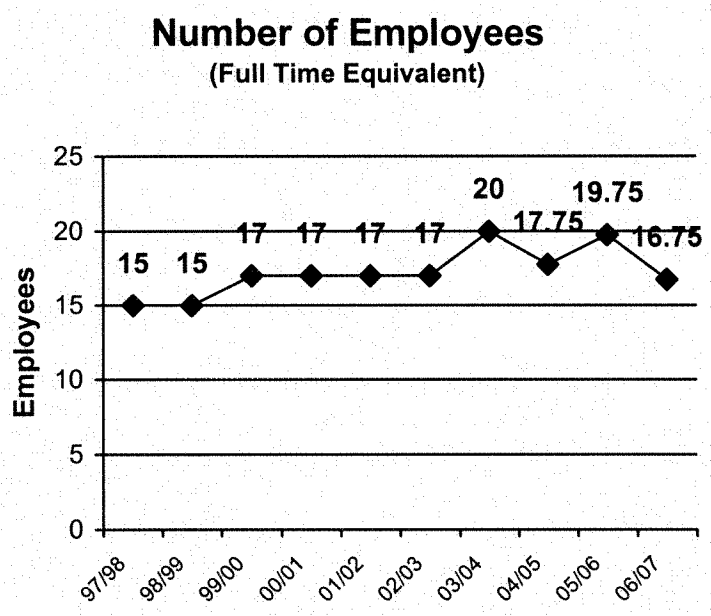
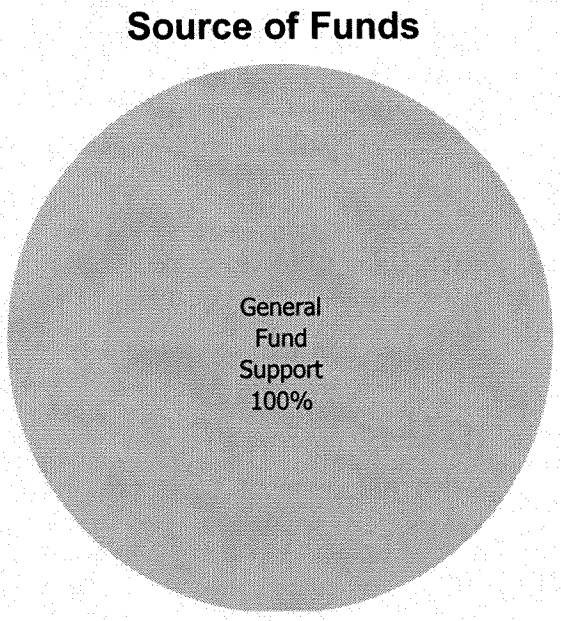
MISSION STATEMENT

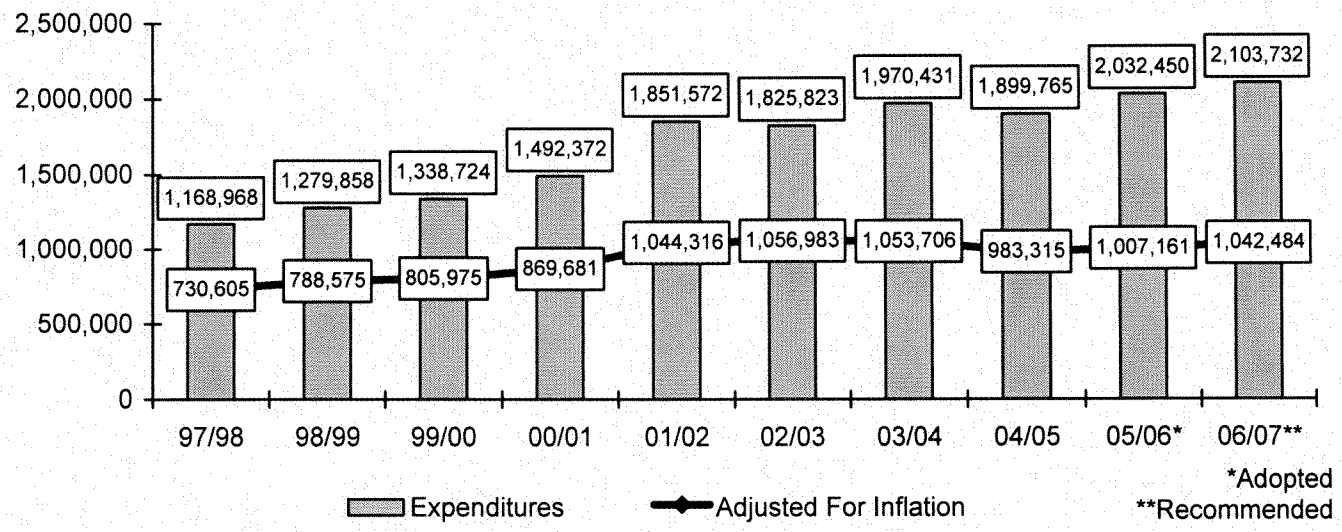
Partnering to fulfill County human resource needs to support excellence in public service and sustain a well-governed community.

