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Date: May 9, 2014

**TO: MEMBERS, BOARD OF DIRECTORS**

<b>I. AGENDA ITEM # AND TITLE :</b>	Open Agenda Item 4 – Staffing Update
<b>II. NAME AND PROGRAM:</b>	Andreas Acker, Human Resources
<b>III. ACTIVITY:</b>	<input checked="" type="checkbox"/> Informational <input type="checkbox"/> Request for Direction <input type="checkbox"/> Action Proposed <input type="checkbox"/> Exploratory
<b>IV. JUSTIFICATION:</b>	<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 4,282 permanent employees at the end of the 1<sup>st</sup> quarter. 60 employees separated in the 1<sup>st</sup> quarter, which represented a 5.5% annualized separation rate. Retirements (26) and transfers to other agencies (23) accounted for over 80% of the separations. The 1<sup>st</sup> quarter generally has the lowest number of separations and I project that we will end the year with a separation rate of between 6% - 7%, a decrease from 2013, where we had separation rate of 8.1%.

We did see a modest increase of the total hours and employees over the 640 hour cap, but the 1<sup>st</sup> quarter tends to be a low usage month and will decline over the next 3 quarters. The total hours rose by 3,740 to 161,405 and the employees by 51 to 814. The State has authorized a leave cash out for supervisors and managers of up to 20 hours. The number of supervisors and manager and total hours cashed out won't be known until June and reported in the next summary. This will assist in lowering hours, but the 20 hours will be insufficient to lower the number of employees over the cap.

The leave cash out was offered to all agencies, but limited to 20 hours with no exceptions being allowed. Each agency could opt out if they could not afford to participate. Our employees have until May 30<sup>th</sup> to select to cash out. A full report on the number of hours cashed out will be included in the next report.

Included in this report, is our year end Age and Service report for State Fund. State Fund continues to slowly age with approximately 31% of our employees being age 55 or older, and 15% of our employees over the age of 55 with 20+ years of service. Employees with 20+

20+ years of service are eligible for the full employer contribution towards post-retirement health care. With the demographics, we expect the leading cause of separations to be retirements over the next several years, in the 150 to 250 per year range.

**VII. RECOMMENDATION:** Information only.

**VIII. PRESENTATION EXHIBITS:** enclosed

**IX. APPENDIX:** not applicable



# **Staffing Update**

**Board of Directors – Open Agenda Item 4**

**May 22, 2014**

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

# Workforce Update

## State Fund Staffing Summary Report

### March 31, 2014

	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	3/31/2014
<b>Permanent Employees</b> <i>(head count)</i>	8,257	7,909	7,660	7,305	5,665	4,589	4,326	4,282
Available Employees	8,051	7,687	7,460	7,096	5,497	4,469	4,190	4,149
Employees on Extended Leaves	207	222	200	209	168	120	136	133
<b>Non-Permanent Employees</b>	286	258	53	16	3	17	146	88
<b>New hires (YTD)</b>	273	240	109	23	15	43	95	12*
<b>Promotions (YTD)</b>	476	475	385	298	144	286	490	61
<b>Separations (YTD)</b>	861	522	340	398	1,638	1,118	372	60

