



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

January 19, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Michael D. Antonovich
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

QUARTERLY REPORT ON HIRING AND PROMOTION REQUESTS

On November 13, 2001, the Board reaffirmed and expanded the existing countywide hiring and promotional freeze policy in an effort to mitigate potential budget reductions. To monitor effectiveness and consistency in application of the amended policy, the Chief Administrative Office (CAO) developed a quarterly report on hiring and promotional requests. This information is being provided to you as part of an ongoing effort to keep the Board informed of progress in this area.

Subsequently, on September 28, 2004, the Board approved an amendment to the hiring and promotional freeze to conditionally exempt departments that meet specific criteria predefined by the CAO (Attachment I). As a consequence of this amendment, on October 28, 2004, my office issued guidelines and instructions to all department heads which allows departments to efficiently adjust staffing levels as my office continues to monitor all hiring and promotions and salary and employee benefits expenditures, including overtime (Attachment II). Due to the amendment and ensuing guidelines and instructions, this is the final Hiring and Promotion Requests Report we will submit.

For the first quarter of fiscal year 2004-05, 4,417 requests were received from departments. By the close of the quarter, 4,252 had been approved (consisting of 3,699 new hires and 553 promotions); 37 had been denied; and 128 were pending a decision. The approvals, which were critical to the mission of departments, consisted primarily of 2,716 new hires and two promotions in Registrar-Recorder/County Clerk, 349 new hires and 69 promotions in Sheriff, 77 new hires and 145 promotions in Public Social Services, 34 new hires and 68 promotions in Assessor, 52 new hires and 38 promotions

Each Supervisor
January 19, 2005
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in Mental Health, 32 new hires and 21 promotions in the Office of Public Safety, 22 new hires and 23 promotions in the Board of Supervisors, 20 new hires and 19 promotions in Human Resources, 20 new hires and 13 promotions in Treasurer and Tax Collector, eight new hires and 23 promotions in Auditor-Controller, 15 new hires and one promotion in Affirmative Action Compliance, eight new hires and five promotions in Coroner, and seven new hires and five promotions in Beaches and Harbors. The first two pages of the attached report summarize these actions by department (Attachment III). The remaining pages provide detailed information, including type of authorization requested (i.e., hiring or promotion), classification, justification, approval or denial and the reason for the approval or denial (Attachment IV).

The report may not reflect departmental hiring and promotional actions that are exempt from the policy. Consistent with the Board's policy, these exemptions include health and safety positions, personnel funded through Special Districts/Special Funds, and other positions that are deemed critical to the department's operations. In addition, this report does not include hiring and promotional actions by the Department of Health Services (DHS) under the authority delegated to them by my office as part of their Item Management process.

If you have any questions or need additional information, your staff may contact Eva Snider at (213) 974-2291.

DEJ:DL:SK
ES:QM:ljp

Attachments

Qtrly hiring.1-bm



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DAVID E. JANSSEN
 Chief Administrative Officer

September 28, 2004

The Honorable Board of Supervisors
 County of Los Angeles
 383 Kenneth Hahn Hall of Administration
 500 West Temple Street
 Los Angeles, CA 90012

Dear Supervisors:

USE OF ADDITIONAL FISCAL YEAR (FY) 2003-04 GENERAL FUND, HOSPITAL ENTERPRISE, AND SPECIAL FUNDS/DISTRICTS' FUND BALANCE IN FY 2004-05 COUNTY BUDGET AND ADJUSTMENTS TO REFLECT FY 2004-05 STATE BUDGET ACTIONS; AND AMEND THE CURRENT HIRING AND PROMOTIONAL FREEZE (ALL DISTRICTS AFFECTED) (4 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve attached recommended changes and corresponding appropriation adjustments to the FY 2004-05 County Budget.
2. Amend the countywide hiring and promotional freeze (which was reaffirmed and expanded as of November 13, 2001) to provide for revised hiring and promotional procedures for departments meeting specific criteria, and instruct the Chief Administrative Officer to issue guidelines to County departments.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The actions recommended herein are necessary to budget the actual FY 2003-04 fund balance and the use of these additional one time funds, to further refine the estimates contained in the Adopted Budget, to provide sufficient appropriation to implement programs or changes as a result of increases or decreases in revenues, and to make miscellaneous adjustments within various funds. The adjustments could not be made prior to adoption of the FY 2004-05 budget as the actual FY 2003-04 fund balance and carryover funds to FY 2004-05 were not known, the State Budget was not approved, and more recent information became available.

