



COUNTY OF HUMBOLDT

Legislation Text

File #: 23-1028, **Version:** 1

To: Board of Supervisors
From: County Administrative Office

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Adopt the Fiscal Year 2023-2024 Voluntary Separation Incentive Program and Designation List

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the Fiscal Year 2023-2024 Voluntary Separation Incentive Program and Designation List;
and
2. Authorize the County Administrative Office to update the designation list, to be ratified by the Board of Supervisors at the mid-year budget report.

SOURCE OF FUNDING:

All county funds

DISCUSSION:

At the Fiscal Year 2023-2024 budget hearings on June 12, 2023, the Humboldt County Board of Supervisors (“Board”) approved the parameters of a Voluntary Separation Incentive Program (“VSIP”). Today’s item will adopt the program in full, allowing departments to continue identifying positions to be eligible for the VSIP, and beginning an enrollment period on August 1, 2023.

In the context of the county’s current budget situation, the VSIP is a labor-sensitive approach to minimizing potential required staff reductions within the county. The VSIP will allow department heads to manage a reduction of the workforce in a manner that minimizes service impacts, and likewise, minimizes negative impacts on employee groups. The goal of this program is to incentivize employees to vacate allocations/positions prior to June 30, 2024 and require that departments hold vacancies open for a period of two (2) years. This reduction in the workforce program allows flexibility to the department head to select which classifications, and the number of them to be offered the separation incentive, knowing that there must be at least one (1) vacancy maintained for each incentive offered. Employees opting for the program must be regular (not probationary) employees holding a full-time or part-time (over 20 hours per week) position. There is no requirement to retire or be a minimum age in order to participate, as creating a vacancy is the goal of the program. Employees

resigning or retiring prior to September 30, 2023 would receive the maximum incentive (\$20,000 for employees with 10 or more years of service to the county, and \$15,000 for employees with fewer years), with a significant drop in the incentive for employees choosing to retire between October 2023 and February 2024. The maximum incentive is designed to provide salary savings for the majority of the fiscal year and allow the Board and departments to make decisions ahead of next year’s budget. All benefits paid under this program are taxable to the employee and to the county.

The recommendation to authorize the County Administrative Office to update the Designation List would allow departments to more efficiently declare new classifications that are eligible for the VSIP, thereby allowing employees to begin applying for the program with enough time to take advantage of the program. The County Administrative Office will bring any updated list to your Board for ratification at the mid-year budget report.

FINANCIAL IMPACT:

Expenditures (All county funds)	FY23-24
Budgeted Expenses	Up to \$600,000
Total Expenditures	Up to \$600,000
Funding Sources (All county funds)	FY23-24 Adopted
Total Funding Sources	Up to \$600,000

**Projected amounts are estimates and are subject to change.*

It is difficult to predict the exact cost of the VSIP. Costs will depend upon the actual number of employees participating in the VSIP, their years of service, as well as the actual month they choose to utilize the incentive. Assuming thirty (30) employees utilize the VSIP at its maximum value, the total costs could range from a minimum of \$450,000 to a maximum of \$600,000 dependent upon the employee’s years of service to the County of Humboldt. The costs for the VSIP are one-time costs. Savings by the end of fiscal year 2023-2024 are likewise dependent upon the number of employees participating in the VSIP and the month they choose to separate. Assuming thirty (30) employees (estimated) utilize the VSIP, the savings on average are estimated at \$3.2 million.

The estimated savings and costs above do not include final payout amounts for accrued and unused leave banks. The County of Humboldt would have final payout expenses regardless of the VSIP; however, timing may be sooner with VSIP.

STAFFING IMPACT:

Reducing the workforce of the County of Humboldt will impact the workload on existing staff. It may also reduce the services provided to the community. Several staff have expressed interest in participating in the program.

STRATEGIC FRAMEWORK:

The recommended actions support the following areas of the Board of Supervisors’ Strategic Framework.

Core Roles: N/A

New Initiatives: Manage our resources to ensure sustainability of services

Strategic Plan: N/A

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose to modify the program, its beginning date, the value of the program or the way in which departments may choose to identify classifications that are eligible for the program.

ATTACHMENTS:

1. VSIP Program Plan
2. VSIP Resignation Form
3. VSIP Waiver Form
4. VSIP Designation List

PREVIOUS ACTION/REFERRAL:

Meeting of: June 12, 2023

File No.: 23-830