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Municipal layoffs in Southern California: Should seniority outweigh productivity?

Timothy Paul Ousley

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MUNICIPAL LAYOFFS IN SOUTHERN CALIFORNIA:
SHOULD SENIORITY OUTWEIGH PRODUCTIVITY?

A Project
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Public Administration

by
Timothy Paul Ousley

June 1997
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ABSTRACT

Because of various fiscal crises, the underpinnings of which lie in the economic downturn of the 1990s, many cities have been forced to resort to personnel cutbacks in order to balance budgets. No matter what the term—layoffs, downsizing, right-sizing—the process is painful, and can have long-term effects on an organization if handled incorrectly. Driven by economic causes but controlled by collective bargaining agreements, layoffs are a thorny problem for cities in crisis.

Various factors affect the methods by which organizations eliminate personnel. Competing values abound: on one hand, most organizations wish to conduct layoffs in an equitable manner, which normally calls for some sort of seniority-based layoff plan; on the other hand, the organization has a responsibility to both its constituents and to "surviving" employees, and that responsibility pulls the agency toward a performance-based layoff plan. Both have advantages and disadvantages which must be carefully considered if an organization wishes to continue effective operation after downsizing.

This study consists of literature research providing background and basic knowledge on layoff-related issues, and analysis of data obtained through a survey of human resources professionals in 30 mid-size Southern California cities. The survey provided information on the layoff experiences of respondents' cities and the current state of affairs pertaining to layoff policies, procedures and perceptions.

In synopsis, the study concludes that:

- Nearly all cities have layoff policies in place; cities have responded well to policy insufficiencies where layoffs are concerned.
- About ¾ of cities' layoff policies are seniority-based, and about ¼ include both seniority and performance criteria. The study found no Southern California cities using a layoff policy based strictly on performance.
- Despite the types of policies actually in place, most managers prefer performance-based plans. Conversely, labor groups strongly prefer seniority-based plans;
- Procedurally, layoffs are difficult for management to administer, and may require policy adjustments before or during the process;
- The type of layoff plan used by a city is fundamentally a product of management philosophy, subject to political and collective-bargaining constraints and influences.
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CHAPTER 1
THE PROBLEM

Introduction

In the average business week since the beginning of 1991, over 11,000 American workers have learned that they would be losing their jobs. Since 1991, a year in which many theretofore-solid businesses began a downward spiral toward bankruptcy or workforce reduction, the number of layoffs rose, peaking in fiscal year 1992-93, before easing somewhat several years later. The restructuring and downsizing of corporate America continue significantly as the twenty-first century approaches.

These wholesale changes in the way the nation's businesses operate have had far-reaching effects on government's ability to provide services. As the economy spiraled downward, so did revenues available for use by government, especially at the local level. Dwindling revenues have left many cities and counties across the nation entangled in fiscal crises of one sort or another. Jurisdictions in states which have passed tax-limitation laws such as California's Propositions 13 and 218 have been particularly hard-hit. Because of these fiscal crises, many cities and counties have been forced to resort to personnel cutbacks in order to balance budgets.

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No matter what the term—layoff, downsizing, right-sizing—the process is painful, and can have long-term effects on an organization if handled incorrectly. Driven by economic causes but controlled by collective bargaining agreements, layoffs are a thorny problem for cities in crisis.

Various factors affect the methods by which organizations eliminate personnel. Competing values abound: on one hand, most organizations wish to conduct layoffs in an equitable manner, and resort to some sort of seniority-based layoff plan; on the other hand, the organization has a responsibility to both its constituency and the “surviving” employees, and that responsibility can pull an agency toward a performance-based plan. Both strategies have advantages and disadvantages which must be carefully considered if an organization wishes to continue effective operation after downsizing.

This study will accomplish the following:

• Through literature research and interviews, provide background of and basic knowledge on issues involving municipal layoffs;

• Through the survey instrument, determine recent history and the current state of affairs among a sample of Southern California cities with regard to the planning and implementation of layoffs;

• Also through the survey instrument, scrutinize cities’ recent layoff experiences for indicators that one type of layoff policy may be more suitable for cities than another;
Once data are analyzed, determine if enough information exists to construct an ideal model policy for use by public policy makers.

