

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 1/29/04
Department Name: Human Resources
Department No.: 064
Agenda Date: 2/10/04
Placement: Administrative
Estimate Time: n/a
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Scott Ullery
Deputy County Administrator

STAFF CONTACT: Scott Turnbull
568-2821

SUBJECT: Extension of Pay Supplement to County Employees Who Have Been Called to Active Military Duty As a Result of the War On Terrorism

Recommendation(s):

That the Board of Supervisors:

A. Approve extension of "Supplement to Military Pay Program" to thirty months and adopt the attached revised resolution for County employees who have been called to active military duty as a result of the War on Terrorism based on the outlined parameters.

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with Goal No. 5. Maintain and Enhance the Quality of Life for all Residents.

Executive Summary and Discussion:

Background

On April 1, 2003 your Board approved the continuation of the "Supplemental Military Pay Program" that was initially implemented on September 25, 2001. This program is similar to the program that was adopted to address County employees called to the Gulf War in 1991. The original military supplement was approved for a six-month period and has since been extended to twenty-four months. To date, your Board has approved a supplement to an employee's military base salary up 100% of their County salary (including their benefit cash allowance and other allowances) for the first year of active military duty in the War on Terror and for the second year of active military service your Board approved a similar military supplement up to 80% of their County compensation. The military supplement program begins after the employee has

exhausted his or her entitlement to 30 days of paid military leave under the California Military and Veterans Code per fiscal year. Due to the ongoing conflicts related to this war, we are requesting that your Board approve an extension of the military supplement pay program for another six month period at the 80% level.

The proposed program requirements are spelled out below.

1. Eligibility

A. The program is for any regular County employee who is ordered to active military duty as a result of the War on Terrorism including all related conflicts, which for purposes of this program commenced on September 11, 2001.

B. An employee qualifies for program benefits after all paid military leave in accordance with Military and Veterans Code Sections 395.01 and 395.02 has been exhausted.

2. Duration

A. Supplemental pay shall cease on the date the employee officially is released from active military duty or at the end of 30 months of military pay supplement (following the initial 30 calendar days of full salary as specified in Military and Veterans Code 395.01 and 395.02), whichever occurs earlier.

B. Supplemental pay may be extended beyond what is authorized here pursuant to the sole discretion of the Board of Supervisors.

3. Compensation and Benefits

A. The amount paid to the employee will be the difference between the employee's biweekly pay including benefit allowance, special duty or other pay allowances and the base military pay, excluding other military allowances, for the first 12 months. The military supplement after 12 months and up to 30 months will pay the difference between 80% of the employee's biweekly pay including benefit allowance, special duty or other pay allowances and the base military pay, excluding other military allowances.

B. If the employee's military base pay exceeds the County's pay as defined above (or 80% of the County's pay as defined above for months 13 through 30), the employee will receive no paid leave benefits under this program.

C. While eligible for a military pay supplement, the County will continue to pay its full required contribution each pay period toward the County retirement program and the employee shall contribute the required employee contribution. Retirement contributions shall be made during this period only if the employee's military pay supplement is sufficient to cover the employee's contribution. Upon return from military leave, if there was no military pay supplement or the supplement was insufficient to make the full required contributions, the County Auditor-Controller shall withhold contributions based on the member's salary at the time the leave commenced equal to the number of pay periods for which no retirement contributions were made. However, the employee may, within 90 days of reinstatement, elect not to make the additional contributions nor receive the corresponding service credit.

D. During the full period of active military duty leave the County shall contribute its full required premium for employee health insurance and, if sufficient military pay supplement is available, the employee shall pay their required premium contributions for self or dependent coverage. Employees under this program are eligible to discontinue dependent coverage during military leave and reinstate coverage upon return to work or to pay their required premiums directly to the Human Resources Department during their military leave if no military pay supplement is available.

E. The employee will continue to accrue vacation, sick or other leave benefits at their regular accrual rate.

F. The employee will receive service credit for layoff purposes during the period of military leave.

4. Condition of Payment

A. Employee must use all compensatory time, but not vacation or holiday accruals, before military pay supplement begins. Use of vacation or holiday accruals is optional for the employee and subject to department head approval.

B. The employee will be required to submit to the Auditor-Controller a copy of the orders to active duty and a copy of his/her military pay stub for the sole purpose of determining the amount of supplemental pay.

To avoid potential hardship to employees and their families, however, the Auditor-Controller will continue to issue the employee's full pay until a copy of the employee's active duty orders are received. Upon receipt of active duty orders, supplemental pay amounts will be calculated, and any accumulated overpayments will be recovered by the County via payroll deductions. Any final adjustments, if needed, will be calculated upon receipt of the military pay stub, and any further overpayments recovered accordingly. Affected employees are expected to make every reasonable effort to submit active duty orders and pay stubs to the Auditor-Controller on a timely basis. If these documents are not forthcoming, and no satisfactory explanation is given for the omission, the Auditor-Controller may, at his discretion, withhold all further payroll payments under this program.

The "Supplement to Military Pay Program" parameters outlined in the attached Resolution were developed by the Human Resources Department based on past Board actions and discussions with the current Board.

The program will provide a supplemental salary payment to employees on military leave and is intended to ease the financial burden for those affected County employees and their families.

State government, some other county governments, and the City of Santa Barbara have implemented similar programs for their employees. The City of Santa Barbara's program will be reviewed for continuation again this March.

Fiscal and Facilities Impacts:

The County costs for this program depend on the number of employees participating and the difference between their County pay (including benefit cash and all allowances) and their military base pay.

Information is requested from employees on their military pay in order to calculate the amount of supplemental pay required.

In the first two fiscal years that this program was in place (2001-02 and 2002-03), the County spent approximately \$455,000 in military supplement payments. An additional \$115,000 has been spent in the first six months of 2003-04.

