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December 13, 2022

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

Board of Directors
Ventura County Fire Protection District
800 South Victoria Avenue
Ventura, California 93009

Subject: Adoption of a Resolution of the Ventura County Board of Supervisors Granting General Salary Adjustments and, Approving Market-Based Adjustments for Employees Covered by the Management, Confidential Clerical, and Other Unrepresented Employees Resolution (Management Resolution); Adoption of a Resolution of the Board of Directors of the Ventura County Fire Protection District Granting General Salary Adjustments and Approving Market-Based Adjustments for Employees Covered by the Management Resolution; and Adoption of an Amended Management Resolution to Align Provisions with Accreditation Requirements for Post-Grad Residents and to Implement Changes in the Flexible Benefits Program and Allowances and Other Benefits. (Impact on the Funding Status of the Retirement System)

Recommendation:

It is recommended that your Boards:

1. Adopt the attached Resolutions of the Board of Supervisors of the County of Ventura (Resolution 1) and of the Board of Directors of the Ventura County Fire Protection District (Resolution 2):
 - a. Approving a five and one-half percent (5.5%) general salary increase (GSI) to both the base pay/salary range of each classification covered by the Management, Confidential Clerical, and Other Unrepresented Employees Resolution (Management Resolution) and the base pay/salary of each individual employed in any such classification, effective December 25, 2022.
 - b. Approving a four percent (4.0%) general salary increase (GSI) to both the base pay/salary range of each classification covered by the Management Resolution

and the base pay/salary of each individual employed in any such classification, effective December 24, 2023.

- c. Approving a three and one-half percent (3.5%) general salary increase (GSI) to both the base pay/salary range of each classification covered by the Management Resolution and the base pay/salary of each individual employed in any such classification, effective December 22, 2024.
 - d. Approving market-based adjustments (MBAs) to the base pay/salary ranges based on total compensation market surveys for classifications covered by the Management Resolution as listed in Exhibit 1. The recommended MBA percentage is tied to the percentage that a classification is below the market; the MBAs will be effective in one or two steps, on January 8, 2023, and January 7, 2024, as set forth in Exhibit 1.
 - e. Authorizing appointing authorities to conduct "out-of-cycle" abbreviated performance evaluations to grant salary increases in the amount of the MBA range extensions as provided in recommendation 1.d., above.
 - f. Authorizing two lump sum payments in the amount of \$1,000 each for full-time employees covered by the Management Resolution who are not eligible for the California State Retention Bonus payment of up to \$2,000 for designated health care eligible employees under Senate Bill No. 184. The first payment will be made effective on the pay period beginning January 8, 2023 and the final payment of \$1,000 will be made effective with the pay period beginning on January 7, 2024. Eligible part-time employees will receive \$500 payments on the same dates.
 - g. For employees eligible for the California State Retention Bonus under Senate Bill No. 184, a total of up to \$2,000 will be paid to full-time employees. Eligible part-time employees will receive a total of up to \$1,750, comprised of \$750.00 plus the amount of matching contributions of \$500 from the State and \$500 from the County. Employees who receive payment under the California State Retention Bonus program are not eligible for the two lump sum payments described in recommendation 1.f., above.
2. Adopt the attached amended Management Resolution, attached hereto in redline as Exhibit 2 and in clean copy as Exhibit 3, that:
- a. Effective December 11, 2022, for the 2023 plan year, increases the Flexible Benefit Allowance (FBA) to \$497 per pay period for the Tier 1 designation, to a \$678 for the Tier 2 designation, and to a \$825 for the Tier 3 designation. For part-time employees, the FBA will be \$348 for the Tier 1 designation, \$475 for the Tier 2 designation, and \$578 for the Tier 3 designation.

