



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

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

Department Name: Human Resources  
Department No.: 064  
For Agenda Of: 10/24/2006  
Placement: Administrative  
Estimate Time: n/a  
Continued Item: NO  
If Yes, date from:  
Vote Required: 4/5

**TO:** Board of Supervisors  
**FROM:** Department Director(s) Susan Paul, 568-2817  
Contact Info: Scott Turnbull, 568-2821  
**SUBJECT: Extension of Military Pay Supplement for County Employees Called to Active Military Duty**

**County Counsel Concurrence:**

As to form:  Yes  No  N/A

**Auditor-Controller Concurrence:**

As to form:  Yes  No  N/A

**Other Concurrence:** N/A

As to form:  Yes  No  N/A

**Recommended Action(s):**

- a) Approve the extension of the "Supplement to Military Pay Program" military pay supplement from the existing 30 month maximum period of active military duty to an indefinite period per the attached resolution;
- b) Approve the extended level of military pay supplement up to the 80% of an employee's salary including allowances;
- c) Approve the retroactive extension of military pay supplement benefits to two existing employees who reached their 30 month maximum benefit period this year.

**Summary:**

These actions will continue the County's support for employees who are called to active military duty who would otherwise experience a reduction in their family income level and loss of retirement benefits and departmental seniority.

**Background:**

On February 10, 2004, your Board approved the continuation of the "Supplemental Military Pay Program" that was initially implemented on September 25, 2001 following the September 11 tragedies in New York and Washington D.C. The program provides a supplement to an employee's military base pay up to a specified percentage of County earnings. The original military supplement has been extended previously for additional six-month intervals with a maximum benefit period now equaling 30 months. Several other public agencies have

similar pay supplement programs in recognition of the hardship that active military duty places on employees' families.

To date, your Board has approved a supplement to an employee's military base pay up to 100% of their County salary (including their benefit cash allowance and other allowances for the first year of active military duty and up to 80% of their County compensation for the next one and one-half years. The military supplement pay benefit begins after the employee has exhausted his 30 days of paid military leave under the California Military and Veterans Code. In the initial few years following the 9/11 tragedy, there were as many as 22 employees in a single year that received this supplemental pay. In the current year, only 3 employees were eligible and one of those has since returned to work. There are now only two employees who would still be eligible under the program if these recommendations are adopted.

The 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 current war efforts in Middle East, Afganistan and elsewhere, 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 (following the initial 30 calendar days of full salary as specified in Military and Veterans Code 395.01 and 395.02).

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 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 and continuing), 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.

Extension of **Military Pay Supplement for County Employees Called to Active Military Duty**

10/24/2006

Page 4 of 4

**Fiscal and Facilities Impacts:**

Budgeted:  Yes     No

**Fiscal Analysis:**

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund	\$60,000	\$60,000	
State			
Federal			
Fees			
Other:			
Total	\$ 60,000.00	\$ 60,000.00	\$ -

Narrative:

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 the employee on their military pay in order to calculate the amount of supplemental pay required under the program. Over the past 3 years, costs associated with this program have been less than \$60,000 each year. Although it is unknown how many additional employees may be called to active military duty, the program cost for existing two eligible employees would be less than \$60,000 per year.

**Staffing Impact(s):**

**Legal Positions:**  
0

**FTEs:**  
0

**Special Instructions:**

None

**Attachments:**

Resolution Authorizing Military Pay Supplement Program

**Authored by:**

Scott Turnbull, Employee Benefits Manager

**cc:**    All Department Heads  
         All Employee Organizations

F:\everyone\bdletter\2006\102406\064102406.doc

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

IN THE MATTER OF AUTHORIZING ) RESOLUTION NO. 06-\_\_\_\_\_  
PAID LEAVE OF ABSENCE FOR )  
REGULAR COUNTY EMPLOYEES ORDERED )  
TO ACTIVE MILITARY DUTY )  
\_\_\_\_\_ )

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 since the September 11, 2001 tragedy and 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 while on active military duty as temporary relief from financial hardship and in recognition of the public benefit being performed by those ordered to active military duty; and

WHEREAS, by Resolutions No. 01-313, 02-101, 02-371, 03-103 and 04-027 the Board of Supervisors authorized a supplemental pay program for employees ordered to active military duty; 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, 03-103 and 04-027 are hereby rescinded and replaced as follows.

A regular employee is eligible to receive Military Leave Supplement if called to active duty for purposes of this program which 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. Military Leave Supplement shall cease on the date the employee is released from active military duty. Changes to the Military Leave Supplement may be made pursuant to the sole discretion of the Board of Supervisors. If an employee is called to serve on active military duty, 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. After 12 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 \_\_\_\_\_, 2006, 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

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

By: \_\_\_\_\_  
Deputy County Counsel

By: \_\_\_\_\_