By examining these aspects of municipal layoffs, it should become evident what cities have done correctly, and what they have done incorrectly. Learning from the experiences of others can go a long way toward development of policies that will assist in collective bargaining, reduce liability exposure, and provide for smoother implementation of future layoffs, should they be necessary.

The author, a municipal police manager, chose this topic because of his experiences with layoffs as a practitioner in the public sector. The study is limited to Southern California cities because of various time constraints, and because of the similar social, legal, political and economic environments in which they operate.

Statement of the Problem

The Private Sector

The economic downturn of the early 1990s brought huge changes in the American workforce. Many economists believe that the floundering economy poses as great a threat to American business as did global competition in the sixties and seventies. For example, forecasts by the Bureau of Labor Statistics estimate that base closures and the military-industrial reduction will result in the loss of around 1,300,000 jobs by the end of 1997.

In California, new home construction is down, manufacturing has slowed considerably, and the state’s outlook is the worst in the Western U.S.\(^3\)

Figure 1: Layoffs in the American workforce by year

![Layoffs in the American workforce by year](image)


While national unemployment figures remain low, the impact of corporate restructuring and wholesale layoffs of American workers is tantamount to an epidemic. In a week-long series of feature articles in 1996 entitled “The Downsizing of America: A National Heartache,” The New York Times detailed many of the complex and emotional issues involved.4

Clearly, widespread layoffs can have significant effects on individuals, families and communities, where personal dignity is lost, depression is common and movement to another job market is all too frequent.5 They can create disruption in the workplace, where employees compete with each other for remaining positions, are less loyal to the organization and work longer hours in a more-stressful environment.6 And they can have political and economic consequences, where politicians and community leaders look to various—and sometimes desperate—remedies for salvation.7

Ironically, unemployment figures are seemingly unaffected by this trend toward downsizing. Studies suggest, however, that while most laid-off workers will find new jobs, they will receive lower salaries, and that while companies are laying off employees, they are often hiring in greater numbers, again at lower salaries. This indicates that at

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7Uchitelle and Kleinfield, 8 March 1996, A1; and Grover, 29.
least in part, downsizing in the private sector is “driven by changing strategies rather than by lower profits.”

The Public Sector

When compared to the private-sector manager faced with a shrinking budget, the task of the public manager can be described (as is the case in many aspects of public administration) rather sardonically as “similar, but different.” We know that public administration has adopted practices developed in the private sector, and vice-versa. We also know that management in the public and private sectors contain both similar and dissimilar issues, methods and influences. One postulate favoring the dichotomy bloc holds that “public and private management are fundamentally alike in all unimportant aspects.” But Bozeman and Straussman challenge the notion that a dichotomy exists:

Our argument is simple: public managers have multiple objectives in resource management, objectives that sometimes conflict. Among these objectives, the most prominent are: (1) to increase the amount of resources, (2) to have stable growth, and (3) to maintain autonomy and control over resources. Indeed, these are generally the same objectives as those of private sector managers; they are simply accomplished by somewhat different strategies.

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8 Arnst, N. pag.


10 Wallace Sayre, quoted in Levine, Peters and Thompson, 274.

Regardless of the public- vs. private-sector dichotomy debate, events in the private sector drive much of what occurs in the public sector. As service-oriented employment replaces manufacturing, there is a shift in revenue generation and a net loss in revenues at the state and local levels. Since (unlike many businesses) funding for personal services can reach 80 percent or more of the public agency budget, there may be little else to cut from the agency's operating expenses.

Moreover, as the state lowers the amount of revenues passed on to local governments, and as the local fiscal picture changes, many cities must reduce their workforce in order to balance their budgets. Indeed, of those U.S. cities with populations over 300,000, more than two-thirds were forced to lay off workers in FY 1992-93. For many cities, such instability is a new challenge.