Currently, there are fewer than ten employees receiving a military pay supplement. It is difficult to project how long these employees will continue to serve and how many additional employees may be called to active military duty in the future to serve in the War on Terrorism. The cost of the recommended six-month extension of the benefit period is estimated at no more than \$115,000. At this time only one employee has reached the maximum twenty-four month benefit period and two employees are approaching the current maximum benefit period. Military supplement payments are made from department salary budgets.

Concurrence: County Administrator
County Counsel

cc: All Department Heads
All Employee Organizations

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RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA

IN THE MATTER OF AUTHORIZING) RESOLUTION NO. 04-_____
PAID LEAVE OF ABSENCE FOR)
REGULAR COUNTY EMPLOYEES ORDERED)
TO MILITARY DUTY AS A RESULT OF)
THE WAR ON TERRORISM)
_____)

WHEREAS, public employees ordered to military duty are entitled, pursuant to Military and Veterans Code Section 395.01 and 395.02, to their regular salaries during the first 30 calendar days following their departure for active military duty; and

WHEREAS, certain regular Santa Barbara county employees ordered to active military duty as a result of the War on Terrorism have been ordered to serve a period in excess of 30 calendar days; and

WHEREAS, pursuant to Santa Barbara County Code No. 27-12 (I), the Board of Supervisors by a four-fifths (4/5) vote may grant paid leaves of absence provided it first finds that such leave is in the best interests of the County and does not constitute a gift of public funds; and

WHEREAS, military service is in the public interest and serves the public purpose; and

WHEREAS, this resolution is being implemented in accordance with Military and Veterans Code Section 395.03; and

WHEREAS, it is in the best interests of the County to provide employees paid leave of absence for a maximum period of thirty months as temporary relief from financial hardship and in recognition of the public benefit being performed by those ordered to active military duty to serve in the War On Terrorism; and

WHEREAS, by Resolutions No. 01-313, 02-101, 02-371 and 03-103 the Board of Supervisors authorized a supplemental pay program for employees ordered to active military duty in the War on Terrorism; and

WHEREAS, the Board of Supervisors desires to extend and revise this program;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA AS FOLLOWS:

Resolutions No. 01-313, 02-101, 02-371 and 03-103 are hereby rescinded and replaced as follows.

A regular employee is eligible to receive Military Leave Supplement if called to active duty to serve in the War on Terrorism, which for purposes of this program commenced on September 11, 2001. Paid leave of absence ("Military Leave Supplement") shall commence after the initial 30 calendar days of full salary has been paid as specified in Military and Veterans Code 395.01 and 395.02 for a regular employee who is absent from work due to being ordered to active military duty to serve in the War On Terrorism. Military Leave Supplement shall cease on the date the employee is released from active military duty in the War On Terrorism or at the end of thirty months of paid Military Leave Supplement, whichever occurs earlier. Military Leave Supplement may be extended beyond the thirty months of paid leave, pursuant to the sole discretion of the Board of Supervisors. If an employee is called to serve in the War On Terrorism, temporarily released and recalled, the 30 day full salary under the Military and Veterans Code does not start over, but Military Leave Supplement resumes.

For the first twelve months, Military Leave Supplement is calculated as the difference between the employee's bi-weekly pay including benefit allowance, special duty or other pay allowances, and the base military pay, excluding other allowances. For the next eighteen months, Military Leave Supplement is calculated as the difference between 80% of the employee's bi-weekly pay including benefit allowance,

special duty or other pay allowances, and the base military pay, excluding other allowances. In addition to the Military Leave supplement, the following conditions shall apply.

a) The County shall continue to pay its full required contribution toward the County retirement program and the employee shall contribute the required employee contribution. Retirement contributions shall be made during this period only if the employee's military pay supplement is sufficient to cover the employee's contribution. Upon return from military leave, if there was no military pay supplement or if the supplement was insufficient to make the full required contributions, the County Auditor-Controller shall withhold contributions based on the member's salary at the time the leave commenced equal to the number of pay periods for which no retirement contributions were made. However, the employee may, within 90 days of reinstatement, elect not to make the additional contributions nor receive the corresponding credit.

b) The County shall continue to contribute its full required premium for employee health insurance and, if sufficient military pay supplement is available, the employee shall pay full premium contributions for self or dependent coverage. Employees are eligible to discontinue their dependent coverage during military leave and reinstate coverage upon return to work or to pay their required premiums directly to the Human Resources Department during their military leave if no military pay supplement is available.

c) The employee will continue to accrue vacation, sick or other leave benefits at their regular accrual rate.

d) The employee will receive service credit for layoff purposes during the period of military leave.

In the event the military base pay exceeds the County's pay as defined above, the employee will receive no paid leave benefits under this resolution but shall be entitled to the conditions in Paragraphs a through d, above.

Payments authorized pursuant to this resolution shall be conditioned on the following:

a) Employees must use all compensatory time (overtime), but not vacation or holiday accruals, before the Military Leave Supplement begins. Use of vacation or holiday accruals is optional for the employee and subject to the department head approval.

b) Prior to issue of any pay warrant, the employee will be required to submit to the Auditor-Controller a copy of the orders to active duty and copies of employee's military pay stubs for the purpose of determining payment amount.

c) The Auditor-Controller is authorized to recover via payroll reduction any overpayments that may occur from miscalculation under this program.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this _____ day of _____, 2004, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

CLERK OF THE BOARD

By: _____
Deputy Clerk

Chair, Board of Supervisors

APPROVED AS TO FORM:
SHANE STARK
COUNTY COUNSEL

By: _____
Deputy County Counsel

APPROVED AS TO FORM:
ROBERT W. GEIS, C.P.A.
AUDITOR-CONTROLLER

By: _____