

ATTACHMENT E

Maximum Filled Full-Time Equivalency (FTE) Policy for FY 2026-27 Adopted Budget

**County of Monterey Administrative Policy
Maximum Filled Full-Time Equivalency (FTE)**

Countywide Workforce Growth Control Process

Document Owner	Human Resources Department (HRD) & County Administrative Office (CAO)	Effective Date	July 1, 2026, subject to Board approval
Process Name	Maximum Filled FTE	SOP Version	Draft v1.0
Applies To	Departments funded by the General Fund, directly, indirectly, fully, or partially	Review Cycle	Bi-monthly monitoring; annual budget reset
Primary Control Point	Total filled FTE by department	Secondary Control Point	General Fund salary and benefit exposure
Approving Authority	Board of Supervisors	Operating Control	Human Resources Department
Prepared For	Human Resources Department and CAO	Prepared By	Deja Sero, County Budget Director

Note: This SOP is a draft. Human Resources, County Counsel, and Board of Supervisors review should occur before full implementation.

1. Purpose

The purpose of this SOP is to establish a uniform, transparent, and auditable process for setting, monitoring, and adjusting each department's Maximum Filled FTE who receive general fund appropriations. The process is intended to replace the existing Soft Hiring Freeze with a Board-established maximum number of filled FTEs that each department may have at any point in time, while preserving department operational flexibility within the approved total. Additionally, the process is intended to control General Fund workforce growth, improve salary and benefit forecasting, and provide the Budget Committee and Board of Supervisors (Board) with regular information updates to make timely workforce and budget decisions.

2. Policy Statement

The Board of Supervisors establishes the maximum number of filled FTEs each applicable department is allowed to maintain at any time. The Human Resources Department (HRD) and the County Administrative Office (CAO) administer the control by department-level total filled FTE, not by individual job classification title. Departments retain discretion to decide which classifications or positions to fill, provided the department remains within its approved Maximum Filled FTE and complies with budget, classification, recruitment, applicable personnel policies and procedures, and funding requirements.

3. Scope

This SOP applies to all departments, offices, and agencies that receive General Fund support directly or indirectly. Natividad, Behavioral Health, Library, Road Fund, and Emergency Operations positions that are 100% funded by enterprise revenues, third-party revenues, grants, fees, reimbursements, or other non-General Fund sources are reviewed for informational and verification purposes but are not considered for reduction under the Maximum Filled FTE limitation unless directed by the Board or another applicable authority.

- The Maximum Filled FTE process does not eliminate the need for adopted appropriations, authorized positions, classification approval, recruitment approval, or funding verification.
- The Maximum Filled FTE amount is not the same as Authorized FTE. Authorized FTE is the budgeted position authority. Maximum Filled FTE is the maximum number of the Authorized FTEs that may be filled at any given time.
- Temporary staffing, Allocations on Loan, contract staffing, and overtime are outside the filled permanent FTE count unless the Board or CAO directs that they be reported as an offsetting workforce pressure or substitute labor cost.

4. Definitions

Term	Definition
Authorized FTE	The number of FTE positions authorized in the Adopted Budget, including any Board-approved budget modifications.
Filled FTE	A position or portion of a position occupied by an employee in the County’s Human Capital Management (HCM) Human Resources Information System (HRIS) as of a point in time. For purposes of this policy, filled FTE is measured using the official HCM-HRIS of record.
Maximum Filled FTE	The Board-approved allowable maximum total filled FTE count a department may have at any point in time for positions subject to this control.
General Fund-supported FTE	Any FTE fully or partially funded by the General Fund, including positions indirectly supported by General Fund contribution, subsidy, match, backfill, or cost allocation.
Committed Hire	A recruitment action that has progressed to, a conditional offer of employment, a final offer of employment , or an offer of employment that has been accepted by the job candidate or other HR-confirmed commitment that should be considered when calculating available capacity.
Budgeted Salary Savings	The dollar amount and associated FTE included in the budget to reflect anticipated savings from vacancy, turnover, timing of hiring, or intentional holding of positions vacant.
Available Hiring Capacity	The difference between the approved Maximum Filled FTE and the department's current filled FTE after considering committed hires and any other encumbrances established by Human Resources.

Adjustment	A Board-approved authorized change to a department's Maximum Filled FTE after initial adoption.
Exception	A CAO approved documented, time-sensitive request to temporarily fill above the approved Maximum Filled FTE or to treat a position differently from the standard control due to legal mandate, grant compliance, or revenue protection. An adjustment request to Maximum Filled FTE must follow all approved exceptions.