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15 Grover, 29.
Often, municipal governments implement alternatives—sometimes desperate ones—until layoffs are no longer avoidable. These “innovations” can include “cutting program funds, canceling or deferring capital projects and maintenance; negotiating wage and benefit concessions from employees; leaving positions unfilled; furloughs; and implementing early retirement programs.” But each wave of layoffs leaves cities with fewer such innovations to rely upon.

While innovation and coping strategies are more prevalent at local levels of government, and while most citizens prefer that government programs be administered at the local or state levels, there is still a widespread disaffection toward taxes with which to pay for such programs. And the situation is worse for cities in states such as California, Massachusetts, Oregon and Colorado, each of which has seen tax-limitation measures passed. There, such states are increasingly unable to pass funds through to local

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16 Locally, the author has observed such desperate measures as annual budgets with huge deficits; widespread use of one-time revenues for continuing expenditures; obliteration of unallocated reserves; and the ethically-questionable practice of allowing large developers to specify a planner favorable to their projects by paying the planner’s salary to avoid his/her layoff.


18 Ibid., 30.

governments. These factors point to the unmistakable conclusion that governments at many levels will continue to suffer fiscal crises which will result in the need to cut services and reduce the work force in order to balance budgets.

Methods by Which Cities Eliminate Personnel

Cutbacks in services and personnel add a significant increase to the workloads of most managers in the organization, and to key departments, most notably human resources or personnel departments. Although driven by dwindling revenues, layoff policies in California cities are subject to collective bargaining agreements—or at least to meet-and-confer sessions prior to enactment of the policies—and may pose problems for administrators who arrived on the scene after the adoption of policies which restrict cities’ options.

Organizations implementing personnel cutbacks face competing values:

1. If the agency is to maximize savings realized through downsizing, managers should be able to implement the cuts quickly. Attendant policies should be objective, equitable (to minimize process-delaying grievances), and easily-implemented. Seniority-based layoff plans (last-hired, first-fired) have greater utility in these aspects.


\[\text{21}^\ast\text{California, Meyers-Milias-Brown Act, Government Code, sec. 3500-3510. (Internet: http://www.leginfo.ca.gov/cgi-bin/waisgate).}\]
1. If the agency places significant emphasis on responsibility to its constituency, it must consider the make-up of the post-layoff workforce. Layoff policies should focus on the productivity and abilities of workers, so that the most-efficient workers survive the cuts. Productivity-based layoff plans are more effective in these aspects.

2. By the time downsizing becomes necessary, agencies should already have concluded collective bargaining sessions and have a well-considered layoff policy in place. Without such a policy, agencies are faced with lengthy and painful bargaining sessions which will delay the implementation of layoffs, thereby costing the agency funds it can ill-afford to lose.

**Research Questions and Assumptions**

1. What is the current state of affairs with regard to municipal layoffs in Southern California? What types of policies are in use?

2. Where layoffs have occurred, what policy and procedural issues were involved?

3. Were policy changes necessary, and if so, when were they made, and how problematic were the meet-and-confer sessions?

4. Are there ethical or equity issues involved?
   a. Who are the stakeholders, and were trade-offs involved?

5. What factors explain the types of layoff systems used by respondent agencies?

6. Is one type of plan more suitable? Can a useful model be constructed?

7. Is this any more than a political question or collective bargaining issue?
Significance of the Study

This study is designed to provide policy-makers with the current state of affairs in some of the cities in Southern California, with regard to downsizing policies and experiences. It should give managers a head start on resolving areas of potential liability, so that effective policies can be in place before layoffs become an issue. Finally, if enough data exist, the study may provide a model policy for future use by managers.

Scope and Limitations of the Study

While layoff policies are a relatively narrow aspect of the total public administration picture, they can become critically important, and have long-term effects, when a public agency is faced with the unenviable task of eliminating positions.

This study is limited to cities as the author is a municipal police manager, therefore the scope of the study lies within his field of interest. It is further limited to mid-size cities in Southern California due to the similar social, legal, political and economic environments in which they operate. Some related topics, such as EEOC requirements, grievance procedures, and the mechanics of the collective bargaining process are closely connected to the subject area, but were judged too broad for scrutiny in this work.