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STATE BUDGET

The Governor's FY 2004-05 January Budget proposed to permanently shift \$1.3 billion in local property taxes from counties, cities, special districts and redevelopment agencies to schools. As a result, the County could have potentially lost approximately \$290.0 million in General Fund property taxes to the State, and over \$470.0 million Countywide. Rather than immediately implementing drastic budget reductions, the County elected to take a cautious approach to see if a compromise plan could be worked out between the Legislature and Governor. In the meantime, departments were asked to tighten expenditure levels until an official State Budget was enacted at which time a more accurate estimate of the reductions could be calculated.

After much deliberation, the Governor signed the FY 2004-05 State Budget on July 31, 2004. This budget included a Local Government Agreement in which local governments agreed to contribute \$1.3 billion for two years to assist the State with its ongoing structural budget deficit; the County's share was subsequently determined to be \$103.2 million in FY 2004-05 and FY 2005-06. In addition, cities and counties agreed to swap \$4.1 billion in Vehicle License Fee backfill revenues annually for an equal amount of property taxes. In return, the Governor committed to actively support a constitutional amendment that will protect local revenues from the State after FY 2005-06 and repeal any State mandate that is not funded after one year. Also, the Administration has sought a permanent fix of the VLF realignment funding and repayment of over \$2.0 billion in deferred mandate reimbursement payments to local governments and schools over a five-year period starting in FY 2006-07.

Although the Local Government Agreement provides the framework for a constitutional amendment to protect future local revenues, we were faced with funding the two-year contribution to the State of \$103.2 million as well as other State reductions in critical areas such as local mandates and child welfare services. In addition, the Local Government Agreement required contributions from County special districts which include flood control, lighting, waterworks, and garbage districts. While finding solutions for this budget problem presented a challenging task, tight fiscal constraints, favorable Federal outcomes, strong property tax receipts, and improved sales tax revenues provided the mechanisms to resolve this problem, and will now allow departments to begin resuming previous service levels.

HIRING AND PROMOTIONAL FREEZE

Board approval is requested to amend the current countywide hard hiring and promotional freeze to exempt departments meeting specific criteria. This action would allow departments to efficiently adjust staffing levels to ensure fulfillment of their missions and goals within their approved budgets. Generally, departments have exhibited sound fiscal responsibility by spending within their respective funding limits. Therefore, we believe it is now appropriate to allow department heads to independently manage their staffing needs within their budgeted appropriations and revenues.

Due to the hiring and promotional restrictions imposed on departments, as amended in November 2001, many Departments have had to increase the use of overtime to provide required and necessary service levels. Amending the hiring and promotional freeze should reduce the use of overtime by allowing authorized departments to hire and promote as required to fill budgeted vacancies.

Departments will be required to meet certain criteria before they are granted authority to hire and promote under this amendment. The general criteria are:

- Net County Cost for the last two fiscal years has been within the budgeted amounts;
- An updated Item Control (or other approved monitoring report); and
- Chief Administrative Office approval.

This office will continue to monitor all hiring and promotions and salary and employee benefit expenditures, including overtime. This will be achieved by continuing to require all departments to submit an accurate, updated Item Control with their budget request in January and updates as required, and may include separate reports of hiring and promotional activity. Detailed instructions outlining this process will be provided to departments after Board approval of this amendment and may include modifications to the current item control format. Departments will also continue to be required to submit periodic Budget Status Reports to our office so that we may update the Board on the overall fiscal condition of the County. Finally, the policies related to the Additional Responsibility Bonus, MAPP Salary Adjustment, and Special Step Placement remain in effect and will not be impacted as a result of this amendment.

Departments that fail to provide sufficient information/documentation as required or requested by the CAO, or are projected to exceed their respective current year Net County Cost appropriation, will immediately be placed back on the hard hiring and promotional freeze. These departments will be deemed ineligible for exemption during the remainder of that respective fiscal year and will be required to submit a request for re-consideration in the beginning of the following fiscal year. Those departments and specific positions currently exempted from the freeze will continue to be exempt until the CAO determines otherwise. As previously stated, detailed instructions outlining this process will be provided to departments after Board approval of this amendment.