Financial Summary	2005-06 Budget	2005-06 Projected	2006-07 Requested	2006-07 Recommended	Change From 2005-06
Revenues	$ 108,301	$ 147,574	$ 4,900	$ 4,900	$ (103,401)
Salary and Benefits	1,749,375	1,699,344	1,793,063	1,661,689	(87,686)
Services and Supplies	283,075	327,046	305,793	442,043	158,968
**Gross Expenditures	$ 2,032,450	$ 2,026,390	$ 2,098,856	$ 2,103,732	$ 71,282
Less Intrafund Transfers	350	0	0	0	(350)
**Net Expenditures	$ 2,032,100	$ 2,026,390	$ 2,098,856	$ 2,103,732	$ 71,632
General Fund Support (G.F.S.)	$ 1,923,799	$ 1,878,816	$ 2,093,956	$ 2,098,832	$ 175,033





10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Staffing and Employment Services

Recruit and test new hires and promotional candidates to fill positions with the County. Maintain eligibility and certification lists and test validation. Coordinate the process for appeals and grievances on recruitment related complaints.

Process personnel related information and documentation (payroll action forms, employee additions/deletions, step increases, etc.) to maintain the accuracy of personnel records.

Maintain the Classification Plan by job analyses: implementation of classification studies/audits requested by County departments or as approved through the budget process. Update job specifications to ensure accuracy and relevancy. Respond to salary related appeals and grievances.

Total Expenditures: $1,430,541 Total FTE: 12.5

Human Resources Consulting Services/Departmental Services

Consult with department managers and supervisors to utilize effective supervisory techniques, implement disciplinary actions, and coordinate appeals and grievances, consistent with Federal and State employment laws and Civil Service Rules. Interpret and apply personnel-related Board ordinances, rules, regulations, and policies.

Support the Civil Service Commission, administer and maintain the Countywide merit systems and Equal Opportunity Programs. Prepare staff reports, policy recommendations and rule change proposals. Conduct required pre-hearing meetings in accordance with the Civil Service Commission procedural guidelines. Provide recording secretary clerical support.

Total Expenditures $639,919 Total FTE: 3.75

Staff Development/Countywide Training

Development and delivery of Human Resources specific trainings including harassment, prevention, new employee orientation and High Performance Management.

Total Expenditures: $33,272 Total FTE: .5

DEPARTMENT COMMENTS

The Human Resources Department transitions from the former Personnel Department with this budget continuing the journey of becoming a full service organization serving 26 departments with approximately 3,000 full, part-time, temporary and contract employees and two independent governmental agencies. Human Resources is

approaching the 4th year of using Strategic Planning processes for implementing initiatives. The reorganization transferring the Risk Management Division from Administration is expected to create efficiencies through closer staff coordination and adding some experienced staff to the Human Resources team. The Employee University staff are being moved to the Administrative Office to assist with countywide organizational development and strategic planning initiatives while allowing Human Resources to focus on core program services. Human Resources continues to work on improving our ability to meet customer departments' needs by providing innovative solutions delivered in partnership with pride and integrity.

Examples of results achieved during the 05/06 FY include:

Customer Service: Staff has reduced overall recruitment time by 20 % through process streamlining and use of the new applicant tracking and recruiting automation which was fully implemented November 2005. This was accomplished in spite of increased workload, vacant positions and all new staff. Established a quarterly Customer Roundtable for soliciting direct input on improvement efforts and assistance with prioritizing strategic plan initiatives.

Internal Business Process Improvements: Established performance baselines and developed new performance measures for Human Resource programs based upon new automation for tracking program results and monitoring workforce issues. Completed a Year 3 Strategic Plan implementation progress report for the Civil Service Commission April 2006.