Definition of Key Terms

Bumping Rights (or “Retreat Rights”): The privilege of a laid-off employee to fill the position of an employee with less seniority, usually in the same career ladder. The newly-displaced employee may in turn have bumping rights of his/her own, which can lead to multiple and complex re-iterations of the bumping process.
Career Ladder: Jobs with similar functions which fall within a normal promotional progression. One such group could be: Administrative Clerk I, Administrative Clerk II, Secretary, Department Secretary, Executive Secretary.

Performance-Based Layoff Procedure: A procedure based on the job performance of at-risk employees, measured according to the results of performance reviews and department or classification ranking. Such factors as ability and job performance generally override seniority in determining the order of layoff.

Seniority-Based Layoff Procedure: Sometimes referred to as “last-hired, first-fired,” this procedure is generally based on the employee’s time in service, measured from the employees hire date. Depending on the needs of the organization, seniority may also be measured within current grade or position level.

Suitability of Layoff Policy: There are a great many factors one might consider and apply when judging the suitability of a layoff policy, much of which is subjective. For purposes of this study, a layoff policy is deemed “more suitable” for use by cities if:

- It is in place well in advance of cutbacks;
- It has been reached in good faith through the collective bargaining process and is properly documented in the city’s personnel rules or memoranda of understanding;
- Bumping is minimized so as to facilitate quick implementation of layoffs and reduce re-iterations of the bumping process;

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• It effectively reduces employee unrest, grievances and litigation;
• It addresses the agency's clientele and workers who survive the layoff process.
CHAPTER 2

REVIEW OF THE LITERATURE

Availability of Literature

While most libraries, especially academic libraries, have a profusion of human resource material, much of that dealing with policy evaluation is dated. Layoffs became a serious human resources issue in the public sector after 1990. Because layoffs were not a major issue during earlier years, little has been written to help public administrators deal with issues such as maintaining EEOC requirements during layoff episodes, how best to reduce liability exposure, etc.

Here, research material is grouped along the aforementioned policy lines (performance- and seniority-based systems), with the understanding that hybrid systems do exist. A few policies are examined in detail; those of some other agencies are examined strictly for relevant content in the limited scope of this study.

Seniority-Based Layoff Plans

In some organizations, especially those where layoff plans are part of the labor agreement or the current policy is especially dated, seniority may be the exclusive consideration when layoffs occur. The City of Santa Monica’s layoff policy is clear and concise: “All layoffs shall be governed by seniority in the reverse order of employment.
Re-employment shall be in the reverse order of the layoffs." The author’s research uncovered a number of policies similar to that of Santa Monica—in which seniority is the sole basis for determining order of layoff—but seniority considerations are also present in hybrid plans.

General Characteristics of Seniority-Based Layoff Plans

Notification

Affected employees are generally entitled to about ten working days notification prior to layoff. Recognized employee bargaining groups are provided with a copy of the layoff plan early in the process.

Order of Layoff

Layoffs among regular employees are made on the basis of seniority. In the event of a tie between two or more employees, some tie-breaker may be employed, such as determination by the department head or city manager.

Often, before any reduction in the workforce of regular employees occurs, policies or bargaining agreements may require that all extra-help, seasonal, temporary, provisional, probationary or other individuals without regular status in the affected classification be released. Employees may be required to meet minimum qualifications and other requirements of any positions they fill by exercising bumping rights.