5. Guiding Principles

- **Board authority:** Department Maximum Filled FTE limits are established by the Board and may not be exceeded without required Board approval, unless authority is granted to CAO, and CAO approved exception.
- **General Fund control:** The process is targeted but not limited to General Fund workforce cost exposure.
- **Operational flexibility:** Departments may choose which positions to fill within their Maximum Filled FTE limits; the control is on total filled FTE, not by classification title.
- **Equity and transparency:** Departments receive a consistent review process, consistent data inputs, and an opportunity to request adjustments to established Maximum Filled FTE.
- **Data-driven recommendations:** Recommendations are based on maximum filled FTE history, current vacancies, salary and benefit costs, funding sources, budgeted salary savings, current job offers, current recruitments, and department justification.
- **Continuous monitoring:** The CAO provides recurring reports to the Budget Committee and Board that include employee costs and any recommended adjustments to department maximums.

6. Roles and Responsibilities

Role	Responsibilities
Board of Supervisors	Approves initial department Maximum Filled FTE amounts; considers recommended adjustments; provides policy direction on workforce controls and General Fund exposure.
Budget Committee	Receives bi-monthly monitoring reports from the CAO; reviews salary and employee benefit forecasts; reviews recommended adjustments to department maximums before Board action when applicable.
County Administrative Officer / CAO Executive Team	Provides executive direction; resolves policy issues; ensures the process aligns with Board direction and countywide fiscal strategy.
CAO Budget & Analysis Team	Leads the analytical review; collects department requests; validates budgeted salary savings, current vacancies, salary and benefit totals, and funding sources; prepares recommendations, Board reports/materials, and recurring reports.
Human Resources Department	Reviews hiring transactions against the approved department Maximum Filled FTE limit; verifies filled

	FTE counts using the HCM-HRIS; coordinates with CAO Budget & Analysis on position control data.
Department Heads / Elected Officials	Adhere to Board-approved Maximum Filled FTE limits and regularly assess department minimum filled FTE needed to maintain operations.
Finance Managers / Department Fiscal Staff	Implement controls and manage Maximum Filled FTE; assist department heads and elected officials with funding-source verification, salary and benefit projections, budgeted salary savings analysis, vacancy information, documentation for requested adjustments or exceptions, and prepare/assist with Board reports as required.

7. Procedure Overview

1. CAO Budget & Analysis compiles information necessary to report on a bi-monthly basis to the Budget Committee.
2. HRD maintains Maximum Filled FTE transaction control through review of current filled FTE.
3. Temporary staffing, allocations on loan (which are temporary in nature), contract staffing, and overtime are exempt from the Maximum Filled FTE limits.
4. Departments request adjustments through the Budget Committee and Board process when operating, fiscal, mandate, or funding conditions change.
5. Departments may request exemptions by submitting a request to the CAO. Once granted, the exception needs to accompany the transaction request when submitting to HRD in order to be processed. An adjustment request to Maximum Filled FTE must follow all approved exceptions.

8. Human Resources Transaction Control

Human Resources maintains the Maximum Filled FTE by department-level total filled FTE not by job classification unless a separate job classification-specific restriction exists. This allows departments to prioritize which positions are filled while maintaining the Board-approved Maximum Filled FTE limit.

8.1 Hiring Transaction Check

6. Department submits a Request for Referral to their Departmental HR Analyst, which could result in an action that would increase filled FTE.
7. Departmental HR Analyst verifies current filled FTE for the department using HCM
8. Departmental HR Analyst reviews committed hires and pending actions that are already approved and not yet reflected as filled FTE in the HCM.
9. Departmental HR Analyst determines whether the new action would keep the department at or below its approved Maximum Filled FTE.
10. If the department remains at or below the Board-approved Maximum Filled FTE, Departmental HR Analyst may proceed subject to normal HR, budget, classification, and funding requirements.
11. If the action would exceed the approved maximum, Departmental HR Analyst notifies the department that the action would exceed the approved maximum. .
 - 10.a. The department may withdraw the action, identify an offsetting vacancy/separation, delay the hire, or request an exception/adjustment through the process in this SOP.

8.2 Department Flexibility Within the Cap

- Departments may select which eligible positions to fill within their approved total filled FTE limit.
- The job classification does not control Maximum Filled FTE compliance unless the Board, CAO, HRD, or applicable law imposes a specific job classification requirement.
- Departments remain responsible for ensuring filled positions have budgeted appropriations and valid funding.
- Departments should prioritize legally mandated services, public safety, revenue protection, grant compliance, and Board-directed service levels when selecting positions to fill.

9. Exceptions and Adjustments

Exceptions and adjustments must be documented, limited to the need presented, and routed through the required approval path. The standard is that recurring or structural increases to Maximum Filled FTE require Board approval. Temporary operational exceptions may be considered only if authority has been delegated by Board action or CAO policy.