Finance: Participated in the successful Go Live of the SAP HR-Payroll automation providing more accurate information and reporting for managing the County's workforce. Focused on continuous process improvement for applicant tracking and recruiting, SAP-HR transactions, eliminating and streamlining old processes the Pre-employment Background Investigation Program, and avoiding the potential costs associated with making hiring decisions without all the appropriate information.

Learning and Growth: New staff are being provided with on the job training including learning new automation tools and public sector HR practices. The Employee University successfully piloted the High Performance Management training as well as delivering a variety of courses based upon employee identified training needs. The Organizational Health Assessment demonstrated a 58% overall internal improvement since 2002 placing Human Resources within the norm for a healthy organization.

Major Initiatives for 06/07 FY Continuing our Focus on our Customers Includes:

Customer Service: Complete Version 2 applicant tracking and recruitment automation initiatives for efficiencies and additional functionality. Implement and monitor customer feedback questionnaires on recruitment processes for continuous improvement. Complete the establishment of customer service teams comprised of Aides and Analysts.

Internal Business Processes: Complete the establishment of the next set of performance measures including workforce demographics using new automation. Complete negotiations and implement the 2005 Civil Service Rule Change Package.

Finance: Complete the update of the County's Classification Plan and initiate a specification update program to ensure positions are properly classified.

Learning and Growth: Continue on the job training and establish employee HR development plans with the associated funds and time commitment for staff development and continuous process improvement.

RECOMMENDED BUDGET AUGMENTATION REQUESTS AND RELATED RESULTS

Unit /Amount	Description	Results
Gross: $61,944 General Fund Support: $61,944	Extension of one Limited Term Human Resources Analyst Aide position to June 30, 2007.	• The continuation of the Limited Term Human Resources Analyst Aide position will enable the department to dedicate resources to support and maintain Phase II of the EFS project while meeting the department's customer driven workload in a timely and effective manner.
Gross: $126,000 General Fund Support: $86,000	Reorganization proposal to integrate Risk Management into Personnel and create a Human Resources (HR) Department. Key elements include creation of a Deputy HR Director, reclassification of all analysts to Human Resources Analysts, and the addition of one HR Analyst in the Risk Management fund center. This will immediately give HR more resources to focus on strengthening core personnel programs – a priority for county department customers.	Within two years of reorganization implementation, overall satisfaction of County Departments with HR services will increase from a rating of 42 in the most recent survey to 90 (0: very low; 100: very high). This will be accomplished by: ▪ Training all staff so they are "experts" and operate independently in their job assignments within a team environment. ▪ Consistently providing timely, accurate, and reliable service. ▪ Streamlining and improving the quality of HR processes from recruitment and testing to Workers' Comp and liability claims management. ▪ Reducing Workers' Comp costs. ▪ Keeping employee injury rates low. ▪ Offering competitive health benefits packages that attract and retain high quality employees. ▪ Treating all customers professionally and respectfully.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The Personnel Department's 2006-07 budget recommendation contains a reorganization proposal to integrate the Risk Management Division of the Administrative Office into Personnel and rename the department to Human Resources (HR). The reorganization has both short and long term benefits. By combining Personnel and Risk Management staff, the new HR Department will immediately have more resources to focus on further strengthening core personnel programs – a priority for our county department customers. Longer term, the reorganization sets the stage for creating a full-service HR department that houses all employee related services (e.g., traditional personnel services, employee benefits, workers' comp, safety, labor relations, and employee training/organization development, etc.) in one department.

The first key component of the reorganization includes the creation of a Deputy HR Director position. This position will augment the HR Department's management team and assist with strengthening core HR services. Secondly, the Personnel and Risk Management Analyst positions in both fund centers will be reclassified to the HR Analyst series. This will create opportunities for cross training and allow the department to respond more quickly to changing priorities. Further, the Principal Administrative Analyst position that currently oversees Risk Management will be exchanged for a less costly HR Analyst position. The new HR Analyst will handle insurance responsibilities previously performed by the Principal Analyst and take on personnel tasks. Oversight of Risk Management staff will be transferred to the new Deputy position. Finally, the Employee University Program and associated staff will be transferred to the Organizational Development (OD) Fund Center managed by the Administrative Office. This should be a short-term arrangement as it's anticipated that the OD Program will return to HR as part of reaching our longer term goal of creating a full service HR Department.

