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Date: February 7, 2014

TO: MEMBERS, BOARD OF DIRECTORS

I. AGENDA ITEM # AND TITLE :	Open Agenda Item 4 - Personnel Matters
II. NAME AND PROGRAM:	Andreas Acker, Human Resources
III. ACTIVITY:	<input checked="" type="checkbox"/> Informational <input type="checkbox"/> Request for Direction <input type="checkbox"/> Action Proposed <input type="checkbox"/> Exploratory
IV. JUSTIFICATION:	<input checked="" type="checkbox"/> Standard/Required Item <input type="checkbox"/> Board Request – New Item <input type="checkbox"/> New Topic from Staff

V. EXECUTIVE SUMMARY:

The following is standard information requested by the Board in a variety of Human Resources areas.

VI. ANALYSIS:

State Fund permanent staffing levels continue to decline with just over 4326 employees at the end of the year. The overall separation rate for State Fund rose from 6.9% to 8.1% due to a high number of expected retirements. Retirements continue to be the leading reason for separations, followed by transfers to other State agencies and resignations. Non Permanent staff did increase with hiring of Seasonal Clerks in the Claims Processing Center and in the Closed File Facility. Seasonal Clerks will only be hired on rotating six month assignments and those numbers are beginning to drop.

The total number of hours over the 640 hour cap has again begun to decline with the ending of the PLP 2012. This trend should continue through the end of the year, with both the number of employees and the numbers of hours ending below where we stood at the end of 2012.

State Fund continues to reach out to the veteran community to infuse additional leadership skills. To date, 7 veterans have started with State Fund, 3 into senior leadership and 4 into mid level leadership roles. One additional offer is outstanding. Recruitment of new veterans is otherwise slowing and will only be done to fill a specific vacancy.

VII. RECOMMENDATION: Information only.

VIII. PRESENTATION EXHIBITS: Enclosed

IX. APPENDIX: not applicable



Personnel Matters

**Board of Directors – Open Agenda Item 4
February 20, 2014**

**Andreas Acker – Sr. VP of Human Resources
and Chief Administrative Officer**

Executive Summary

- Annualized separation rate ended at 8.1%, increase due to high number of retirements in December
- Workforce Solutions working as planned with movement back to core business functions exceeding movement into Workforce Solutions
- PLP 2012 ended June 30, as such the number of hours over the 640 hour cap declined in the 3rd quarter

Workforce Update

State Fund Staffing Summary Report

December 31, 2013

	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013
Permanent Employees (head count)	8,257	7,909	7,660	7,305	5,665	4,589	4,549	4,488	4,417	4,326
Available Employees	8,051	7,687	7,460	7,096	5,497	4,469	4,414	4,352	4,277	4,190
Employees on Extended Leaves	207	222	200	209	168	120	135	136	140	136
Non-Permanent Employees	286	258	53	16	3	17	4	6	102	146
New hires (YTD)	273	240	109	23	15	43	28	45	60	95*
Promotions (YTD)	476	475	385	298	144	286	78	198	390	490
Separations (YTD)	861	522	340	398	1,638	1,118	74	153	237	372