Implementation of Strategic Plan Goals

These actions support the County's Strategic Plan Goal of Fiscal Responsibility.

FISCAL IMPACT/FINANCING

GENERAL FUND

As previously mentioned during Budget Deliberations, this budget process was extremely complicated and perhaps the most complex in more than a decade. The uncertainties surrounding the State Budget and its impact on the County made managing the budget extremely difficult and ultimately resulted in a greater than anticipated FY 2003-04 Fund Balance. This excess Fund Balance was primarily attributable to:

- Unusually high departmental operational savings of \$160 million due in large part to the uncertainty of the impact of the State's Budget problem on the County;
- Additional Vehicle License Fee revenues (Regular & Realignment) of \$48 million due to continued demand for automobiles and trucks;
- Additional Property and Deed Transfer Tax revenues of \$40 million, and \$11 million from other property tax related revenues such as Community Redevelopment Agencies, Penalties on Delinquent Taxes, and Supplemental Assessment Administrative Fees, all resulting from the very strong real estate market which now appears to be leveling off;
- Increased sales tax receipts of \$22 million from Public Safety Augmentation Funds; and
- Additional Capital Projects/Infrastructure carryovers of \$28 million for projects which were not completed during the FY 2003-04 budget.

The FY 2003-04 General Fund Budget closed with a \$872.3 million fund balance, of which \$363.0 million was committed as carryover in the FY 2004-05 Adopted Budget and \$39.6 million was used in the FY 2004-05 Adopted Budget to fund new capital projects and information technology and \$132.3 million was already programmed into the FY 2004-05 Adopted Budget as anticipated fund balance, leaving a remaining fund balance of \$337.4 million (\$28.0 million carryovers and \$309.4 available fund balance).

This fund balance was generated primarily through capital projects and maintenance projects which were not completed and for which funds are being carried over, improved property tax revenues from the strong real estate market, savings from the State's successful negotiations with the federal government to waive the food stamp error rate penalty which have been redirected to meet our local government agreement obligation of \$103.2 million for two years.

In addition, savings was generated from the uncertainty of the State backfill of the Vehicle License Fee revenues. Additional FY 2003-04 departmental curtailments were being considered as late as December 2003 because the Vehicle License Fee was reduced by the Governor in November 2003. In light of this State development, departments had further tightened expenditures, including restricted employee hires and promotions, in anticipation of mid year curtailments. The imposition of further curtailments never materialized because there were no additional reductions of State revenues. Also, due to continued consumer demand for automobiles and light trucks, revenues exceeded the budget for FY 2003-04. Lastly, the passage of AB1457 in May 2004 required the State to pay counties VLF Realignment funds owed for FY 2002-03; the State Controller notified counties on July 27, 2004 of the final growth amounts for FY 2002-03.

Use of Additional Fund Balance: The net available fund balance from the FY 2003-04 closing is \$337,386,000 above the amount anticipated at the time the FY 2004-05 County Budget was adopted in June. The additional fund balance is derived from the FY 2003-04 actual ending balance of \$872,284,000 less \$534,898,000 as previously estimated in the FY 2004-05 Adopted Budget. The Auditor-Controller's Board letter recommends allocating this additional fund balance to the FY 2004-05 Appropriation for Contingencies. Based on the FY 2003-04 closing balances and recent available information, we are now recommending the use of the additional fund balance that is now in the FY 2004-05 Appropriation for Contingencies for adjustments to actual carryover amounts for FY 2004-05 and other essential adjustments that will further refine the budget. These essential adjustments include: the 2005-06 Local Government Agreement contribution, high priority Capital Projects and Infrastructure Programs, and other miscellaneous adjustments. After these adjustments, the Appropriation for Contingencies balance will be approximately \$16 million. The following chart briefly summarizes the recommended uses for the additional fund balance:

Use of Fund Balance	FY 2004-05 Adopted Budget	FY 2004-05 Final Budget	Recommended Supplemental Changes
Carryovers	\$363,035,000	\$390,997,000	\$ 27,962,000
Local Government Agreement	11,100,000	114,300,000	103,200,000
Capital Projects/Refurbishments	10,652,000	156,090,000	145,438,000
Interoperability Communication System	20,000,000	40,000,000	20,000,000
Information Technology	5,000,000	24,000,000	19,000,000
Other Operating Needs	125,111,000	125,111,000	--
Hospital Insurance Tax	--	3,700,000	3,700,000
Livescan	--	1,900,000	1,900,000
Appropriation for Contingencies	--	16,186,000	16,186,000
Total	\$534,898,000	\$872,284,000	\$337,386,000

Fund Balance - Carryovers: When the financial books close at the end of each fiscal year, it is necessary to reconcile the carryover amounts estimated in the FY 2004-05 Adopted Budget to the actual closing amounts. The total net reconciling difference of \$27,962,000 is due to infrastructure improvements of \$27,312,000, museums funding agreements of \$747,000 and other net changes of \$(-97,000).

Fund Balance - Local Government Agreement for FY 2005-06: The Local Government Agreement with the State provides that the County of Los Angeles contribute \$103.2 million per year for two years to the State to help mitigate the State's deficit. We funded the first year's contribution in FY 2004-05 Final Changes, and we recommend funding the second year of \$103.2 million with a portion of the available fund balance.

Fund Balance - Capital Projects/Refurbishments: Additional one-time funding of \$145,438,000 is recommended for investment in our physical infrastructure. The improvements to our buildings, structures and parking lots are needed to ensure the safety of our employees and customers we service. These high priority projects include \$20,000,000 for structural repairs to our cultural centers, including the seismic retrofit and historical renovation of our Museum of Natural History built in 1913; \$50,000,000 for high priority Capital Projects; \$24,286,000 for various Capital Project needs such as replacing a seismically unsafe Probation headquarters building and emergency building repairs to the Patriotic Hall that serves our military veterans; \$50,000,000 for a new Data Center to house the County's primary data processing equipment in a seismically strengthened facility; \$838,000 to repair a beach gateway; and \$314,000 for the Auditor-Controller's Tax Division refurbishments.

Fund Balance - Interoperability Communication System: We are recommending an additional \$20,000,000 to fund this public safety communication system. This state of the art system will provide the capability to communicate more effectively and efficiently with other public safety agencies, thereby, improving responses to public emergency and critical needs.

Fund Balance - Information Technology: Information technology is improving rapidly and the need to develop and replace our Countywide financial and human resources system is vital to meet the constant demands for accurate and immediate data. Therefore, we are recommending an additional \$14,000,000 to further enhance our eCAPS system and \$3,000,000 for the Assessor's new Real Property Tax Computer System. Also, to assist the public we are recommending expenditures of \$2,000,000 for an Infoline/2-1-1 phone system that will direct calls to appropriate County departments.

Fund Balance - Hospital Insurance Tax: We have been advised of a back tax liability of approximately \$3.7 million which is due to Hospital Insurance Tax applied to County matching funds to the Horizons and Pension Savings Plans.

Fund Balance - Livescan: Countywide funding in the amount of \$1,900,000 is recommended for fingerprinting departmental employees directly interfacing with children.

Fund Balance - Appropriation for Contingencies: The remaining FY 2003-04 fund balance of \$16,186,000 will remain in the Appropriation for Contingencies to mitigate potential State budget losses.

Use of Ongoing Revenues: We are recommending ongoing funds for the following:

Provisional Financing Uses: We are recommending that funding be set aside in the amount of \$26.8 million to cover required expenses to address the settlement with the Department of Justice to improve operations at the Probation Halls, improve management operations at the Probation Department, address homeless issues throughout the County, backfill loss of Local Law Enforcement Block Grant Funds going toward debt for the Twin Towers Jail Facility, provide for improvements in Sheriff medical services at the Central Jail facility, and other various adjustments.

IHSS Provider Wage Increase: We are recommending an increase in the IHSS provider hourly wage from \$7.50 per hour to \$8.10 per hour (\$16.2 million annually), still below the \$8.32 per hour contractors working for the County are required to pay their employees when providing health benefits.

