

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
September 9, 2004
9:30 a.m.

To: Board of Supervisors

From: Internal Services Agency

Subject: Report Back On Vacancy Level In Permanent Positions Versus Utilization Of Temporary, Part-Time And Employment Agency Workers To Assess How Many Of The Current Vacant Positions Are In Effect Filled Through Temporary Workforce

Contact: Anita Thomas, Principal Administrative Analyst, 874-7094

BACKGROUND:

Sacramento County has had a hiring freeze in place since 2001. The freeze recognized exemptions for specialized and public safety positions, but restricted hiring into general countywide classes. The purpose of the freeze was twofold. It was an attempt to encourage “salary savings” to reduce the impact of impending budget cuts and it was a way to increase the number of vacancies in general countywide classes to provide placement opportunities in the event of layoffs. The hiring freeze reduced the number of new employees that might have been subject to layoff and provided placement options for staff whose programs and jobs were eliminated.

The hiring freeze was a success. In the past two budget years, it enabled county departments to delete over 700.0 positions (over 140.0 deleted positions in Fiscal Year 2002-03; over 540.0 deleted positions in Fiscal Year 2003-04; and 25.0 deleted positions at Proposed Budget Fiscal Year 2004-05) while minimizing the layoff of staff. There was movement to new programs and different departments, but actual layoffs were minimal.

DISCUSSION:

For the past several months, the impact of the State Budget was largely unknown. Leading into the final budget for Fiscal Year 2004-05, we were still preparing for the possibility of cutting hundreds of positions. From a department perspective, until a program is actually cut by your Board, they are still obligated to provide services and programs. In order to maintain vacancies in anticipation of layoffs and still provide services, many departments used a combination of temporary workers and retired annuitants.

The following estimates show the usage of temporary workers to fill behind vacancies. The estimates are based on a combination of actual expenditures in various temporary worker accounts and payroll/employment agency records. The difficulty in calculating the number of

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Page 2

temporary workers used to fill behind permanent positions is that there are many departments and programs that use temporary workers due to seasonal or temporary workloads. Neither payroll nor employment agency records distinguish between a true extra help worker and one hired in-lieu of a vacancy. COMPASS provides different account codes to capture the costs, but it requires diligence on the parts of department payroll and accounting staff to ensure the costs are coded correctly (and that they know whether a temporary worker is filling behind a vacancy or not).

Fiscal Year	Countywide Positions	Countywide Vacancies	Temporary Workers In-Lieu of Vacancies
2002-03	14,064	1,460	435
2003-04	13,758	1,549	338

The use of temporary workers to fill behind vacancies has decreased in the past year. This is partly due to the deletion of over 500 positions (and the funding) in the Fiscal Year 2003-04 Final Budget (for the year, the net reduction is 306 positions after additional non-General Fund and grant-funded positions were approved by your Board). As departments have ramped down services to fit within available funding, the use of temporary workers has become less necessary.

Many years ago the number of vacant positions hovered around 700. In the late 1990's the number of vacant positions jumped to around 1,400, triggering a focus on efforts in recruitment and retention to fill positions and reduce the number of vacancies. With the economic downturn in the early 2000's the focus shifted from filling positions to preserving vacancies, hence the hiring freeze.

Our economic outlook today shows sufficient improvement to justify a recommendation to lift the hiring freeze. Departments are encouraged to self-impose a "hiring chill" and fill critical positions while holding less critical positions vacant whenever possible. We anticipate that while the number of vacant positions will decrease, normal attrition, retirements, and promotions will result in the number once again leveling off at or above 700.

Respectfully submitted,

APPROVED:

MARK NORRIS, Acting Administrator
Internal Services Agency

TERRY SCHUTTEN
County Executive