* Includes 77 New Hires and 18 Mandatory Reinstatements

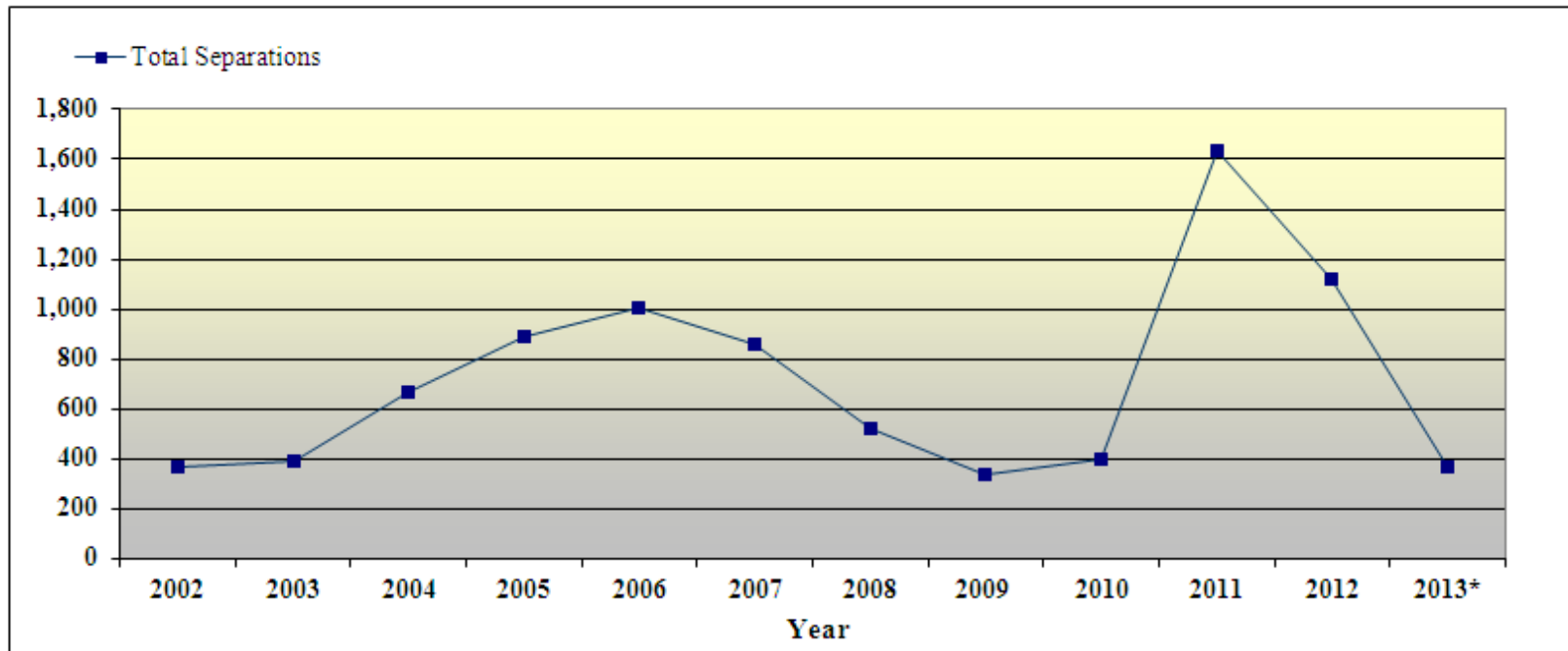
Workforce Update

State Compensation Insurance Fund Turnover By Year (As of December 31, 2013)

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
Total Separations	368	391	664	893	1,004	861	522	340	398	1,638	1,118	372
Overall Turnover Rate	5.3%	5.0%	7.5%	9.3%	10.5%	9.8%	6.3%	4.3%	5.2%	22.7%	20%	8.1%

* Total is calculated annually and as of the start of the year.

The 2010 YTD has been updated to reflect retirement separations that were not captured in the 1/7/11 extract due to delays with the State Controller's processing.



Workforce Solutions

	Active Employees	Extended Leave Unit	Total
Workforce Solutions Beginning Staff 1-1-13	288	80	368
Incoming Staff YTD	59	66	125
Total Staff in Workforce Solutions	347	146	493
Transition to Core Programs (Active Employees)	213	n/a	213
Promotions	43	0	43
Return to Work in Core Programs (from ELU)	0	17	17
Total Internal Moves	256	17	273
Employees Who Retired from WS	8	55	63
Employees Who Resigned	1	5	6
Transfer to other Agencies	9	0	9
Total Separations from Workforce Solutions	18	60	78
Current Employees as of December 31, 2013	73	69	142

Some sub-totals may have changed from prior report due to shifts between objectives/program codes caused by a reconciliation with Oracle. All totals remain correct and all sub-totals have been reconciled with Oracle as of December 31, 2013.

640 hour Cap Summary

December 31, 2013

Annual Leave & Vacation over the 640 Cap for All Employees

LEAVE TYPE:	Hours Over Cap	# of EE's	Average Hours Over Cap	Liability Amount
<i>Total</i>	157,665	763	207	\$ 6,300,149

Over the 640 Cap for Rank and File Employees

LEAVE TYPE:	Hours Over Cap	# of EE's	Average Hours Over Cap	Liability Amount
<i>Total</i>	78,726	484	163	\$ 2,991,856

Over the 640 Cap for Exempt, CEA, Managers and Supervisors

LEAVE TYPE:	Hours Over Cap	# of EE's	Average Hours Over Cap	Liability Amount
<i>Total</i>	78,939	279	283	\$ 3,308,293

Historical Summary

As of December 31, 2013

Leave Over the 640 Cap - Historical Summary

Year	Hours Over Cap	(Hours) Change in %	Employees Over Cap	(Head Count) Change in %
2007	318,119	-	831	-
2008	258,237	-18.8%	748	-10.0%
2009	277,956	7.6%	856	14.4%
2010	231,184	-16.8%	808	-5.6%
2011	199,024	-13.9%	760	-5.9%
2012	183,769	-7.7%	808	6.3%
2013	157,665	-14.2%	763	-5.6%

Veteran Hiring Program

- Hired into senior leadership roles
 - Doug Ziemer – Army – Lt. Colonel
 - Terrell Freeman – Air Force – Major
- Hired into mid level leadership roles
 - Terry Slatic – Marine – Major
 - David McDonald – Air Force – Major
 - Rory Nichols – Marine – Major
 - John Crowe – Navy – Lieutenant
- Continue to do limited recruitment for roles at the senior leadership and mid-management levels