Restoration of funding losses for Fire-lifeguards (\$2.3 million), Office of Public Safety park patrol (\$0.4 million), and Probation DISARM (\$0.3 million), backfill of revenue losses for Regional Planning public counter staff (\$0.4 million), funding for the County's match requirement as a result of the State's approval of a CalWORKS cost-of-living adjustment (\$0.6 million), and creation of a revenue incentive for the Child Support Services Department to maintain and enhance revenue collections which help to offset the County's assistance costs to families that are not receiving spousal support (\$1.0 million).

In addition, the letter includes recommendations to enhance our buydown of the reliance of LACERA surplus earnings (\$20 million), funding to address homeland security concerns by adding additional District Attorney investigators (\$1.3 million), funding for additional zoning code enforcement staff (\$0.4 million) and other various changes (\$0.35 million).

Lakewood Sheriff Station Improvements: On December 16, 2003, your Board approved the establishment of Capital Project No. 77430 for improvements to the Lakewood Sheriff Station, funded by \$3.0 million in Fourth District Capital Project Funds and \$3.0 million in tax increment funds from the Lakewood Redevelopment Project Area No. 2. It is currently anticipated that an estimated \$3.4 million in additional funds will be required to complete the proposed improvements. Planning and construction of the improvements will be managed by the City of Lakewood.

It is recommended that the Sheriff fund this additional requirement through a loan from the Asset Development Implementation Fund with a principal amount that will not exceed \$3,400,000 and an interest rate set at 50 basis points above that of the County Treasury Pool loan. The loan shall be repaid by the Sheriff over a three-year term commencing in FY 2005-06.

Approval of the recommended action will authorize the Chief Administrative Office to finalize the terms of the loan and to execute the final loan agreement with the Sheriff. The Chief Administrative Office will report back to your Board on the final terms and conditions of the final loan agreement.

Ministerial Changes: The recently negotiated and Board-approved salary and associated salary-driven benefit increases are being allocated to affected departments. Also included are revenue offset changes such as grants or increased revenues and other adjustments that do not impact Fund Balance.

HEALTH SERVICES

This adjustment would reduce the Department's use of funds from the Enterprise Fund Designation by \$6.2 million as identified below:

- Net reduction of \$15.3 million due to an increase in revenue, consisting of a \$18.4 million increase in SB 855 Disproportionate Share Hospital (DSH) revenue as a result of DSH relief in the Medicare Prescription Drug Bill, and a \$9.4 million increase in Realignment Vehicle License Fees, partially offset by a \$12.5 million reduction in Cost Based Reimbursement Clinic (CBRC) revenue based on the latest audit results and revised outpatient visit estimate for 2004-05.
- Net reduction of \$1.2 million to reflect a transfer of net County cost (NCC) from the Department of Public Social Services to the Department of Health Services (DHS) related to the reduction in the matching NCC requirement for the In-Home Supportive Services (IHSS) Provider Health Care Plan. The NCC reduction is associated with an increase in federal revenue due to the State's Budget proposal to expand the IHSS services eligible for federal reimbursement.
- Net reduction of 10.0 budget positions and a shift of \$1.3 million from salaries and employee benefits to services and supplies to fund the cost of transferring positions from the County to the University of Southern California as part of the Northeast Cluster's Board approved Medical School contract.
- Net increase of \$4.4 million to reflect a transfer of NCC to fund DHS related capital projects.
- Net increase of \$3.8 million for Board-approved increases in salaries and employee benefits, for changes in grant programs including a net reduction of 0.5 budgeted positions, and for various cost changes such as an increase in commercial paper costs for the LAC+USC Replacement Facility and a decrease in Workers' Compensation costs based on actual expenditures.
- Net increase of \$2.1 million to reflect an increase in inpatient costs related to Community Health Plan managed care enrollees assigned to the High Desert Health System. This reduces projected savings from the High Desert Hospital conversion to a Multi-Service Ambulatory Care Center (MACC).

In addition, this adjustment reflects the following changes which have no impact on the use of Enterprise Fund Designation.

- The return of 40.0 budgeted finance operation positions to the Office of Managed Care from Health Services Administration originally transferred in the 2002-03 Final Adopted Budget.
- Redistribution of \$142.6 million of Measure B Special Tax Funds among County hospitals based on the most recent schedule of unreimbursed trauma and emergency patient care costs, resulting in no overall change.

