



Compensated Absences Assignment

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Presented by:

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Focus of the Presentation

- Compensated Absences Assignment Liability
- Compensated Absences Assignment Balance History
- Fiscal Policy Defining Reserve Balance
- Recommendation of Assignment Balance
- Other Funds Analyzed for potential Usage



Compensated Absences Assignment Liability

► Purpose of Assignment

- Designed to cover the cost of retirement or resignation payouts of accrued employee liabilities (Vacation, Sick, and Comp Time) for departments who are **not able to absorb** these costs within their appropriated salary and benefits.



Compensated Absences Liability and Assignment Reserve

Ending Balances	<u>FY 2023-24</u>	<u>FY 2024-25 Est*</u>
■ Natividad Medical Center	\$19M	\$20.7M
■ Governmental (Cnty Dept)	\$50M	\$50M
TOTAL Liability per ACFR	\$69M	\$70.7M

■ Current Compensated Absence Assignment Balance (Governmental Activity)	\$10,430,651 approx. 21%
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*Not verified with Auditor Controller Office for inclusion in the Annual County Financial Report.





Compensated Absences Assignment Reserve Balance (5 Year Activity)

B-3115 - Compensated Absences Assignment	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
BEGINNING BALANCE	8,038,238	0	9,527,138	12,708,427	12,670,138
Addition through Budget/BEYR		9,527,138	3,980,683		
Transfer to PARS 115 Fund	(8,038,138)				
Discretionary Fund Program Allocaiton					(941,160)
BOS Retirement				(28,289)	
Sheriff Office Comp Absences Use			(799,394)		(1,298,327)
ENDING BALANCES	0	9,527,138	12,708,427	12,670,138	10,430,651

Compensated Absences Activity (Governmental Activities)

FISCAL YEAR	Beginning Balance	Work Force Earned	Workforce Paid	Ending Balance	PAID FROM ASSIGNMENT
FY 2023-24	50,428,206	38,042,546	(38,120,427)	50,350,325	-28,289
FY 2022-23	49,814,417	37,102,892	(36,489,103)	50,428,206	-799,394
FY 2021-22	48,075,556	31,972,002	(30,223,141)	49,814,417	0
FY 2020-21	43,254,238	28,525,919	(23,704,601)	48,075,556	-

FY 2024-25 495 Employees Retired or Separated from County Service.

Avg Liability per Employee is \$13k

Estimated Payout for Retirements and Separations \$6-\$8 Million



Reserve Balances – Fiscal Policies

Revenue Reserves

- Strategic Reserve 10% of General Fund Revenues
- Contingencies 1% of General Fund Revenues
- Dept Reserve Balances 10% unless alternate approved

Liability Reserves

- General Liability – None Listed currently at 123% of Liability (FY 2024-25)
- Workers Comp – None Listed Currently at 117% of Liability (FY 2024-25)
- PARS 115 Trust – 100% of Liability Currently at approx. 13%
- Compensated Absences Liability- None Listed currently at 21% of Liability
 - (THIS IS A EXCESS RESERVE)

No specific dollar or percentage benchmark set by Governmental Accounting Standards Board or Government Finance Officers Association.



Contingency Fund Assignment

FY 2025-26 General Fund Contingencies Summary		
	REQUESTS	BALANCE
FY 2025-26 RECOMMENDED BUDGET :		8,738,087
Elections- 2026 Primary election	1,440,000	7,298,087
Board Directed Bud Modifications	1,440,000	7,298,087
FY 2025-26 Adopted Contingencies Budget:		7,298,087
F ID 25-552 ACO -GUSD Facilities Improvement Debt Service Fund	1,087,814	6,210,273
F ID RES 25-106 Contract Purchasing- Reallocation of Positions	149,566	6,060,707
File ID ORD 25-010 Alignment of BOS benefits with Elected Officials in Unit Y	56,042	6,004,665
DEM- HSGP Grant Funds Repaymnt to CalOES	273,403	5,731,262
Health- \$250,000 Outreach Medi-CAL	250,000	5,481,262

