

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
3.47
(ID # 3495)

MEETING DATE:

Tuesday, February 7, 2017

FROM : HUMAN RESOURCES:

SUBJECT: HUMAN RESOURCES: Temporary Assignment Program Internal Service Fund Rate for Fiscal Year 2017/2018, All District. [\$5,300,000 - Department Budgets 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Assistant County Executive Officer/Human Resources Director's recommendation for Fiscal year 2017/18 Temporary Assistance Program Internal Service Fund rates as attached.

ACTION: Policy

Michael Stock, Assistant CEO/Director of Human Resources


1/30/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: None
Date: February 7, 2017
xc: HR

Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

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BACKGROUND:

Summary

The Temporary Assignment Program (TAP), which includes the Medical Assignment Program

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 5,300,000	\$ 5,300,000	\$ 0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: Departmental Budgets 100%			Budget Adjustment: No	
			For Fiscal Years: 17/18	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary (continued)

(MAP), has been providing temporary staffing upon request to County departments since 1998 and medical per diem staffing since 2004 at significant savings compared to the use of outside staffing agencies and nurse registries.

The current rate methodology for TAP overhead charges mirrors the private industry temporary employment agency model of deriving revenues by applying an agreed upon percentage rate to the compensation earned.

The cost of salary and wages earned by the temporary employees were originally included in the TAP rate, but since fiscal year 2010-2011, these costs have been directly charged to the departments via the payroll system. Temporary employees' timesheets are entered directly into the department's payroll budgets. Various other charges have also been re-directed to departments since FY 2010-2011, such as drug screening, background checks, and physicals. The rate to accommodate all of these costs originally was over 44%, but after re-directing the payroll and the majority of other direct charges, the rate applied exclusively for recruitment, onboarding services, administrative, and supporting operations in fiscal year 2015/2016 was 12.77%. In addition, the TAP outsourcing rate and TAP transition fee were developed most recently to recover the costs of supporting departments that utilize non-county agencies to hire temporary employees. These two fees will continue in FY 2017/18.

The rate methodology has been modified in response to a finding from a State Controller field report that states, "The flat rate percentage does not provide an actual or an equitable charge for the services rendered to the receiving department. The billable rate for TAP must be based on actual costs experienced and not on a flat rate percentage rate of personnel salary." The methodology used is currently being reviewed for approval by the State Controller.

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The rates have been designed to fulfill the cost recovery standards in 2 CFR 225, Appendix C and Appendix E. When a County department submits a temporary recruitment request (job order), the amount charged should reflect the actual costs incurred by the County TAP office for providing the service. Development of pre-determined rates consistent with these principles will better align costs and lend itself to a more predictable departmental budgeting process.

We have developed five cost categories including medical assistance per diem, non-medical temporary, Registrar of Voters election assistance, National Date Festival ticket takers and custodial support, and Student Interns. Recruitment and onboarding costs are aligned with a specific category, while other administrative and operating costs are allocated evenly across all job orders to arrive at the standard rate per category proposed.

One rate per category of recruitment does not adequately represent the service performed since many job orders are cancelled at different phases of the recruitment process. Therefore, we further distinguished four placement categories based on the level of completion. The categories include Active Filled (employee placed in assignment) and three categories for cancelled job orders (Phase 1, Phase 2, and Phase 3 where the process is up to 40%, 75%, and 100% complete). Each rate is per position recruited for.

TAP Rates

Position descriptions	Active Filled	Rates for cancellations		
		40%	75%	100%
		Phase 1	Phase 2	Phase 3
Per diem / medical positions (MAP)	\$ 2,900	\$ 1,160	\$ 2,175	\$ 2,900
Other than per diem / medical positions (TAP)	2,600	1,040	1,950	2,600
Registrar of Voters (ROV)	500	200	375	500
National Date Festival (FAIR)	300	120	225	300
Student Interns (Interns)	400	160	300	400

TAP Outsourcing rate and TAP Transition fee

	Total Charge FY2015/16	Total Charge FY2016/17	Recommended Total Charge FY2017/18
TAP Outsourcing	\$370.85	\$375.85	\$375.85
TAP Transition	\$146.73	\$146.73	\$146.73

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At the end of FY 2013/14, TAP signed contracts with a number of outside staffing agencies to assist in the event TAP could not fill an order fast enough or could not locate a qualified candidate. Outside agencies are not subject to the cost recovery standards set forth by 2 CFR 225, so their rates reflect the private industry model of a flat percentage of wages earned. The rates vary across the different agencies with whom the County has contracted, ranging from 25-45%, depending on a variety of factors. The proposed cost recovery method does not allow for a direct comparison with industry, but it is estimated that the cost of in-house recruitments for TAP services consistently equate to below a 15% private industry rate, which translates to a significant savings to departments utilizing their services.

In FY 2017/18, we estimate that demand for placement of temporary and per diem staff will remain relatively steady to 2015/16 levels used to develop the new methodology due primarily to demand from the Riverside University Health System (RUHS), the Department of Public Social Services (DPSS), and special events such as elections and the Date Festival.

Impact on Residents and Businesses

There is no impact on residents and businesses as these are rates for services provided only to internal County departments.

SUPPLEMENTAL:

Additional Fiscal Information

This will be the first implementation of a new rate methodology. These rates rely solely on the demand of County departments and it is uncertain what impact a new methodology will have on the choices departments will make regarding their use of TAP services.