In many cases, regular employees whose positions have been deleted are allowed to exercise their options, in order of seniority, to bump into any one of the filled junior

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23Santa Monica, CA, Municipal Code (1948), art. XI, sec. 1109.
classifications within the career ladder or into a position they previously held, even if outside their current career ladder. They are generally placed on a re-employment list for the position they formerly held, but policy varies from city to city, especially in the area of bumping rights. For example, in Fontana, if an employee elects not to bump into such a position, or if bumping results in an assignment which the employee considers to be undesirable, the employee may request a leave of absence, and placement on the re-employment list for their old position.24

Similarly, in Rialto, displaced employees are placed on a re-employment list for their old position, but employees who have job performance ratings of satisfactory or better receive re-hire preference over those employees with sub-standard evaluations, without regard to seniority. Moreover, after a Rialto city worker has been laid off and elects to bump into a lower classification, they are exempt from any further layoff. However, if an employee promotes out of a bargaining group, they lose any bump-down rights back into the group, should their higher position be eliminated.25

Exceptions to Order of Layoff

Most government agencies have positions staffed by individuals with special qualifications or experience. In those cases, policies may allow a department head or executive to petition for an exception to the order of layoff, usually to the legislative body (city council). Interested parties may be allowed to address the legislative body, and

24City of Fontana, Layoff Procedures, 3.

usually the decision of such body is final, although any involuntary separation from service can invite redress through the courts.

**Employees' Rights While on Layoff**

If vacancies occur, employees are generally allowed to return to their former positions, or similar positions, in inverse order of layoff. Lives of such re-employment lists vary, but are typically one to two years. Additionally, laid-off workers are often afforded initial consideration for appointment to vacant positions within their previous department or classification, even though they are outside the classification formerly held.

**Advantages of Seniority-Based Plans**

Seniority-based layoff procedures encourage and add value to employee stability and loyalty, especially from the perspective of the employee. They also provide a measure of job security for the most senior employees, which is of critical importance to both FLSA-exempt and non-exempt employees.

Employees with long tenure in the organization help provide corporate memory and important continuity in providing service to the community. Cities with large

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turnovers of long-time employees experience a greater number of continuity-of-service problems. Seniority-based plans are also simpler and generally more objective in their implementation—most hire dates are firmly established, and they are not muddied by complex and debatable performance appraisal systems.

Ohio State University Economics Professor Patricia B. Reagan raises the issue of training as well. In her complicated mathematical model of human capital and layoff by inverse seniority, she concludes that:

All workers live through three periods of work life. In the first period, they are inexperienced. At the end of that period the workers probabilistically acquire a fixed amount of firm-specific human capital that makes them equally productive in the remaining two periods of their lives. Experienced workers train new hires and transmit to them their firm-specific human capital. If experienced workers compete for scarce jobs with the workers whom they train, they will sabotage the training process. Therefore, a layoff policy based entirely or partially on seniority deters sabotage and is more efficient than a purely wage-based layoff policy.

Disadvantages of Seniority-Based Plans

One of the major disadvantages of emphasizing seniority is that less-competent employees receive the same rewards and security as those who are more competent. Hence, there is less incentive for employees in a distressed work environment to perform to their fullest capacity.

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28City Manager Henry Garcia of Azusa, interview by author, 13 January, 1997, Azusa, CA.

Also, there is serious concern about disparate impact on women and minority workers, who often have less time on the job, and are therefore likely to be the first employees laid off. One suggested remedy is the coding of employee information to allow ranking of employees by persons who will be uninformed as to their names, races, sexes, etc. This may not be equitable in organizations of several hundred employees or fewer, since a ranking panel would likely be able to connect names and positions.

The Supreme Court has rendered decisions in two cases with disparate impact themes. In a classic no-win situation, the City of Memphis was named in a reverse-discrimination action after skirting its own seniority-based layoff policy in order to retain three minority workers who were hired under a court-ordered consent decree. The court held that “it is inappropriate to deny an innocent employee the benefits of seniority in order to remedy the misdeeds of the organization.”

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30“Disparate impact” refers to the rejection for employment, placement or promotion of a significantly higher percentage of a protected class when compared to a non-protected class. Disparate impact during layoffs refers to the disproportional displacement of a protected class, who likely were hired in greater proportions in more recent years. Arthur W. Sherman, Jr. and George W. Bohlander, Managing Human Resources (Ohio: South-Western, 1992), 151; and Thomas T. Vogel, Jr., “Job Ax Wounds Blacks In Government—Growing Wave of Layoffs Has Disproportionate Effect,” Wall Street Journal, 25 August 1995: A2.

31Sherman and Bohlander, 151.

