these principles and strategies to guide their scenario planning processes and preparation of budget reduction proposals. On December 15, 2009, staff reported continued declines in revenues and increased the size of the projected deficit. Your Board adopted an accelerated timeline, community forums and a balanced approach to closing the deficit using a combination of service reductions, Countywide savings, labor cost savings and new revenues, as well as managed use of Reserves.

On February 9, changes to assumptions regarding General Fund support to the Medical Center and more declines in local revenues resulted in the upward adjustment of the deficit from \$100 million to \$150 million by FY 2015 if no action is taken. Your Board approved reductions of 64 vacant positions on February 9 for annual savings of \$6 million. Study

sessions were held on March 23 and 30 to present County departments' preliminary budget reduction plans prior to release of the County Manager's Recommended Budget at the end of May and public budget hearings in June.

DISCUSSION:

The preliminary plans presented to your Board on March 23 and 30 included the proposed reduction of approximately 146 positions. If approved along with other proposed reductions and the 64 positions deleted on February 9, a total annualized savings of \$36 million will be achieved. This will reduce next year's deficit from \$126 million to \$90 million.

Of the 146 position reductions presented to your Board at the March study sessions, 65 are filled. Employees in affected classifications were informed prior to department presentations. The plan for affected employees was communicated to your Board on March 18, 2010 in a joint Members' Memo from the County Manager's Office and Human Resources. That memorandum set forth a schedule, including Meet and Confers with unions in April, and the presentation of position eliminations to your Board in May.

Additional communications from Human Resources on March 31st, April 19th, and May 6th provided progress updates, and in particular that new positions had been identified for virtually all of the employees at risk. Additional information was also provided on management reductions to ensure that management positions were being cut in proportion to cuts in represented line staff.

The impact on employees has been mitigated by an early retirement enhancement for certain job classifications, a voluntary employee separation plan (VESP) for other job classifications, and a commitment from departments to take all reasonable measures to place impacted employees.

At this time, alternative positions have been located for all at-risk employees, so these position eliminations will not result in any forced layoffs.

FISCAL IMPACT:

It is recommended that the Board take action on deleting these 65 filled positions (including 7 Management) and adding 8 positions (5 Group Supervisors in Probation and 3 Investigative Analysts in Human Services Agency), for a net reduction of 57 positions, to achieve annual savings of \$7.2 million in all departments. If these reductions are not addressed until the June budget hearings, the effective date would be in late August/early September, affording departments only 10 months of the fiscal year to realize savings. One month of savings is \$600,000.

By approving these position reductions now, savings would take effect at the beginning of the fiscal year, thus preserving about \$1 million in Reserves for use in responding to state funding reductions and managing future reductions until ongoing solutions are put in place to close the remaining deficit.

Each Department's proposed eliminations are set forth below in additional detail.

PROBATION

Achievement of the Net County Cost target was approached within the context of a department reorganization and large scale restructuring of service units. The consolidations that are being implemented will allow Probation to preserve the following core services (at reduced levels):

- a. the supervision of juvenile and adult offenders
- b. conducting investigations and preparing pre-sentence reports for Court
- c. providing for the welfare of juveniles in custody in our detention facilities

Of the 22 proposed eliminations, 6 (27%) are management positions. In addition, Probation previously eliminated a Management Analyst position and is eliminating an Institutional Services Manager. The result will be a transition to a decreased management structure in Probation, pushing down command responsibility to the director level. Managers will be expected to develop expertise in both Adult as well as Juvenile court and supervision functions since they will be supervising officers who have these dual caseloads.

CLASSIFICATION	MGMT	ELIMINATIONS	ADDS	ANNUAL SAVINGS
PROBATION SVCS MGR I	-4	-4		(556,620)
INFO TECHNOLOGY MGR	-1	-1		(158,103)
LEGAL OFFICE SERV MGR II	-1	-1		(127,155)
ADMIN SECRETARY III-C		-1		(95,151)
DEPUTY PROB OFFCR		-15		(1,720,485)
GROUP SUPERVISOR II			5	538,395
Total Probation	-6	-22	5	\$(2,119,119)

Probation Services Manager I – The elimination of 4 positions will result in increased workload among remaining managers in Adult Services (RWC & EPA) and Pre-Trial Services, and will increase the oversight ratio of managers to staff. One position is vacant, two employees have chosen the early retirement option, and one employee has the right to bump back into the Deputy Probation Officer classification.

Information Technology Manager – The elimination of this position is part the plan to consolidate information technology services and expenses. Some functions will be distributed to other management. This employee has accepted a vacant position in the Public Works Department.

Legal Office Services Manager II - The elimination of this position will increase workload through a redistribution of supervisory responsibilities. This employee has requested bumping back to the Legal Office Supervisor classification.

Administrative Secretary III - The deletion of this position will increase support workload for the remaining Administrative Secretary. This employee will be retiring.

