

**MEMORANDUM  
PERSONNEL DEPARTMENT  
COUNTY OF PLACER**

**To:** Board of Supervisors  
**From:** Nancy Nittler, Personnel Director *NH*  
**Date:** March 24, 2009  
**Subject:** Approve Budget Revision – Unemployment Insurance Fund

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**RECOMMENDATION:**

It is recommended that your Board approve the attached budget revision increasing the Unemployment Insurance fund appropriation and canceling reserves in the amount of \$200,000 to pay for increased employee claims this fiscal year 2008-2009.

**INFORMATION & BACKGROUND:**

Placer County is self-insured for unemployment insurance. This means the County collects money in a fund and reimburses the State for any benefits paid on the County's behalf. Benefits are available to claimants regardless of whether or not Placer County is the last employer of record. The amount of benefits available is based upon the claimant's earnings in a 12 month base period beginning some 15 to 17 months before the claim is filed. Therefore, a previous employee who has been hired by another employer after leaving Placer County can become eligible for unemployment benefits payable by Placer County when they leave the next employer. See the attached worksheet for 2007/2008 and 2008/2009 for specific claim information. The maximum claim amount currently available to claimants is \$475.00 per week for up to 26 weeks.

In prior years unemployment claims averaged \$220,000 per year, in fiscal year 2008-09 claims are projected to be \$400,000 due to the current economic downturn. We have set aside funds as a contingency for this type of circumstance. At the time of the adoption of the FY 2008-09 budget this level of unemployment claims was not foreseen. It is therefore necessary to increase appropriations by \$200,000 in the Unemployment Insurance budget from Unemployment Insurance Fund reserves to pay the remaining claims costs for the year.

**FISCAL IMPACT:**

Approximately \$400,000 has been reserved for contingencies within the Unemployment Insurance budget. Once the budget revision has been approved approximately \$200,000 will remain in reserves for fiscal year 2008-09. The requested budget revision should adequately cover all claims costs in fiscal year 2008-09.

The 2009-10 proposed Unemployment Insurance budget includes a minimal payroll increase (.385%) to departments increasing this fund to appropriately cover anticipated claims costs. Once the 09-10 budget is approved, the increase will go into effect July 1, 2009.

March 24, 2009 BOS Item

Attachment

**Unemployment Insurance Claim Information - Placer County**

**Fiscal year 2007/2008 and 2008/2009 as of 3-1-09**

	2007/2008	2008/2009
<b><u>Total Claims</u></b>	139	156
Permanent Employees	74	61
Extra-Help Employees	65	95

**Claim Type (1)**

Base Period	69	76
Last Employer	49	55
Renewed Claims (Extra-Help)	21	25
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	139	156

**Top 3 Claim Categories for Termination with Placer County in evaluated claims**

1. Extra-Help Employees ended assignment	55%
3. Termination (Voluntary or Involuntary)	25%
2. Employees Released On Probation	20%
	<hr/>
	100%

**Departments with the highest number of claims**

38% of the total claims are from Health and Human Services

11% of the total claims are from the Sheriff's Department

11% of the total claims are from the Facility Services Department

9% of the total claims are from Public Works

7% of the total claims are from the Probation Department

24% of the remaining claims are from 13 other departments with smaller numbers.

**(1) Definition of Claim Types:**

Base Period = 12 months beginning 15-17 months before a claim is filed.

Last Employer = Base Period in which claim is filed with the last employer.

Renewed Claims = Typically when another claim has been filed previously with same employer. (Often seasonal extra-help employees.)

PAS DOCUMENT NO.

**BUDGET REVISION**

**POST DATE:**

- Cash Transfer Required
- Reserve Cancellation Required  
FUND 270, SF 500, GL 2420552000
- Establish Reserve Required

- Auditor-Controller
- County Executive
- Board of Supervisors

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
17	BR	200,000.00	1

ESTIMATED REVENUE ADJUSTMENT										APPROPRIATION ADJUSTMENT												
DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	
											17	014		270	500	000040	14006	3923				200,000.00
<b>TOTAL</b>										0.00	<b>TOTAL</b>										200,000.00	

REASON FOR REVISION: Employee Claims exceed budget.

Prepared by Karen Mayer Ext 4059

Department Head *[Signature]*

Board of Supervisors \_\_\_\_\_

Date: 3/4/09

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Budget Revision # \_\_\_\_\_ FOR INDIVIDUAL DEPT USE

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