- b. Effective December 10, 2023, for the 2024 plan year, increases the FBA to \$502 per pay period for the Tier 1 designation, to \$730 for the Tier 2 designation, and to \$905 for the Tier 3 designation. For part-time employees, the FBA will be \$351 for the Tier 1 designation, \$511 for the Tier 2 designation, and \$634 for the Tier 3 designation.
- c. Effective December 8, 2024, for the 2025 plan year, increases the FBA to \$509 per pay period for the Tier 1 designation, to \$779 for the Tier 2 designation, and to \$983 for the Tier 3 designation. For part-time employees, the FBA will be \$356 for the Tier 1 designation, \$545 for the Tier 2 designation, and \$688 for the Tier 3 designation.
- d. Adds new Section 503 implementing a Medical Plan Opt-Out Option (MPOOO) of the County's FBA which includes a taxable cash payment for full-time employees who certify they are enrolled and covered under another medical plan. Part-time employees will not be eligible for the MPOOO. The MPOOO will be implemented as soon as administratively possible.
- e. Adds new Section 326 to allow pay adjustments within an existing pay/salary range for identified job classification(s) no more than once a year, to match the SEIU MOA.
- f. Updates Section 401 to increase the amount for each level of bilingual pay to match the SEIU MOA.
- g. Adds new Section 403E to provide for certification pay of \$2/hour for nationwide certifications for designated healthcare classifications, to match the CNA MOA.
- h. Updates Section 703 to include as eligible courses "conferences & conventions" that provide direct job-related training, to match the SEIU MOA.
- i. Updates Section 704 to exclude "conferences & conventions" that do NOT provide direct job-related training, to match the SEIU MOA.
- j. Adds Juneteenth, June 19th, as a paid holiday under Section 1102 to match the SEIU MOA.
- k. Confirms that Post Graduate and Chief Resident Physicians do not accrue vacation under Section 1202-C. Paid time away from the residency program is included in new Section 1409.
- l. Increases from two to three the number of days of accrued leave that can be used to extend Bereavement Leave under Section 1404 to match the SEIU MOA.

- m. Adds new Section 1409 to provide six-weeks of paid Leave of Absence for Post Graduate Residents during their full residency for qualifying medical reasons that are consistent with applicable laws. Also adds a provision allowing Post Graduate Residents to be away from the residency program for one-week per year without loss of pay. These provisions are designed to comply with requirements of the Accreditation Council for Graduate Medical Education (ACGME). (Exhibit 4)

As your Board's salary is set by County Ordinance, the salary increases described above will not affect your Board. However, the FBA increase will be granted to the members of your Board as outlined in County Ordinance No. 4463.

General Salary/Flexible Benefit Allowance Increases and Market-Based Adjustments Fiscal/Mandates Impact

Mandatory:	No
Source of Funding:	Various
Funding Match Required:	None
Impact on Other Departments:	Varies

Summary of Revenue/Costs:

Summary of Fiscal Impact

Total	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
Cost:	\$7,036,008	\$11,555,849	\$9,741,586	\$4,290,758

Fiscal Impact: California Government Code sections 31515.5 and 23026 require the County to give written notice of any salary and benefit changes, including an explanation of the financial impact of the changes on funding for the County's retirement system. The recommended salary increases have an average annual value of 4.48 percent, which is higher than the actuarially assumed annual increase of 3.25 percent for the retirement system. Accordingly, the proposed salary and benefit increases are above the actuarial assumptions and will result in an actuarial loss to the funding status of the retirement system.

Discussion

A data-driven approach was utilized in this compensation update for employees covered by the Management Resolution. Regional and national economic trends and forecasts were reviewed, and a combination of general salary increases for all classifications, and targeted market-based adjustments are recommended to ensure that the County is able to recruit and retain critical resources and to provide additional compensation increases to those furthest below competitive market levels.

General Salary Increase (GSI)

Employees covered by the Management Resolution last received a GSI on December 26, 2021. Our recommended increases are aligned with national and regional inflation and wage growth trends. Maintaining adequate compensation and benefits for our unrepresented employees is essential to recruit and retain qualified employees. The County's general compensation philosophy has been to maintain parity within five percent above or below the market median. Periodically, the Board has granted GSIs to keep County salaries competitive in the job market. Other private and public sector organizations continue to provide salary adjustments based on cost of living and other factors. The increases (5.5 percent recommended for 2022, 4.0 percent recommended for 2023, and 3.5 percent recommended for 2024) are designed to establish and maintain salaries within a competitive range.

Market-Based Adjustments (MBAs)

MBAs have historically been used by the County to target and adjust compensation for job classifications that have been found to be compensated below comparable jobs in other surveyed jurisdictions.