In the FY 2003-04 closing, DHS identified a \$215.7 million surplus which increased the balance in the Enterprise Fund Designation to \$568.7 million. Of that amount, \$126.9 million was placed in a reserve account for long-term receivables relating to CBRC revenue payments, leaving an available balance of \$441.8 million. The use \$122.1 million of the Designation was previously approved by your Board in the FY 2004-05 Adopted Budget. The \$6.2 million reduction in use of Enterprise Fund Designation identified above would leave a revised available balance of \$325.9 million.

SPECIAL FUNDS/DISTRICTS

Financing for all recommendations, including Special Fund/District reductions as a result of the Local Government Agreement, is available in the designation account, and/or the Special Funds budgets, as appropriate.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Not Applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

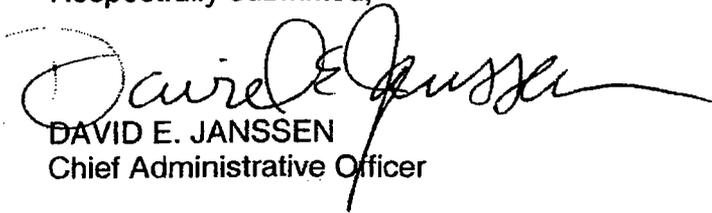
Adoption of these recommendations would allow your Board to:

- Realign and appropriate funding based upon the necessary accounting adjustments between the estimates contained in the Adopted Budget and actual operational outcomes of FY 2003-04.
- Provide sufficient appropriation to implement programs or changes as a result of refined revenue projections.
- Other miscellaneous adjustments within various funds.
- Retain a modest balance in the General Fund Appropriation for Contingencies.

Honorable Board of Supervisors
September 28, 2004
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- Allow selected departments to hire and promote staffing within the amended hiring and promotional freeze guidelines to ensure cost effective and efficient services while optimizing services levels.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:DIL:SK
JT:AB:ljp -

Attachment

c: All Department Heads



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
 Chief Administrative Officer

VIA ELECTRONIC MAIL

October 28, 2004

Board of Supervisors
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 Second District

ZEV YAROSLAVSKY
 Third District

DON KNABE
 Fourth District

MICHAEL D. ANTONOVICH
 Fifth District

To: All Department Heads
 From: David E. Janssen
 Chief Administrative Officer

GUIDELINES AND INSTRUCTIONS FOR THE AMENDMENT TO THE HIRING AND PROMOTIONAL FREEZE

On September 28, 2004, the Board approved an amendment to the hiring and promotional freeze to conditionally exempt departments that meet specific criteria predefined by the Chief Administrative Office (CAO). Attached are the instructions and guidelines which define the criteria departments are required to meet to be granted an exemption from the freeze and the requirements for departments to maintain their exemption.

Although this amendment provides departments the flexibility to hire and promote without direct CAO approval, we will continue to closely monitor department's spending using the departmental Budget Status Reports. In addition, the ongoing requirements departments must adhere to under this amendment provide the CAO an additional mechanism to assist in monitoring departmental salary and employee benefits (including overtime) expenditures.

The intent of this amendment is to allow departments to efficiently adjust staffing levels to ensure fulfillment of their missions and goals within their approved budgets and staffing allocations.

If you have any questions and/or concerns regarding this amendment, please call me, or your staff may contact Sid Kikkawa at (213) 974-1133.

DEJ:DL
 SK:AB:ljp
 Attachments

c: Each Supervisor
 Administrative Deputies (via electronic mail)
[guidelines.m](#)

GUIDELINES AND INSTRUCTIONS FOR THE AMENDMENT TO THE HIRING AND PROMOTIONAL FREEZE

On September 28, 2004, the Board approved an amendment to the hiring and promotional freeze (freeze). The following are instructions and guidelines for the amended freeze. Departments must meet the qualifying criteria to be allowed hiring and promotional authority and will also be required to maintain the current year net County cost to continue their hiring and promotional authority.