9.1 Grounds for Exception or Adjustment

- Board Resolution
- Declared public safety emergency
- Board-directed priority, new program, or service-level commitment approved after the initial Maximum Filled FTE was established.
- Approved augmentation, mid-year budget action, or adopted budget revision that changes staffing authority or funding.

9.2 Adjustment Request Contents for Budget Committee and Board Process

Adjustment requests will be submitted to the Budget Committee and/or Board through the standard Board Report process. Board reports must include the following information:

- Department name and requested action.
- Current approved Maximum Filled FTE, current filled FTE, job offers and **requested** filled FTE level.
- Hiring Salary Step(s), funding source(s), and General Fund exposure.
- Detailed explanation of why department cannot maintain status quo within the approved maximum.
- Three-year fiscal impact for salary, benefits, and any offsetting revenue or savings.
- Duration of request: on-going or one-time. For temporary or term limited provide duration of time requested
- Operational, legal, grant, revenue, public safety, or Board-policy impact if denied.
- Department head approval and finance manager verification.
- If a department is requesting Board authorization to modify their adopted authorized FTE, the department must also include a request to adjust their Max Filled FTE limit.

9.3 Exception Request Contents For CAO

Exception requests will be submitted to the CAO through a standardized form, which can be accessed here: . The form will require the following information:

- Department name and requested action.
- Current approved Maximum Filled FTE, current filled FTE, job offers and **requested** filled FTE level.
- Hiring Salary Step(s), funding source(s), and General Fund exposure.

- Detailed explanation of why department cannot maintain status quo within the approved maximum.
- Three-year fiscal impact for salary, benefits, and any offsetting revenue or savings.
- Duration of request: on-going or one-time. For temporary or term limited provide duration of time requested
- Operational, legal, grant, revenue, public safety, or Board-policy impact if denied.
- Department head approval and finance manager verification.

10. Monitoring and Reporting

The CAO will deliver bi-monthly reports to the Budget Committee after initial Board approval and implementation. Reports should be designed to support timely corrective action and transparent policy oversight.

10.1 Bi-Monthly Budget Committee Report Contents

- Approved Maximum Filled FTE by department.
- Current filled FTE by department.
- Available hiring capacity by department.
- Committed hires and pending actions not yet reflected in filled FTE.
- General Fund salary and employee benefit forecast by department.
- Budgeted salary savings versus projected actual savings.
- Departments at, above, or within a defined threshold of their approved maximum.
- Approved exceptions and pending adjustment requests.
- Recommendations for adjustments to maximum filled FTE by department, if warranted.
- Countywide fiscal impact summary and trend analysis.
- 10.2 Threshold Alerts Orange alert: Department is within one filled FTE of the approved maximum.
- Red alert: Department is at the approved maximum or a pending action would exceed the approved maximum.
- Exception alert: Department requests a hire above the approved maximum or identifies a material funding-source correction.

11. Records and Documentation

- Annual baseline data file, including source date and HCM extract date.
- Department request forms and supporting justification.
- Funding-source verification records.
- Budgeted salary savings analysis and FTE-equivalent calculation.
- CAO recommendation file and Board-approved Maximum Filled FTE table.
- Budget Committee reports and related supporting schedules.
- Board reports, resolutions, and adopted changes.
- Annual reconciliation and lessons learned for the following budget cycle.

12. Annual Operating Calendar

Timing	Activity	Primary Owner
Budget development cycle	Update historical filled FTE, authorized FTE, vacancy, salary	Budget & Analysis / HRD

	savings, salary/benefit, and funding-source data.	
Prior to the Board's Budget Workshop	Departments review proposed baselines and submit requested Maximum Filled FTE and justification.	Departments
Board's Budget Workshop	CAO presents departments requested Maximum Filled FTE and justifications and initial CAO recommendations. Board provides policy direction to CAO.	CAO / Budget & Analysis Board of Supervisors
Prior to Budget Hearings	CAO incorporates Board policy direction and finalizes Recommended Maximum Filled FTE for individual departments for the coming budget year.	CAO / Budget & Analysis
Budget Hearings	CAO presents to the Board the Recommended Maximum Filled FTE for individual departments. Board provides authorized modification, as necessary.	CAO / Budget & Analysis Board of Supervisors
Prior to Board adoption/action	CAO finalizes Recommendations plus Board modifications, if any, resolves executive issues, and prepares Board materials.	CAO / Budget & Analysis
Budget adoption or separate Board action	Board approves department Maximum Filled FTE amounts and implementation authority.	Board of Supervisors
July 1 or approved effective date	HRD begins transaction review process.	HRD
Bi-monthly	CAO reports to Budget Committee on filled FTE, hiring capacity, salary and benefit forecasts, exceptions, and recommended adjustments.	CAO / Budget & Analysis
Mid-year / year-end	Reconcile actual experience to forecast and prepare recommendations for next budget cycle.	Budget & Analysis

14. Templates and Logs

- Exception / Adjustment Request Form.
- Funding Source Verification Worksheet.
- Bi-Monthly Budget Committee Reporting Template.
- Annual Reconciliation and Reset Worksheet.