32Foxman and Polsky, 6.


34Sylvia, 89-90.
In the second case, a plan requiring race-proportional layoffs which was negotiated by management and union members, was rejected by the court. Drawing a distinction between innocent victims (in this case, whites) of discriminatory practices in hiring and those in layoffs, Justice Powell wrote:

In cases involving valid hiring goals, the burden to be borne by innocent individuals is diffused to a considerable extent among society generally. Though hiring goals may burden some innocent individuals, they simply do not impose the same kind of injury that layoffs impose. Denial of a future employment opportunity is not as intrusive as loss of an existing job.\(^\text{35}\)

Additionally, the bumping rights afforded employees by most seniority-based layoff policies generally require layer upon layer of notifications and transfers, which can extend a seemingly-simple process for months. In one downsizing episode, an agency was cutting only 16 positions, but four months later 70 employees’ positions had been affected by the layoffs and subsequent bumping.\(^\text{36}\)

A strident opponent of bumping rights, Maryland’s Secretary of Personnel Hilda Ford says that “bumping is a very complex and lengthy process that becomes so costly that it eats up potential savings. It’s just not an efficient way to act.”\(^\text{37}\)

The complexity of the bumping process in a seniority-based layoff policy is demonstrated in a “Layoff Policy Handbook” issued by the City of Glendale’s Personnel


\(^{37}\)Hilda Ford, quoted in Walters, “Myth”, 32.
Division. In this document, it takes twenty-seven pages to explain the city’s layoff policy. Nonetheless, the handbook is a comprehensive look at a seniority-based layoff plan, and is included as Appendix A of this study.

Performance-Based Layoff Plans

Where performance, rather than seniority, is the primary consideration in layoff policy, other factors are involved.

General Characteristics of Performance-Based Plans

Notification

Employees are given notice of layoff in advance of termination, with the proposed date of termination listed.

Layoff Procedure

In performance-based plans, such factors as ability and fitness take precedence over seniority in determining layoffs. Generally, employees are selected for layoff according to subjective criteria such as performance reviews, comparative abilities to perform tasks, specialized skills and education, and future worth to the organization.

Not surprisingly, the equitable identification of such factors as these can be problematic. In an innovative plan, the University of Colorado at Denver has developed a “Layoff Matrix Process” wherein three years of performance ratings and “business necessity” (importance of the position to the employer, as evaluated by vice-chancellors)

\[\text{\[\text{\footnotesize{\textsuperscript{38}}City of Glendale Personnel Division, \textit{Layoff Policy Handbook}, 1 July, 1993, 1-27.}}\]}

\[\text{\footnotesize{\textsuperscript{39}Cross, 17.}}\]
are each scored and given equal weight in the final determination. There are a series of tie-breakers, which include: administration of the layoff “in such a way as to minimize underutilization,” making the layoff in the area of the vice-chancellor who initiated the original layoff (which could be referred to as the “serves you right” clause); and finally referral to the numerical score of the most recent performance appraisal.40

Advantages of Performance-Based Plans

Chief among their advantages is emphasis on performance, and the organizational benefits which accompany that emphasis. Given the varied performance levels of individual employees, it follows that when an agency lays off employees, the agency will be proportionally more efficient if it keeps its most competent employees and lays off those with a history of poor performance or disciplinary actions.

By its very nature, the performance-based plan should fall more closely within EEOC guidelines, in that equal employment opportunity practices have been more effective in recent years and a seniority-based plan can decimate recent gains.41 However, it remains very important for developers of the layoff plan to ensure its fairness, especially in light of the Firefighters’ Local and Jackson Board of Education cases mentioned earlier.


41Sylvia, 133.
Disadvantages of Performance-Based Plans

The overriding concern of such plans is their fairness. This often comes down to the question of whether the agency's performance appraisal system is accurate and equitably applied; if not, grievances and civil litigation may result. Research indicates that many personnel managers do not have strong confidence in the performance appraisal processes of their own organizations, and that normally, layoffs were not an issue when most personnel policies—including their accompanying performance appraisal systems—were formulated. Many argue that "performance appraisal as a method of studying what an employee (or team) has accomplished in the past is expensive, has limited value, and may even be dysfunctional for improving future performance."  

