

Managed Hiring Retirement/Voluntary Separation Incentive Program



San Mateo County Community College District

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Introduction

- Can you keep morale from dropping during this economic time?
- Is there a way to avoid laying off employees but still save the District money?

Yes!

- The San Mateo County Community College District (SMCCCD) has been successful at doing this through its Managed Hiring Process.

Agenda

- What is Managed Hiring?
- Goals of Managed Hiring
- Managed Hiring Overview
- Managed Hiring Process
- Managed Hiring Incentive Plan
- Incentives to Create Vacancies
 - Retirement Incentives
 - Voluntary Separation Incentives
- Summary
- Q&A

What is Managed Hiring?

- A process to maximize resources through prioritization of essential job openings, reclassifications, and reorganization of staff.
- When managed efficiently this process can reduce operating expenses and avoid laying off employees.

Goals of Managed Hiring

- Have a plan - create a team and build trust.
- Communicate!
- Save people and avoid layoffs, bumping and March 15th notices.
- Give people a timely notice that their positions/programs will be reduced or eliminated.
- Offer choices, options, and incentives.
- Develop clear, fair processes and procedures.
- Expedite the process with as little bureaucracy as possible.
- Have a timeline and follow an established plan but remain flexible.

Managed Hiring Overview

- Using Staffing Plans, the Colleges will identify vacant positions to be filled, positions targeted for elimination; and programs and services slated for elimination and/or reorganization.
- All vacant positions that are to be budgeted must be included in the current year's staffing plans.
- A managed hiring team led by the head of Human Resources will provide overview and direction to the elimination of positions, the creation of new jobs, job descriptions, etc.
- Identify a key campus person to act as a liaison with the Managed Hiring Team.
- Determine less essential positions creating vacancies
- Notify those individuals
 - Case-by-case

Managed Hiring Overview (Continued)

- Related cost-cutting measures:
 - Separation of temporary staff and student assistants not funded by Financial Aid
 - Delay filling vacant positions
 - Position reorganization

Managed Hiring Process

- Human Resources ensures all decisions are consistent with policies while meeting the needs of the business and department functions/services.
- The Managed Hiring Team prepares a list of all positions to be eliminated and a list of those employees who are impacted by the position eliminations.
- All vacant positions will be posted internally, and all employees will be eligible to apply for any vacant position for which they are qualified.
- Employees are contacted by Human Resources and/or their Department Management to review the employee's options and answer any questions.

Managed Hiring Process (Continued)

- The Managed Hiring Team will conduct in-depth interviews with managers who have targeted reductions to identify how work will be accomplished, and what skill needs are necessary for new or vacant positions.
- After selections have been made, a second round of openings will be determined—those positions not filled in round one and those positions made vacant because of employee movement. This list will be posted to targeted employees who were not placed in round one and whose positions will be eliminated.
- As a final round, remaining targeted employees will be placed.
- Management and Human Resources work together in efforts to place these employees or offer them an Incentive Package which will be discussed on the next page.

Managed Hiring Incentive Plan

- District employees are offered incentives during the Managed Hiring Process.
 - Retirement Incentives
 - Voluntary Resignation Incentives
- Incentive programs should provide sufficient position vacancies to redistribute/relocate positions where the need exists; reorganize work processes (primarily for classified positions) and reorganize/restructure jobs, programs, and services.
- Employees acceptance of incentives is critical to the success of Managed Hiring.

Managed Hiring Incentive Plan (Continued)

- For example, the District is targeting a low of 10 certificated employees to a high of 15, and a low of 20 classified employees to a high of 30.
- The potential savings that could be achieved through an incentive program could be \$2.25 million to a high of \$3.0 million.
- The one-time expense to achieve the reductions ranges from \$700,000 to a high of \$1.5 million.
- Net savings in the first year ranges from \$1.55 million to \$3.0 million.

Incentives to Create Vacancies

- Retirement Incentives
 - There will be a one time opportunity for employees who have not reached “magic 75” to elect to retire with lifetime health benefits if they are at least age 55 and have at least 15 years of service, such that the combination of age and years of service is between 70 and 74 as of June 30, 2009. The District will treat such individuals as if they had achieved “magic 75”.
- Employees must notify the District in writing of their desire to participate in the retirement incentive program no later than March 31, 2009. Such an election is irrevocable.
- Voluntary Separation Incentives

Retirement Incentive Plan

- Employees eligible to retire under the current contractual provisions who participate may elect payments as follows:

	Option 1		Option 2		Option 3		Option 4	
Employee Classification	Lump Sum (Payment in 08/2009)	or	Installments (Payment in 8/2009 and 4/2010)	or	Lump Sum (Payment in 2010)	or	403(b) or 457 Account (Pre-Tax) Payment	Comments
CERTIFICATED	\$30,000		\$15,000		\$30,000		\$30,000	Offered a one time retirement incentive of a cash bonus payment of \$30,000 (pro-rated for less than full service).
CLASSIFIED	\$20,000		\$10,000		\$20,000		\$20,000	Offered a one time retirement incentive of a cash bonus payment of \$20,000 (pro-rated for less than full service).
ADMINISTRATORS SMCCCD	\$30,000		\$15,000		\$30,000		\$30,000	Offered a one time retirement incentive of a cash bonus payment of \$30,000 (pro-rated for less than full service).

Voluntary Separation Incentive Plan

- Regular full-time and part-time employees, have a one time separation incentive program for employees who do not qualify for the retirement incentives above.
- Payment is \$1,250 for each year of service to a maximum of \$18,750 (15 years) to each qualifying employee who volunteers to vacate his/her position.
- Such an election must be in writing to the District no later than March 31, 2009, and the election is irrevocable.

Summary

- Announce Managed Hiring Plan
- Work with Team
- Finalize Staffing Plans
- Finalize Incentives Program
- Identify Budget/Allocation Reductions; Develop Staff Training/Retraining Programs for Targeted Individuals/Programs/Services
- Conclude Managed Hiring Placement of Employees
- Staffing Plans Finalized

Q&A

- **Questions / Comments**