Appendix A – Department Maximum Filled Authorized FTE

Department	MAXIMUM FILLED Authorized FTE	Adopted Authorized FTE	Maximum Filled difference from Adopted
Agriculture Commissioner	75.00	75.00	-
Assessor-County Clerk-Recorder	61.00	65.00	(4.00)
Auditor-Controller	46.50	46.50	-
Board of Supervisors	20.00	20.00	-
Child Support Services	70.00	70.00	-
Civil Rights Office	5.00	5.00	-
Clerk of the Board	6.00	6.00	-
Cooperative Extension Service	3.00	3.00	-
County Administrative Office	56.00	61.00	(5.00)
County Counsel	42.00	42.00	-
Department of Emergency Management	11.00	11.00	-
District Attorney	150.00	157.00	(7.00)
Elections	12.00	12.00	-
Health (NO Behavioral or Public Health)	519.00	584.75	(65.75)
Health - Public Health Only	161.00	161.00	-
Housing and Community Development	104.00	107.00	(3.00)
Human Resources	39.00	39.00	-
Information Technology Department	104.00	107.00	(3.00)
Probation	287.00	298.00	(11.00)
Public Defender	62.00	64.00	(2.00)
Public Works, Facilities & Parks (NO Road Fund)	138.00	150.00	(12.00)
Sheriff-Coroner	446.00	446.00	-
Social Services	820.00	857.00	(37.00)
Treasurer-Tax Collector	45.00	49.00	(4.00)

Non-GFC Department Exemptions

Emergency Communications	74.00	74.00	-
Health - Behavioral Health	510.10	510.10	-
Library	66.70	66.70	-
Natividad	1,468.75	1,468.75	-
Road Fund	122.00	122.00	-

Appendix B – Information required for maximum filled FTE increase request

Field	Required Information
Department / Office	Name of department or elected office.
Duration of Request	On-going or one-time, for temporary and term limited provide duration of time requested
Requested Maximum Filled FTE Authorization	Department's requested Maximum Filled FTE for the fiscal year.
Current Maximum Filled FTE Authorization	Current Maximum Filled FTE
Adopted/Modified Authorized FTE	Adopted/Modified authorized FTE.
Current Job Offers	Position, classification, FTE, funding, offer date, expected start date.
Current Recruitments	Position, classification, FTE, funding, recruitment stage, expected hire date.
100% Non-General Fund FTE	List positions/FTE and funding sources to be excluded from reductions.
Partially General Fund-supported FTE	List positions/FTE and General Fund percentage or dollar amount exposure.
Operational Justification	Succinct explanation of minimum filled FTE required to maintain operations.
Three-Year Salary and Benefit Funding Forecast	List the funding for position and impact to the budget for a minimum of three years.
Risk if Denied	Service, legal, public safety, revenue, grant, mandate, or Board-priority impact.
Department Certification	Department head or designee signature/date; finance manager verification.

Appendix C - Request for Referral

To fill a vacant position, the hiring department completes a Request for Referral by using the form or HR Tracking System and forwards it to the Departmental HR Analyst. The Departmental HR Analyst is responsible for completing the steps on section 8.1 of this SOP before any action (recruitment efforts, conditional offers, final offers, etc.) is taken to fill the vacant position.

Appendix D - Implementation Notes

- The process was communicated as a replacement for the Soft Hiring Freeze (established October 2024) beginning July 1, 2026, subject to Board approval.
- Departments were asked to submit final requested Maximum Filled FTE for FY 2026-27 and include current job offers, current recruitments, and third-party/locally funded FTEs.
- Budget & Analysis review included budgeted salary savings, current vacant positions, salary and benefit totals on General Fund only, and vacant position funding sources to establish recommended Maximum Filled FTE limits.
- The Human Resources Department was identified as the review point for maximum filled FTE, with review by total FTE only and no control on classification title.
- The rough process notes identify a Board-established maximum, a baseline using the highest number of filled FTEs in the past two years with department adjustments, department review, and bi-monthly CAO reports to the Budget Committee including salary/benefit forecasts and recommended adjustments.