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Title: Human Resources Department recommending the Board:
1) Conceptually approve the conversion from an Interagency Merit System county to an Approved Local Merit System county, allowing the County to administer and manage all County personnel functions currently administered and managed by the California Department of Human Resources (CalHR) via a contract with CPS HR Consulting; and
2) Authorize the Director of Human Resources to initiate the request with CalHR on behalf of the Board of Supervisors asking for a review of the County's personnel system. (Cont. 8/13/2019, Item 8)

FUNDING: N/A

Sponsors:

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Attachments: 1. A - Local Agency Personnel Standards 8-13-19

Date	Ver.	Action By	Action	Result
8/27/2019	2	Board of Supervisors	Approved	Pass
8/13/2019	1	Board of Supervisors	Continued	Pass

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FUNDING: N/A

DISCUSSION / BACKGROUND

An Interagency Merit System (IMS) county, pursuant to California Code of Regulations, Title 2, Division 5, §17400 in accordance with the provisions of Government Code §19803, is mandated to utilize a California Department of Human Resources (CalHR) third party administrator, CPS HR Consulting (CPS HR), through the Merit System Services (MSS) program, to process personnel functions for certain positions in the Health & Human Services Agency (HHSA) and all positions within the Department of Child Support Services (CSS). As such, IMS counties are required to run two separate personnel systems concurrently for several functional areas.

CPS HR has provided such services for IMS counties, including the County for 30+ years. Consistent with the current contract between CalHR and CPS HR (with a term of July 1, 2018 - June 30, 2020), CalHR is transitioning all personnel services from CPS HR to CalHR. Effective February 28, 2020, the day-to-day processing of personnel functions for certain positions in HHSA and all

positions in CSS will be handled directly by CalHR staff.

Conversely, an Approved Local Merit System (ALMS) county has the independence to manage a single personnel system for all County employees; however, ALMS counties are subject to periodic audits by CalHR to ensure personnel systems are consistent and compliant with six Federal Merit Principles (Code of Federal Regulations, Title 5, Volume 2, Subpart F, §900.603). The six Federal Merit Principles are as follows:

- 1) Recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge, and skills, including open consideration of qualified applicants for initial appointment.
- 2) Providing equitable and adequate compensation.
- 3) Training employees, as needed, to assure high quality performance.
- 4) Retaining employees on the basis of the adequacy of their performance, correcting inadequate performance, and separating employees whose inadequate performance cannot be corrected.
- 5) Assuring fair treatment of applicants and employees in all aspects of personnel administration without regard to political affiliation, race, color, national origin, sex, religious creed, age or handicap and with proper regard for their privacy and constitutional rights as citizens. This "fair treatment" principle includes compliance with the Federal equal employment opportunity and nondiscrimination laws.
- 6) Assuring that employees are protected against coercion for partisan political purposes and are prohibited from using their official authority for the purpose of interfering with or affecting the result of an election or a nomination for office.

Current Hybrid County

In 2014, the County received approval from CalHR to transition the administrative and finance positions assigned to the Administrative and Finance Division of HHSA (Division 45) out of IMS coverage in order to create consistency and equity for employees. On November 4, 2014, the Board also approved this transition (Legistar #: 14-1400). This action resulted in the County becoming a hybrid IMS and ALMS County. Given the transition of the positions assigned to the Administrative and Finance Division, part of the County is considered ALMS; however, the remaining MSS positions in HHSA and all positions in CSS are considered IMS.

Rationale

At this time, the County is seeking conceptual approval from the Board to transition the remainder of IMS-covered positions to ALMS - moving from a hybrid county to a complete ALMS county

As stated above, as an IMS county, the County is required to operate in two separate personnel systems for several functional areas. The rationale for the County's request to become an ALMS county under California Code of Regulations, Title 2, Division 5, § 17010 et seq. was based upon the positive offerings of a single and independent personnel unit that would solely administer all County personnel functions such as: classification specification maintenance, recruitments, testing, eligible lists, discipline, and appeals. Utilizing a single and independent personnel unit will also support business efficiencies and enhance internal and external customer service. Overall, the consistency and uniformity of processes of the single personnel unit would maximize the County's abilities and resources as opposed to the current two-system approach.

