



Monterey County

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Board Report

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August 29, 2017

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Matter Type: General Agenda Item

- a. Receive a report and recommendations from the Ad Hoc Committee of the Board of Supervisors on moving the Office of Employment Training (OET) programs to the Social Services Department;
- b. Authorize the County Administrative Office to reduce the position count in the Office of Employment and Training by 8, as detailed below;
- c. Authorize the issuance of layoff notices to impacted employees no later than September 8, 2017;
- d. Direct the Human Resources Department to provide in-placement and out-placement services;
- e. Authorize budgetary adjustments in Fund 007, Budget Unit 8261 - Office of Employment and Training as detailed below (4/5ths vote required); and,
- f. Direct the County Administrative Office to work with the Economic Development and the Department of Social Services to transfer oversight of the Office for Employment Training to the Department of Social Services upon completion of balancing budget measures and to return with structural and administrative actions by December 1, 2017.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a report and recommendations from the Ad Hoc Committee of the Board of Supervisors on moving the Office of Employment Training (OET) programs to the Social Services Department;
- b. Authorize the County Administrative Office to reduce the position count in the Office of Employment and Training by 8, as detailed below;
- c. Authorize the issuance of layoff notices to impacted employees no later than September 8, 2017;
- d. Direct the Human Resources Department to provide in-placement and out-placement services;
- e. Authorize budgetary adjustments in Fund 007, Budget Unit 8261 - Office of Employment and Training as detailed below (4/5ths vote required); and,
- f. Direct the County Administrative Office to work with the Economic Development and the Department of Social Services to transfer oversight of the Office for Employment Training to the Department of Social Services upon completion of balancing budget measures and to return with structural and administrative actions by December 1, 2017.

SUMMARY/DISCUSSION:

Recommended actions modify the budget for the Office of Employment and Training (OET) to address reduced funding from Federal Workforce Innovation and Opportunity Act (WIOA) Adult and Dislocated Worker allocations. loss of a contract for serving youth in South County,

and increased operational expenses. OET currently as a 28 FTE's and with the recommended reductions of 8, the total will be 20. These funding challenges were brought to your Board during Budget Hearings held on June 5th, 6th and 27th, 2017 for consideration. At the June 27, 2017 Budget Hearing, your Board directed the formation of an Ad Hoc Committee to consider options to address reduced funding levels and for reorganizing placement of OET's WIOA service provision within the County structure. Staffing reductions that were recommended during the Budget Hearings were deferred until September 30, 2017.

Funding challenges have the following components:

1. Department of Labor reduction in Adult and Dislocated Formula Funds	\$200,000
2. Decrease in available "carry in" dollars from WDB FY16/17	\$470,671
3. Salaries and Benefits 2.5% increase	\$100,000
4. Proportionate Overhead costs	\$ 30,000
Sub-Total for July 1, 2017	\$800,671
5. Loss of the Youth Grant for South Valley (4 staff July 2017)	\$ 82,000
Total Budget Impact:	<u>\$882,671</u>

More detailed information on funding challenges was included in the June 27, 2017 staff report to you Board (Attachment A).

To address these budgetary challenges the following 8 positions are recommended for elimination:

FTE Classification

- 1 Program Manager II
- 1 Management Analyst II
- 1 WIB Employment Program Supervisor
- 4 WIB Representative II
- 1 Office Assistant II

Total savings from these staff reductions are \$815,068. To make the funding difference, the Workforce Development Board has identified additional funding to provide technical assistance for the transition to Department of Social Services and close the remaining funding gap.

This reduction in staff position results in the need to provide layoff notice to the impacted employees. Recommended actions provide for layoff notice to be issued no later than September 8, 2017 with an effective date of upon completion of balancing budget measures. The Human Resources Department will work with impacted employees through the County's in-placement program.

To accomplish the transfer of the employees and function WIOA program delivery to the Department of Social Services, several administrative and budgetary conforming actions will be required. This includes restructuring in the organizational structure for the Department of

Social Services to Aging and CalWORKs Employment Services Branch to separate the functions of Aging and Adult Services from the CalWORKs Employment function. This separation will allow for the Deputy Director responsible CalWORKs Employments assume the WIOA functions to create a more integrated employment system to better serve the community. It will also allow the creation of the Aging and Adult Services Branch that focuses on the social service needs of the aging and disabled community. This organizational structure mirrors the organizational structure that was in place prior to the separation of OET from the Department of Social Services in 2012. It is anticipated that three additional positions will be needed to accomplish this reorganization with an estimated County General Fund contribution of \$78,000 in FY 2017-18 and \$105,000 in FY 2018-19. The Department of Social Services will work with the County Administrative and the Human Resources Department to accomplish the necessary actions and return to your Board by December 1, 2017 with necessary position and budgetary adjustments. However, administrative oversight within the existing structure will be implemented effective October 2, 2017.

OTHER AGENCY INVOLVEMENT:

Due to late submission of this Board Report, the CAO Budget and Analysis Division has not had adequate time to review for potential fiscal, organizational, policy, or other implications to the County of Monterey. The CAO Office will work with Social Services and the Budget Section on responding to any questions.

FINANCING:

This report recommends elimination of 8 FTE positions in the County budget, all of which are currently filled. Recommended actions will assist in supporting the Economic Development Department and the Department of Social Services limit exposure to County General Fund contributions.

Prepared by: David Spaur, x5387

Approved by: Manuel T. González, Assistant County Administrator, x3593

Attachments:

- 17-0692 June 27, 2017 Board Report
- Attachment A (CalWorks/DSS Program Overview)
- Attachment B (WDB/OET Program Overview)
- Attachment C (5/31/17 Response to BoS referral re: Potential OET reorganization into DSS)
- Completed Board Order

Attachments on file with the Clerk of the Board.