

AGENDA ITEM

JULY 113 - Vacation Cash Out:
Executive Staff Rule 14.F;

DATE: June 30, 2009

TO: Members, Board Operations Committee
Members, Board of Governors

FROM: Judy Johnson, Executive Director

SUBJECT: Vacation Cash Out Option - 2009 Temporary Amendment of Executive Staff Rule 14.F

EXECUTIVE SUMMARY

Before the Board Operations Committee and the Board of Governors is a proposed temporary 2009 amendment to The Rules and Regulations Pertaining to the Employment of Executive Staff. By this item the Executive Director requests a one-time variation from Executive Staff Rule 14.F [Vacation] to allow, in 2009 only, Executives to cash out a total of four weeks (20 days) of vacation, two more weeks than allowed under Rule 14.F. This is to address the lack of a salary adjustment for Executive Staff in 2008 and 2009. Rule 14.F now allows for vacation to be cashed out in week increments not to exceed a total of two weeks (10 days) per calendar year, in the discretion of the Executive Director. This proposal is for Executives only. Confidential Employees and union staff do not have a vacation cash out entitlement and are not affected by this proposal.

BACKGROUND

The Executive Director is charged with the responsibility of administering State Bar personnel. The Executive Director is guided in this regard by policy statements adopted by the Board of Governors and articulated in the union negotiated Memoranda of Understanding, The Rules & Regulations Pertaining to the Employment of Confidential Employees, and The Rules & Regulations Pertaining to the Employment of Executive Staff. (Board Policy Book, TAB 18 [Staffing], Article 1 [Executive Director], Section 3 [Administration of Personnel]).

Aside from the Executive Director, there are two groups of non-union employees at the State Bar: Executive Staff and Confidential Employees. Executive Staff are the management employees of the State Bar who report to the Executive Director. The terms and conditions of employment for these employees are defined by policy statements adopted by the Board of Governors and articulated in The Rules & Regulations Pertaining to the Employment of Executive Staff (Executive Staff Rules).

The Executive Staff Rules currently provide at Rule 14.F, that an Executive, with the permission of the Executive Director, may cash out up to two weeks of accrued and unused vacation per year. The proposal here expands that allowance for 2009 only, so that up to four weeks of accrued and unused vacation can be cashed out. This reflects the fact that Executives have not received a salary increase for 2008 or 2009.

RECOMMENDATION AND RESOLUTION

Assuming that the Board Operations Committee and the Board concur that the temporary amendment to the Executive Staff Rules proposed here should be adopted, the following resolution is recommended:

RESOLVED, that upon the recommendation of the Board of Governors Operations Committee, the Board of Governors adopts a one-time enhancement to Rule 14.F, Rules & Regulations Pertaining to the Employment of Executive Staff allowing, for 2009 only, the Executive Director to authorize Executives to cash out up to four weeks of accrued and unused vacation

BUDGET/PERSONNEL IMPACT

Out of approximately 60 Executives, approximately 50 would qualify for this benefit by the end of 2009. The maximum budget impact, assuming full utilization, does not exceed \$250,000. Accrued vacation is a vested entitlement. Thus, payment for accrued vacation is due either in paid time off or in cash upon separation. This is a one-time expense in 2009 that diminishes the longer term liability of the State Bar to pay this same amount either in paid time off or in cash upon separation. Full utilization is not expected. Historically, about 20 Executives request cash for vacation annually under the existing Rule 14.F

BOARD POLICY BOOK IMPACT

There are no resulting changes in the Board Policy Book