Transition and Impacts

In order to transition the remainder of the County, the County must make a request and submit an application to CalHR to fully convert from IMS to ALMS.

There are four (4) major areas that will be subjected to significant changes with the approval of this transition:

- 1) **Accrued Seniority.** Under the Local Agency Personnel Standards (IMS regulations applicable to IMS counties), affected HHSA and CSS employees hired and continuously employed in their classification as of July 1, 2016, will have their seniority score calculated by CPS HR. Any affected HHSA or CSS employees promoted or hired after June 30, 2016, will have their subsequent seniority calculated based on the County formula as stated in the appropriate Memorandum of Understanding, and if applicable, added to their CPS HR calculated seniority score.
- 2) **Appeal Process.** The IMS process requires affected HHSA and CSS employees to submit their discipline appeal directly to CalHR. As an ALMS county, all employees would be afforded the same exact appeal process for discipline as specified in the County Personnel Rules, Section 1506.
- 3) **Classification Specification Analysis.** Initially, the most labor intensive aspect of the transition will be the classification specification analysis, in which all IMS classification specifications will eventually be deleted and replaced by County classifications. A mitigating factor in this process may be to utilize most of the current IMS classification specifications developed by CPS HR as a template for the new County classification specifications, rather than creating them all from scratch. Some IMS classifications have a comparable County classification, e.g., Office Assistant III and Sr. Office Assistant, and may require only minor modifications to the existing County classification specification. Currently, there are approximately 13 classifications in CSS that are IMS classifications, and HHSA has approximately 30. Because salaries are determined by the County, there should be no impact in this area of the conversion.
- 4) **Recruitments.** Should the transition take place, ongoing, this will be the most labor intensive function. Between the beginning of Fiscal Year 2017-18 to present, there have been approximately 85 recruitments posted for IMS-covered positions between HHSA and CSS. The additional work associated with running an additional 85 recruitments may require increased staffing levels in order to meet the service levels that are expected - in addition to costs associated with the overall selection process(e.g., advertising, renting written exams, etc.). However, at this point in time, the Director of Human Resources is not requesting additional allocations. Instead, given some efficiencies implemented, an increase in staffing, and the transition of Personnel Actions from Human Resources to the Auditor Controller's Office, the Director of Human Resources would like time to absorb the additional workload and to collect and analyze data regarding any additional workload. At such time, the Director of Human Resources will present any necessary recommendations to the CAO and Board for consideration.

Next Steps

Should the Board conceptually approve this transition, the Department of Human Resources will submit a conversion application to CalHR. Upon approval from CalHR, the Director of Human

Resources will return to the Board requesting final approval to convert to an ALMS county. In addition, a subsequent item will follow to reclassify County employees from IMS to County classifications.

ALTERNATIVES

The Board may choose not to conceptually approve the recommendation, and the County would remain a hybrid IMS/ALMS county, which means effective February 28, 2020, personnel services for certain positions in HHSA and all positions in CSS will be provided directly by CalHR staff.

PRIOR BOARD ACTION

Legistar #: 14-1400 - The Board approved the transition of Merit System Services (MSS) classifications (i.e., IMS) in the Administration and Finance Division of HHSA (Division 45) to County classifications (i.e., ALMS) in order to create consistency and equity for the HHSA Division 45 employees.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

The recommendation has been reviewed with the Director of Child Support Services; the Director, Health and Human Services; and labor representatives from El Dorado County Employees' Association, Local 1 as well as El Dorado County Managers' Association.

CAO RECOMMENDATION / COMMENTS

It is recommended that the Board approve this item.

FINANCIAL IMPACT

While there is no direct cost to conceptually approve the conversion from IMS to ALMS, it is possible that after the Director of Human Resources completes her analysis, an additional allocation may be requested. If this were to come to fruition, it is unknown at this time what level the allocation would need to be.

CLERK OF THE BOARD FOLLOW UP ACTIONS

None

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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