The reorganization proposal will impact 2006-07 staffing levels and budget allocations in three fund centers: HR, Risk Management and OD. The reorganization will cost the County approximately $126,000 per year

(approximately $40,000 of which will be offset by dollars from non-general fund sources) and add a net of one new position to the position allocation list.

Overall, General Fund support for the HR Department is recommended to increase 9% or $175,033 over adopted FY 05-06 levels. Salaries and benefits are decreasing by $87,686 or 5% primarily due to the transfer of two positions to Fund Center 275 – Organizational Development as part of the reorganization. In addition, one Limited Term HR (Personnel) Analyst will be eliminated while the Limited Term HR Analyst Aide – Confidential position is being recommended to continue for one additional year as a non-confidential Limited Term HR Analyst Aide.

Services and Supplies expenditures have increased 56% ($158,968) over FY 05/06 adopted levels principally due to the need to upgrade JobAps licenses ($9,000), $70,000 in professional and special services account to be used to contract with an outside attorney to represent the Civil Service Commission on any grievance/appeals and $118,250 in intrafund billings to pay the HR Department's portion of the new Deputy HR Director and HR Analyst position being recommended for Fund Center 105 – Risk Management. The tuition reimbursement program is being transferred from the HR Department to Fund Center 275 – Organizational Development.

GOALS/PERFORMANCE MEASURES

Department Goal: Conduct, monitor, and evaluate the personnel recruitment and testing in a timely manner in order to provide County departments with qualified candidates while ensuring compliance with regulations.

Communitywide Result Link: A well-governed community.

1. Performance Measure: Percentage of eligibility lists of qualified candidates provided to County departments within 90 calendar days of the Final Filing date when no "pool" of candidates exists.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
93.5% * (* measure changed to 90 calendar days)	92.4%	91.6%	97%	90%	90%	**DELETE**

What: When a County department submits a request to fill a current vacancy and no current list of eligible candidates exists, The Human Resources Department posts the job opening to solicit applications. After all applications are received (the application close date), it takes 90 calendar days to process the applications, conduct pre-employment testing, evaluate applicants, and compile a list of qualified candidates.

Why: This process creates a "pool" of qualified applicants who are kept on file so that any new job openings of the same type can be filled from the existing pool rather than having to start the recruitment process over each time. By maintaining a pool of eligible candidates, The Human Resources Department is able to dramatically reduce the time to fill future vacancies and to ensure effective service to County departments who are attempting to fill open positions as quickly as possible.

How are we doing. Most of our comparable counties either don't track recruitment time frames or they utilize different parameters than those used in San Luis Obispo County.

It is recommended that this measure be deleted from budget measures and that San Luis Obispo County recruitment data be tracked for purposes of internal performance standards and be reported in the annual report to the Civil Service Commission. Measures have been added to capture outcome-based performance. This measure is replaced with Measure No. 2.

2. Performance Measure: Percent of recruitment plans/agreements with County departments that met or exceeded established timelines.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
N/A	N/A	N/A	N/A	N/A	New Measure	80%

What: Partnering with County departments to establish recruitment plans/agreements.

Why: To establish clear service level expectations, roles, and responsibilities between County departments and The Human Resources Department staff.

How are we doing? The applicant tracking system, JobAps, allows establishment and monitoring of recruitment plans. This will provide a clear picture of the life cycle of the recruitment process and its challenges due to unforeseen circumstances that cause delays. It will also capture data demonstrating recruitments completed within or exceeding the planned timeframe. JobAps was fully rolled out in November 2005 allowing for automated formal recruitment planning. Benchmark data is only available from Placer County who report 49% of their recruitments are completed within identified recruitment plan timeframe. This percentage includes recruitments where departments requested to delay or stop the process.

We expect to realize improved efficiencies with the JobAps Track and Hire automation wherein the recruitment plan is developed. We will be able to report on all stages of the lifecycle of the recruitment by utilizing the recruitment planning tool.

3. Performance Measure: Percentage of County departments rating their level of overall satisfaction with the candidates on certification lists at satisfactory or better based on surveys conducted upon completion of open recruitments and clerical & support certification lists.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
N/A	N/A	N/A	N/A	N/A	New Measure	90%

What: Survey departments at the close of recruitments as to the level of satisfaction with the quality of candidates.