For the 2022 MBA study, we replicated the 2019 survey and simplified the implementation methodology used in the 2019 MBA study for classifications covered by the Management Resolution, with minor adjustments and process improvements. After determining the relative market median position of each benchmark classification, the percentage below or above the market was then reduced by the proposed GSI adjustments and the composite value of the recommended increase in the FBA. Job classifications that were behind the market median after adjustment for 2023 and 2024 GSI and added FBA compensation received an MBA to reflect the 95 percent goal. The total MBA was then capped at a nine percent total adjustment for eligible employees. The total adjustment percentage was spread into two adjustments over two fiscal years.

Currently, there are approximately 1,204 employees covered by the Management Resolution. Of those employees, 104 (approximately 8.5%) are eligible for targeted MBAs ranging from one to nine percent. The average MBA recommended is approximately two percent (2.0%).

While the salary ranges will be adjusted, employees will not automatically be given MBA increases. We are requesting that your Board authorize the appointing authorities to conduct abbreviated performance evaluations in order to grant the MBA range extension only to employees with satisfactory or better performance evaluations. The performance evaluation has historically been used to ensure pay is commensurate with performance.

Lump Sum Payments – These payments mirror the SEIU and VEA negotiated payments.

Two lump sum \$1,000 payments for eligible full-time employees employed on the date of adoption. The initial payment of \$1,000 will be made effective with the pay period beginning January 8, 2023, and the final payment of \$1,000 will be made effective with

the pay period beginning January 7, 2024. Eligible part-time employees will receive two similar payments of \$500.

For employees eligible for the California State Retention Bonus under Senate Bill 184, a total of up to \$2,000 will be paid to full-time employees. The initial payment of \$500 before December 31, 2022, and the final payment of up to \$1,500 before March 31, 2023. Eligible part-time employees will receive a total of up to \$1,750, comprised of \$750.00 plus the amount of matching contributions of \$500 from the state and \$500 from the County. If an eligible full-time employee does not receive the total of \$2,000, said employee shall receive the difference on January 26, 2024. Employees who receive payment under the California State Retention Bonus program are not eligible for the two lump sum payments described above.

Flex Benefit Allowance and new Medical Plan Opt-Out Option

Recommended FBA increases will address increasing health care premium costs, and the existing tiered contribution structure will continue to match the tiered cost structure of the County-sponsored medical plans.

In addition, we are recommending adding new provisions for employees who wish to opt out of the County-sponsored medical plans. All regular employees may opt-out upon proof that they are covered in other qualifying group health insurance coverage. Full-time employees who opt-out will receive bi-weekly cash payments of \$145 as soon as administratively feasible. The bi-weekly amounts will increase to \$147 in 2024 and \$150 in 2025. Part-time employees who opt-out will be ineligible for the bi-weekly cash payment.

Management Resolution Amendments

Preface: Upon successful collective bargaining negotiations with SEIU and other bargaining units, recent amendments have been made to the respective memorandums of agreement (MOA). The SEIU MOA is being presented today for approval by your Board. The SEIU MOA changes include provisions also present in the Management Resolution. To provide parity between the Management Resolution and the SEIU MOA, we recommend the following Management Resolution amendments. In addition to parity with the SEIU MOA, we recommend the following Management Resolution amendments to comply with requirements of the Accreditation Council for Graduate Medical Education (ACGME). The ACGME is a private, 501(c)(3), not-for-profit organization that sets standards for US graduate medical education (residency and fellowship) programs and the institutions that sponsor them and renders accreditation decisions based on compliance with these standards. Failure to adopt these provisions may cause loss of accreditation for the medical residency program.

Article 3, Compensation Plan – NEW Section 326 Pay Adjustments Within the Existing Pay/Salary Range

Recommendation and Fiscal Impact: We recommend that a new section 326 be added to allow for a salary adjustment for all or some employees in identified job classification(s) no more than once a year. Eligible employees would be eligible for the same increase provided their performance is acceptable. This mirrors the provisions currently included in the SEIU and other union MOAs. These costs will be absorbed within the budgets of the respective Agencies and Departments.

Article 4, Premium Pay – Section 401 Bilingual/Premium Pay

Recommendation and Fiscal Impact: We recommend increasing the amounts for each level of bilingual pay to match the amounts in the SEIU MOA. The annual Fiscal Impact for 228 employees is estimated to be \$87,400.