Deputy Probation Officers – This results in eliminating a total of 15 Deputy Probation Officer positions and addition of 5 Group Supervisor positions. Eight positions will be deleted in Juvenile Services which will increase workload and require some reductions in services to

youth and their families. The deletion of 7 positions in Pre-Trial services will be replaced by Group Supervisors and may result in lower supervision. Seven employees have chosen the early retirement option, one employee will be leaving County service, and seven employees will be offered positions in the Group Supervisor classification.

HUMAN SERVICES AGENCY

Positions eliminations were identified that met County budget targets while minimizing impact to clients. In addition to the identified filled positions, HSA previously eliminated the following management positions: a Regional Director, Human Services Manager II, Human Services Manager I, and a Management Analyst.

CLASSIFICATION	MGMT	ELIMINATIONS	ADDS	ANNUAL SAVINGS
FRAUD INVESTIGATOR		-3		(304,281)
INVESTIGATIVE ANALYST			3	289,197
MAIL SERVICES AIDE		-1		(66,735)
GRAPHICS SPECIALIST		-1		(99,295)
REHAB PRODCTN SUPVR I		-1		(89,511)
EMPLMNT SRVCS SPEC I		-1		(91,203)
FOOD SERVICE WORKER I		-1		(72,231)
JOB DEVELOPMENT SPEC I		-1		(96,675)
UTILITY WORKER I		-1		(76,779)
Total Human Services Agency	0	-10	3	\$(607,513)

Fraud Investigator – These three position eliminations and the corresponding creation of three Investigative Analyst positions represent a reorganization of the investigative unit to more accurately align the positions with the work being performed. The three least senior incumbents will be offered the new Investigative Analyst positions. Additional information was provided by Director Johnson in a Members’ Memo dated May 6, 2010.

Mail Services Aide – Mail duties have decreased and will be absorbed by other staff. This employee will be retiring.

Graphics Specialist – Fewer materials, publications and flyers will be produced. This employee will be retiring.

Rehabilitative Production Supervisor I – Duties will be absorbed by remaining Employment Services Specialists, and they will have less supervision. This employee has chosen the early retirement option.

Employment Services Specialist I - Duties will be absorbed by remaining Employment Services Specialists. This employee will be retiring.

Food Service Worker I – Elimination of this position is in conjunction with the closing of HOJ Café. This employee will transfer to a vacant Food Service Worker position in Health.

Job Development Specialist I - Elimination of this position is in conjunction with the closing of HOJ Café. This employee will transfer to a vacant Job Development Specialist position

within HSA.

Utility Worker - Elimination of this position is in conjunction with the closing of HOJ Café. This employee will transfer to a vacant Utility Worker position in Public Works (also exploring other possible options for this employee).

HOUSING

Positions eliminations were identified that met federal funding administrative parameters while minimizing impact to programs.

CLASSIFICATION	MGMT	ELIMINATIONS	ADDS	ANNUAL SAVINGS
HOUSING & COMM DEV SUP		-1		(142,875)
HOUSING/COM DEV SPEC III		-2		(190,710)
Total Housing	0	-3		\$(333,585)

Housing & Community Development Supervisor – Duties will be absorbed by the remaining supervisor, and staff will work with less supervision. This employee chose the early retirement option.

Housing/Comm Development Specialist III – Elimination of these two positions will mean some duties absorbed by other staff. A 50% position will be transferred to the County Manager’s Office, which in conjunction with other federal grant money, will constitute a full position. One of the two employees will be offered this position and the other will be offered a vacant Benefits Analyst position in HSA.

HEALTH SYSTEM

Positions eliminations were identified that met County budget targets while minimizing impact to clients. In addition to the identified filled positions, other Health eliminations include the following management positions: Deputy Health Officer (.5), Food Services Manager, and Medical Program Manager.

CLASSIFICATION	MGMT	ELIMINATIONS	ADDS	ANNUAL SAVINGS
COOK I		-2		(156,606)
PHYSICIAN		-1		(260,103)
COMMUNITY PROGRM SPEC I		-2		(190,302)
PUBLIC HLTH NURSE		-1		(151,779)
CASE MGMNT/ASSESS SP II		-1		(101,427)
FISCAL OFFICE ASST I		-1		(73,659)
SOCIAL WORKER I		-1		(91,503)
SUPERVISING COOK-E		-1		(87,903)
PSYCHOLOGIST I		-1		(130,995)
ELECTROGRAPH TECH I		-1		(81,075)
Total Health System	0	-12		\$(1,325,352)

Cook - Pursuant to a request from the Probation Department, Correctional Food Service had to reduce costs by \$365,000. Accordingly, two positions have been eliminated to realize

cost savings, resulting in the closure of the Camp Glenwood kitchen. Changes in food preparation, delivery and distribution will assure continued food services at the Camp. Other positions in the Health System will be offered to these employees.

Supervising Cook - Pursuant to a request from the Probation Department, Correctional Food Service had to reduce costs by \$365,000. Accordingly, positions have been eliminated to realize cost savings, resulting in the closure of the Camp Glenwood kitchen. Changes in food preparation, delivery and distribution will assure continued food services at the Camp. The incumbent will be allowed to remain to cover for another staff out on extended leave.

