

ATTACHMENT E
2024-25 Proposed Rates
Human Resources

The Human Resources Department Employee Benefits and Services Division (EBSD) is responsible for administering all County employee benefit programs, including the County's health, dental, vision, salary and tax saving plans, life insurance, and integrated leave programs for active and retired employees, in addition to administering the COBRA benefits to those employees who have lost coverage. To offset costs associated with these programs, an administrative fee is collected from employees for the administration of benefits, which is collected from biweekly payroll deductions. A revenue agreement between the County and the salary savings carrier, Voya, offsets most costs for this program; and tax saving plans are offset by forfeited program funds. Program expenses that are not recovered in full include, but are not limited to, life insurance, combined giving campaign, employee discount programs, tuition loan repayment, Retirement Medical Trust, Affordable Care Act reporting requirements, administration of modified benefit options, leave cash out requests, sick leave conversion, administration of supplemental paid sick leaves, pre-retirement consultations and education, front office staff and other division indirect costs. Overages in these program costs are offset by a departmental recharge rate that was first implemented in Fiscal Year (FY) 2006-07.

EBSD is requesting an increase of \$187,844 (9.87%) to the departmental recharge, from \$1,902,357 in FY 2023-24 to \$2,090,201 in FY 2024-25. The increment is required to maintain current staffing levels and operating expenses. Additionally, a true-up of the FY 2022-23 Rates against actual expenditures incurred, uncovered a shortage totaling \$37,621, which represents 1.98% of the increase. The impact to departments will be a 7.97% increase from the prior cost per position of \$72.64 in FY 2023-24 to \$78.43 in FY 2024-25. The increase is mostly attributed to Board-approved salary and benefit across-the-board increases, but also due to increased personnel costs in unfunded program expenses that do not have an established administrative fee. The department requests approval of the increase to maintain current staffing and operating levels. If the increase is denied, EBSD will not be able to administer many employee benefit programs and would need to delete up-to three positions, which would further increase existing workloads and delay service to active and retired employees.

Approval of the departmental recharge above will have the following departmental and Net County Cost impacts:

2023-24 Recharge	2024-25 Recharge	Change	Estimated Net County Cost	User Department Cost Impact
\$1,902,357	\$2,090,201	\$187,844	\$10,580	\$5.79 increase per budgeted employee due to EBSD increased personnel and operating expense