\*Includes 11 New Hires and 1 Mandatory Reinstatement

# Workforce Update

## State Compensation Insurance Fund

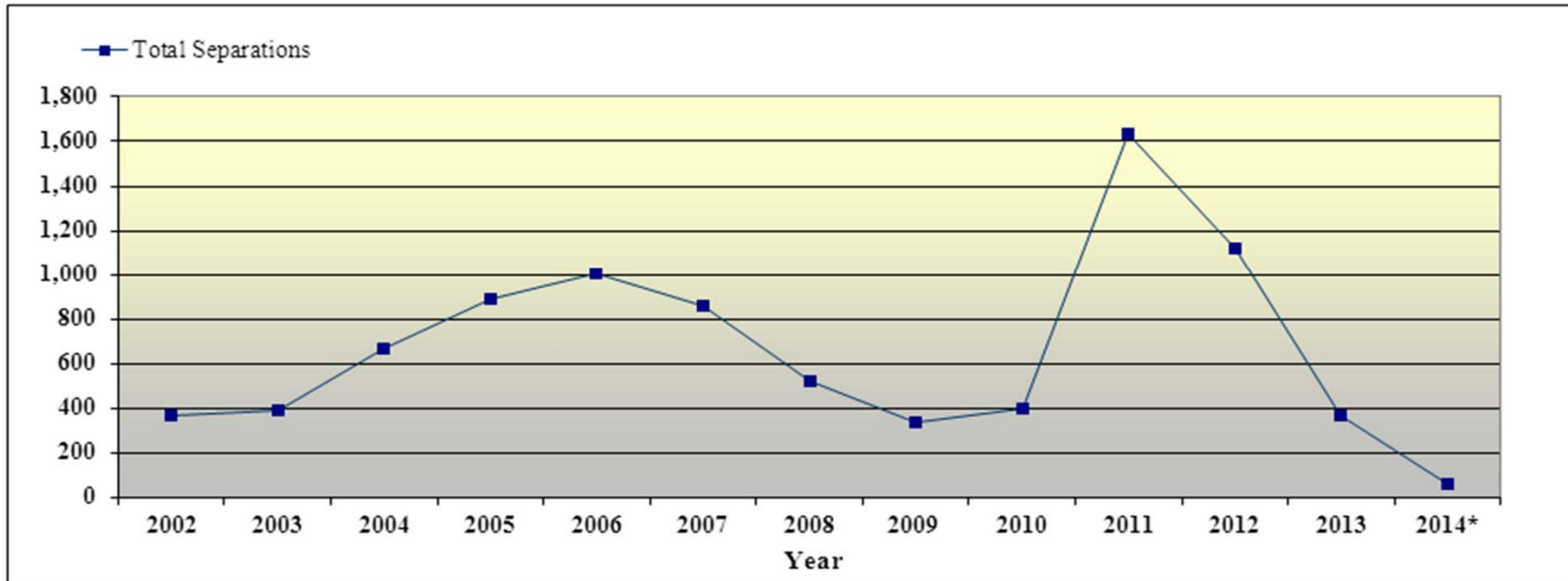
### Turnover Rate: 2002-2014

*As of March 31, 2014*

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014*
<b>Total Separations</b>	368	391	664	893	1,004	861	522	340	398	1,638	1,118	372	60
<b>Overall Turnover Rate</b>	5.3%	5.0%	7.5%	9.3%	10.5%	9.8%	6.3%	4.3%	5.2%	22.7%	20%	8.1%	5.5%

\* 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.



# 640 hour Cap Summary

March 31, 2014

## 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>	161,405	814	198	\$ 6,466,196

## 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>	80,346	516	156	\$ 3,073,725

## 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>	81,059	298	272	\$ 3,392,471

# Historical Summary

As of March 31, 2014

## 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%
2014	161,405	2.4%	814	6.7%

**Age and Years of Service of State Fund Employees  
as of December 31, 2013**

AGE BAND	STATE SERVICE BAND										Grand Total	Percentage of Enterprise
	001-11 mo	01-04 yrs	05-09 yrs	10-14 yrs	15-19 yrs	20-24 yrs	25-29 yrs	30-34 yrs	35-39 yrs	40-44 yrs		
20-24	5										5	0.12%
25-29	15	7	15								37	0.86%
30-34	10	11	122	61	2						206	4.76%
35-39	5	4	159	177	9	1					355	8.21%
40-44	6	8	114	274	54	79	8				543	12.56%
45-49	10	10	129	221	55	328	109	4			866	20.03%
50-54	4	5	98	228	45	312	215	56	4		967	22.36%
55-59	3	7	120	211	28	187	150	54	21	1	782	18.09%
60-64	1	6	81	116	24	99	65	18	7	1	418	9.67%
65-69		3	39	38	6	21	10		2	1	120	2.78%
70 or Older			6	12	1	5			1		25	0.58%
<b>Grand Total</b>	<b>59</b>	<b>61</b>	<b>883</b>	<b>1338</b>	<b>224</b>	<b>1032</b>	<b>557</b>	<b>132</b>	<b>35</b>	<b>3</b>	<b>4324</b>	<b>100%</b>
<b>Percentage of Enterprise</b>	<b>1.36%</b>	<b>1.41%</b>	<b>20.42%</b>	<b>30.94%</b>	<b>5.18%</b>	<b>23.87%</b>	<b>12.88%</b>	<b>3.05%</b>	<b>0.81%</b>	<b>0.07%</b>	<b>100%</b>	

<b>643 Employees are over 55 and have 20 or more Years of Service</b>	<b>14.87%</b>
<b>1,079 Employees are over 55 and have 10 or more Years of Service</b>	<b>24.95%</b>