Why: To demonstrate that recruiting techniques are effective in attracting quality candidates to meet departments' staffing needs.

How are we doing? This is a new measure and the data has not been captured in prior years. The Human Resources Department continues to strive to look at innovative recruitment practices to attract highly skilled applicants.

4. Performance Measure: Percentage of County departments rating their satisfaction with the overall quality of customer service provided by The Human Resources Department at the level of satisfactory or better on returned surveys conducted upon completion of recruitments.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
N/A	N/A	N/A	N/A	N/A	New Measure	90%

What: To provide departments with excellent customer service.

Why: To strive for providing value added customer service to supporting departments' in meeting their staffing needs.

How are we doing? Anecdotal feedback has been positive regarding the automated recruiting system, problem solving efforts of staff and service level provided by support staff.

Department Goal: Provide a positive environment where department managers and employees can meet in a safe environment to discuss and attempt to mutually resolve grievances and appeals at the least formal level.

Communitywide Result Link: A well-governed community.

5. Performance Measure: Percentage of grievances or appeals resolved by The Human Resources Department staff prior to a formal hearing before the Civil Service Commission or Board of Supervisors.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
N/A	81%	44%	70%	90%	90%	90%

What: Employees who believe their concerns/issues have not been properly addressed by using established internal processes have the ability to present their petition to the Civil Service Commission or the Board of Supervisors. Employees or candidates that want to appeal a classification action, ruling or decision made by the Human Resources Department Director or appeal the written order of an appointing authority or grieve working conditions have the ability to appeal/grieve such action, ruling, decision or order to the Civil Service Commission. All reasonable attempts will have been made to resolve the issue before reaching the hearing level.

Why: Resolve conflicts at the least formal level to minimize time, impact on morale, expense and the possibility of litigation. Every serious grievance that is avoided or resolved before it goes to the Civil Service Commission can easily save the County well over $100,000 in lost staff time, lost employee productivity, and litigation expenses.

How are we doing? Staff creates the forum, with the appellant or grievant and appointing authority, to generate a mutually agreeable resolution. Through consultation and negotiation the Human Resources Department staff remains focused on all reasonable attempts to resolve grievances and appeals to avoid a formal hearing and litigation.

In fiscal year 2004-2005, 27 grievances and appeals were filed. Nineteen (19) were dropped or resolved. In addition to a 70% success rate, this eliminated the expense to involve County employees, department personnel, County Counsel, witnesses and the Commissioners in special hearings. Nine (9) appeals and four (4) grievances were filed in the first six (6) months of fiscal year 2005-2006. Ten are pending and two (2) have been resolved at the department level and two (2) at the Human Resources Department level.

Department Goal: Provide cost-effective personnel services.

Communitywide Result Link: A well-governed community.

6. Performance Measure: Personnel costs per employee.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
$626	$645	$686	$737	$802	$845	DELETE

What: The cost per allocated employee for the operation of the San Luis Obispo County Human Resources Department Department.

Why: By calculating the costs of recruiting, testing, hiring, and retaining employees, the County has a partial indicator of what its Human Resources Department costs are per employee.

How are we doing? This measure is recommended for deletion as cost-per-hire does nothing to gauge the overall quality of hire and the departments' satisfaction with the new employee. Further, we are unable to establish comparable benchmark data. This measure is replaced with Measure No. 7.

Department Goal: Provide cost-effective personnel services.

Communitywide Result Link: A well-governed community.

7. Performance Measure: Full-time equivalent The Human Resources Department staff per 1,000 County employees.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
N/A	N/A	N/A	N/A	N/A	New Measure	8

What: This shows The Human Resources Department staffing per 1,000 County employees.

Why: This data can be compared with other The Human Resources Department Departments of similar characteristics to provide one measure of whether we are appropriately staffed for providing human resource services.

How are we doing? The total FTE The Human Resources Department staffing levels per 1,000 employees for 3 of our comparable counties ranges from a high of 8.93 to a low of 4.5. The average was 8 with San Luis Obispo at 6 The Human Resources Department staff per 1,000 County employees based on 2,500.75 Board approved positions in FY 2005-06. Comparisons with our comparable counties focused on like service programs and organizational structures. The calculation for San Luis Obispo is based on 15.5 FTE. Two limited term positions and two positions supporting the Employee University were removed for purposes of this calculation.