Physician - Elimination of Staff Physician involved in community-based prevention activities such as childhood obesity, youth asset development and population based chronic disease prevention. The position was originally funded with outside grant funds, which have expired. There is no direct client impact but the Health System's primary prevention work will be diminished. This employee will be transferred to a clinical physician assignment within the Health System.

Community Program Specialist - This reduction in planning capacity will lead to reduced support for health disparities initiatives (e.g. childhood obesity). Employees will be transferred to other Community Program Specialist positions in the Health System.

Public Health Nurse - The HOME Team will be eliminated, effective July 1, 2010, due to the lack of funding for the program. Three of the four current positions have been or will be moved to other programs in AAS. One Public Health Nurse position will be eliminated. This employee will be transferred to a vacant Public Health Nurse position within the Health System.

Case Management/Assessment Specialist - The State has eliminated \$1,347,524 for Prop 36 Substance Abuse and Crime Prevention Act (SACPA) programs. Impact on clients includes loss of SACPA services to 850 clients, and the elimination of one filled assessor/case manager position. Funding to eleven CBOs will be eliminated, impacting up to 17 contractor positions. While eligible to revert to a prior-help position of Eligibility Worker, this employee has chosen not to accept the position and to be laid off.

Fiscal Office Assistant - Implementation of the interface between the SMMC and Public Health laboratory systems will result in efficiencies in billing practices and will allow the data to be passed from one system to another without manual re-entry. This improvement will allow the position to be eliminated from Public Health. This employee will be transferred to a vacant Fiscal Office Assistant position within SMMC. There is no direct client impact.

Social Worker - This reduction is due to a loss in State and federal funding, it is coupled with a transfer of a physician assistant position from the SMMC. This STD/HIV staff adjustment will result in fewer hours of case management availability in social work case management with an increase in medical case management; in addition some case load will be picked up by a working social work supervisor. There will be no impact to the number of clients served but there will be some limited availability in the quantity of social work. This

employee will be transferred to another Social Worker position in the Health System.

Psychologist I - The elimination of this position will result in the elimination of crisis intervention training, delays in mental health case management, elimination of psychologist internships, elimination of dementia conservatorship testing and misdemeanor competency evaluations/court appearances, and elimination of parenting/pregnancy education. However, overall the same number of inmates will receive basic health services at a reduced level. This employee will be transferred to another Psychologist position in the Health System.

Electrograph Technician - Elimination of this position may result in consolidation of responsibilities. No impact to patient service, although there might be an increase to staffing workload. This employee will be retiring.

INFORMATION SERVICES DEPARTMENT

Positions eliminations were identified that met County budget targets while minimizing impact to service. The work performed by these positions are in areas where there is decreasing or no client demand, a minimal impact on services is anticipated.

CLASSIFICATION	MGMT	ELIMINATIONS	ADDS	ANNUAL SAVINGS
ADMIN SERVICES MANAGER	-1	-1		(151,311)
SYSTEMS ENGINEER		-2		(215,070)
LEAD PRODUCTION TECH		-1		(98,235)
PRODUCTION TECH		-1		(87,327)
Total ISD	-1	-5		\$(551,943)

Administrative Services Manager I – Decreased workload and need has necessitated elimination of this position. This employee will transfer to a vacant Administrative Services Manager I position in Health.

Systems Engineer – Decreased workload and need has necessitated elimination of this position. This employee has chosen the early retirement option. A second incumbent has agreed to transfer to a lower classification.

Lead Production Tech – The primary work performed by this position has been eliminated. This employee has chosen the early retirement option.

Production Tech - The primary work performed by this position has been eliminated, necessitating the elimination of this position. This employee will be offered a position in another department.

SHERIFF

Positions eliminations were identified that met County budget targets while minimizing

impact to service. All incumbents were or will be transferred to vacant positions in their classification.

CLASSIFICATION	MGMT	ELIMINATIONS	ADDS	ANNUAL SAVINGS
SHERIFF SERGEANT		-1		(205,857)
SHERIFF DEPUTY		-11		(1,988,217)
Total Sheriff	0	-12		\$(2,194,074)

Sheriff’s Sergeant – Elimination of this position will increase the span of control in the Transportation unit.

Sheriff’s Deputies – Elimination of these eleven positions will decrease POST training of new deputies, decrease K-9 patrol in the Transit units, increase workload of some investigations, including backgrounds, and contribute to overall savings in closing the Maguire lobby at night.

HUMAN RESOURCES

Positions eliminations were identified that met County budget targets while minimizing impact to service. To meet the reduced budget target, HR eliminated three positions mid-year, including a management analyst, and proposes elimination of one additional position.

CLASSIFICATION	MGMT	ELIMINATIONS	ADDS	ANNUAL SAVINGS
OFFICE SVCS SUPV		-1		(100,071)

Office Services Supervisor – Department reorganization, including consolidating all staff onto one floor, allows for the elimination of this position. This employee has chosen the early retirement option