The new rates for the respective levels are:

<u>Bilingual Level</u>	<u>Premium Pay</u>
I	\$0.69/hour
II	\$1.00/hour
III	\$1.32/hour

Article 4, Premium Pay – new Section 403E Nursing Personnel Certification Pay

Recommendation and Fiscal Impact: We recommend aligning the certification pay with the provisions in the California Nurses Association (CNA) MOA Section 805 to increase the amount of certification pay to \$2/hour for designated certifications and specified classifications. The annual Fiscal Impact for 14 employees is estimated to be \$58,200. The eligible classifications are:

Eligible classifications include:

Job Code	Description
01371	Clinical Nurse Manager
01635	Manager-Patient Services
02170	Associate Chief Nursing Executive
02171	Hospital Nurse Manager II
02172	Hospital Nurse Manager I
02173	Nursing Shift Manager
01370	Hospital Nurse Manager

Article 7, Textbook and Tuition Reimbursement – Section 703 Courses Eligible

Recommendation and Fiscal Impact: We recommend adding “conferences and

conventions” to the eligible courses. There are numerous industry conferences and conventions that provide direct job-related training to attendees. This revision will mirror the list of eligible courses in the SEIU MOA. There is no fiscal impact to this recommendation as the overall annual limit remains the same.

Article 7, Textbook and Tuition Reimbursement – Section 704 Courses Not Eligible

Recommendation and Fiscal Impact: We recommend adding “conferences and conventions *not related* to the employee’s occupational field are not covered by this reimbursement program”. This will exclude any conferences and/or conventions that do not provide direct job-related training to attendees and will mirror the list of courses not eligible in the SEIU MOA. There is no fiscal impact to this recommendation as the overall annual limit remains the same.

Article 11, Holidays – Section 1102 Paid Assigned Holidays

Recommendation: We recommend adding Juneteenth, June 19th, to the list of holidays recognized by the County of Ventura to match the list of holidays in the SEIU MOA.

Article 12, Paid Leave – Section 1202-C Annual Leave Accrual

Recommendation and Fiscal Impact: We recommend that a clarification be added confirming that Post Graduate and Chief Resident Physicians do not accrue annual leave. These classifications are eligible for one (1) week of time away from the residency program without loss of pay as set forth in the Accreditation Council for Graduate Medical Education (ACGME) Section IV.H.1.c). The one week of time off has been added to new Section 1409 of the Management Resolution. The ACGME Institutional Requirements are attached as Exhibit 4. There is no fiscal impact to this recommendation.

Article 14, Leaves of Absence – Section 1404 Bereavement Leave

Recommendation: We recommend the number of days of accrued annual leave that an employee can use in addition to the approved three (3) days of bereavement be increased from two (2) days to three (3) days to match the number of days allowed in the SEIU MOA.

Article 14, Leaves of Absence – NEW Section 1409 Post Grad Leave of Absence

Recommendation: We recommend that a new section 1409 be added to provide six (6) weeks of paid Leave of Absence for Post Graduate Year I, Post Graduate Year II, Post Graduate Year III, and Chief Resident Physicians in compliance with ACGME Section IV.H. requirements. Effective July 1, 2022, ACGME requires the “Sponsoring Institution” to provide medical leaves of absence to all residents for qualifying reasons that are consistent with applicable laws. The amount of six (6) weeks of paid leave of absence is set forth in ACGME’s Institutional Requirements Section IV.H.1.a). Section IV.H.1.b)

provides that the first six (6) weeks of leave of absence be paid at 100% of the resident's salary. ACGME Section IV.H. also requires that Post Graduate Residents be entitled to an additional one (1) week of paid time off per year separate from the six weeks of paid medical leave. New Section 1409 provides that residents may be away from the residency program for one week per year without loss of pay but that this time, which may be taken as Administrative Leave, cannot be carried over to subsequent years nor converted to cash.

This letter has been reviewed by the County Executive Office, County Counsel, and the Auditor-Controller's Office. If you have any questions regarding the information presented herein, please contact me at (805) 654-2561.

Respectfully submitted,



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Attachments:

- Resolution 1 – County of Ventura
- Resolution 2 – Fire Protection District
- Exhibit 1 – Management MBA Schedule
- Exhibit 2 - Management Resolution - Redlined
- Exhibit 3 – Management Resolution - Clean Copy
- Exhibit 4 – ACGME Institutional Requirements