Qualifying Process

1. Those departments and specific positions currently exempted from the freeze will continue to be exempt until otherwise determined by the Chief Administrative Office (CAO). Those departments are to continue the current process by which they hire and promote. If you are uncertain whether or not your department, or certain positions within your department are exempt, please contact your CAO budget analyst for confirmation.
2. All Departments must initially meet the following three criteria to be considered for exemption from the freeze:
 - a. The department must submit an updated, accurate item control to their CAO budget analyst reflecting the 2004-05 Final Adopt Spreadsheets;
 - b. The CAO must first make a finding that the department's total net County cost at closing for FY 2002-03 and 2003-04 was within their respective current year budgeted amounts. In addition to current year, the department's prior year activity will be reviewed to determine its impact on overall net County cost. Any or all expenditures that exceeded the department's budget allocation but were authorized by the CAO (including prior year activity that caused a department to exceed its current year budget) will not preclude that department from being reviewed for exemption; and
 - c. The department is notified of Chief Administrative Office approval.

Initial Review Process

1. Departments should submit an updated, accurate item control reflecting the 2004-05 Final Adopt Spreadsheets. The item control should identify positions by section and should, at a minimum, include the following for each budgeted position in the budget unit:
 - a. Budgeted item number, subletter, year adjustment code (if applicable), and item description;

- b. Incumbent's name, actual payroll item number, subletter, and description. Identify all incumbents, including overhires that do not have corresponding budgeted positions;
 - c. Identify if the incumbent is currently earning an Additional Responsibility Bonus and the effective date of the bonus; and
 - d. A unique, identifiable number for each position budgeted, if available.
2. Upon CAO approval of the department's item control, the CAO will subsequently determine if the department has spent within its budgeted net County cost for FY 2002-03 and 2003-04. In addition to current year, the CAO will review the department's prior year activity to determine its impact on overall net County cost. Any or all expenditures that exceeded the department's budget allocation but were authorized by the CAO (including prior year activity that caused a department to exceed its current year budget) will not preclude that department from being reviewed for exemption. The CAO will utilize the Auditor-Controller's (AC) year-end closing variance report to make this determination; this report reflects actual CAPS data.
3. If the CAO determines that the department has submitted a satisfactory item control and if the department has not exceeded their net County cost for two years, the department will be notified via a memo that they have been provided authority to process their hirings and promotions.
4. The CAO will notify the AC and the Department of Human Resources (DHR) which departments met the required criteria for the amendment and request the AC lift the current CWTAPPS restrictions to allow departmental processing of new hires and promotions. Departments that do not have the systems capabilities to update on CWTAPPS should continue to go through the DHR.

Ongoing Review Process

1. Departments that qualify under the amendment will be required to submit to the CAO the following items:
 - a. A monthly report identifying all hires, promotions, transfers, and terminations in a format provided in Attachments I through IV. This report should be sent to each respective CAO budget analyst beginning December 1, 2004; and
 - b. An updated item control upon request of the CAO, which may include modifications to the item control format.
2. During the fiscal year, the Budget Status Report (BSR) will be utilized to determine if departments continue to be on budget. If the CAO analyst identifies increased hirings/promotions/transfers in the department that may significantly impact the BSR, the department may be required to provide an estimated actual upon CAO request.

3. If the CAO analyst determines that a department may exceed its budget, the department is filling positions which are not budgeted and vacant, the department is violating other hiring policies, and/or the department has not provided the required documents, the CAO will remove the department from the qualified list and place the department back on the hard hiring and promotional freeze. The CAO will notify the department in writing and the department will be required to resume submission of hiring and promotional requests to the CAO. The CAO will also notify the AC and DHR and request that the AC remove department's access to CWTAPPS.
4. If a department is removed from the qualified list, the department will be ineligible to qualify for the freeze amendment for the remainder of the fiscal year and will be required to submit a request for re-consideration in the beginning of the new fiscal year. The request should include an explanation of the circumstances surrounding the department's removal from the amendment list and a corrective action plan.

These guidelines will remain in place until otherwise modified by the Board of Supervisors or CAO. Technical questions concerning these guidelines and instructions should be directed to each respective CAO budget analyst.

Hiring and Promotion Requests
 Fiscal Year 2004-05
 1st Quarter (July - September)

Department	Hires				Promotions			Total Request	Budgeted Positions
	Approved	Denied	Pending	Approved	Denied	Pending			
Affirmative Action Compliance	15	0	0	1	0	0	16	69.0	
Agricultural Commissioner/Wits & Measures	4	0	0	0	0	0	4	340.0	
Alternate Public Defender	6	0	0	0	0	0	6	235.0	
Animal Care and Control	5	0	0	1	0	0	6	275.0	
Assessor	34	0	0	68	3	0	105	1,515.0	
Auditor-Controller	8	1	0	23	0	0	32	469.0	
Beaches and Harbors	7	0	0	5	0	0	12	228.0	
Board of Supervisors	22	0	0	23	0	0	45	319.0	
Chief Administrative Office	9	0	0	4	0	0	13	432.0	
Chief Information Office	1	0	0	0	0	0	1	16.0	
Child Support Services	2	0	0	1	0	0	3	1,897.0	
Children & Family Services	98	1	0	0	0	0	99	6,244.0	
Community and Senior Services	10	0	0	0	0	0	10	540.0	
Consumer Affairs	5	0	0	0	0	0	5	46.0	
Coroner	8	0	0	5	0	0	13	218.0	
County Counsel	2	0	0	0	0	0	2	539.0	
District Attorney	37	0	0	41	0	0	78	2,101.0	
Fire Department	0	0	0	0	0	0	0	4,097.0	
Grand Jury	0	0	0	0	0	0	0	5.0	
Health Services - A.I.D.S. Programs	0	0	0	1	0	0	1	238.0	
Health Services - Alcohol and Drug Abuse	0	0	0	1	0	0	1	210.3	
Health Services - Antelope Valley Cluster	0	0	0	0	0	0	0	596.7	
Health Services - Children's Medical Services	0	0	0	0	0	0	0	962.7	
Health Services - Coastal Cluster	1	0	0	1	0	0	2	3,273.6	
Health Services - Health Services Admin	2	0	0	0	0	0	2	1,440.3	
Health Services - Juvenile Court	0	0	0	0	0	0	0	190.3	
Health Services - LAC+USC Healthcare Network	2	0	0	1	0	0	3	7,829.9	
Health Services - Office of Managed Care	1	0	0	0	0	0	1	191.0	
Health Services - Public Health Programs	3	0	0	3	0	0	6	2,674.6	
Health Services - Rancho Los Amigos	2	0	0	0	0	0	2	1,392.7	
Health Services - San Fernando Valley Cluster	0	0	0	2	0	0	2	2,118.0	
Health Services - Southwest Cluster	2	0	0	1	0	0	3	3,228.5	
Health Services - Systems Recovery Unit	0	0	0	0	0	0	0		
Human Relations Commission	1	0	0	0	0	0	1	22.0	
Human Resources	20	0	8	19	0	0	49	245.0	
Internal Services	24	6	1	22	5	0	58	2,307.0	

Hiring and Promotion Requests
Fiscal Year 2004-05
1st Quarter (July - September)

Department	Hires		Promotions		Total Request	Budgeted Positions
	Approved	Denied	Approved	Denied		
Mental Health	52	2	0	0	0	2,861.6
Military and Veterans Affairs	3	0	0	0	0	25.5
Museum of Arts	0	0	0	0	0	48.0
Museum of Natural History	0	0	0	0	0	42.0
Office of Ombudsman	0	0	0	0	0	9.0
Office of Public Safety	32	2	0	1	0	633.0
Parks and Recreation	44	1	0	0	0	1,238.8
Probation	49	4	0	0	0	5,028.0
Public Defender	21	0	0	0	0	1,019.0
Public Library	0	0	0	0	0	870.1
Public Social Services	77	4	0	0	0	13,361.0
Public Works	0	0	0	0	0	3,964.0
Regional Planning	5	0	0	0	0	137.0
Registrar-Recorder/County Clerk	2,716	4	114	2	3	961.0
Sheriff	349	0	0	69	1	15,591.0
Superior Court	0	0	0	0	0	48.0
Treasurer and Tax Collector	20	1	0	13	0	539.0
Trial Courts Summary	0	0	0	0	0	0
Totals	3,699	26	123	553	11	92,871.6