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44 Arie Halachmi, "From Performance Appraisal to Performance Targeting," Public Personnel Management 22 (Summer, 1993): 323-44.
Further, there is evidence that there can be racial, gender, social and organizational biases which affect the fairness of performance appraisals.

In practice, formal performance appraisals can have various weaknesses:

- Rater-bias, subjectivity and prejudicial issues, as indicated above;
- Performance ratings are sometimes not job-related, with performance standards developed through job analysis;
- Frequently, supervisors receive little or no training in how to use the appraisal forms correctly;
- If ratees mistrust the evaluation system, their hostility can result in reluctance by raters to use the system to its fullest advantage, which further erodes the trust;
- The writing ability of supervisors can affect the appraisals they write.

Where problems such as these exist, performance-based layoff procedures do not promote loyalty or stability among employees, especially where layoffs are imminent.

45 Vogel, A2.


49 Personal observations of the author.
Also, the training-sabotage problem addressed earlier can exist and serve to retard the ongoing training process.

Finally, the collective bargaining process surrounding the formulation of performance-based and hybrid plans can be quite painful to an organization. From 1994 to 1996, the City of Fontana and several labor groups were involved in protracted and sometimes unpleasant negotiations in an attempt by the city to implement a performance-based—or at minimum a hybrid—layoff plan. The observations of some of the players in that process convey their concerns well:

From the labor perspective, workers are concerned about the fairness of any performance-based plan, and are quick to point out that perceived inequities in day-to-day operations can easily be expected to spill over into layoff-versus-retention decision-making by management. Unions agree that in a perfect world, performance should have some weight in layoff procedures, but add that the inequities involved make such plans unworkable. 50

Conversely, management is fundamentally concerned with productivity, and is inclined to de-emphasize claims of ongoing inequities, even in the face of a considerable body of evidence. But management also senses the destructive nature of prolonged negotiations over this issue. Since these negotiations often take place in distressed organizations already taking morale-draining steps to save costs in other areas such as salaries and benefits, they can be particularly stressful. Moreover, they can cause rifts

50 Anna K. Aldrighetti, negotiating team member representing a group of non-sworn police employees, interview by author, 21 February, 1996, Fontana, CA.
between members of the top executive staffs of the agency, each of whom may have divergent opinions on how the crisis at hand should be resolved, exacerbating the problem.⁵¹

Azusa City Manager Henry Garcia credits his demonstrated concern for the welfare of city employees, while demanding outstanding effort from them, as chief among the reasons for his success to date. Although Azusa has not experienced layoffs, he feels the inequities of a productivity-based plan make it self-destructive, and attempts to create such a plan would hurt his credibility. He feels that as much as possible, issues with problem employees should be addressed during the normal conduct of business rather than in times of crisis.⁵²

Hybrid Layoff Plans

Most layoff plans, no matter how performance-oriented, give some degree of consideration to seniority.⁵³ These hybrids can be extremely complex, as would be the case if a seniority “tie-breaker” was added to the UC Denver example above, or as simple as in the Town of Bethel, Maine:

If there are changes in responsibilities in municipal service, lack of work or lack of funds, the Town Manager may lay off employees; however, the Town Manager shall first make every reasonable effort to integrate these employees into another department by transfer. When layoffs are required, the Town Manager shall base the decision on relative merit, and

⁵¹Arlene F. Peasnall, (then) City of Fontana Human Resources Director, interview by author, 21 February, 1996, Fontana, CA.

⁵²Garcia, interview by author.

⁵³Sherman and Bohlander, 150.
shall give due consideration to seniority in the town service where the employees' qualifications and merit are relatively equal.\textsuperscript{54}

The City of Garden Grove, California, has a very complicated hybrid layoff plan which involves a 7-step process for each position eliminated. After determining the number of positions to be eliminated \textit{in a particular classification}, a simple ranking is done in the categories of seniority and competency, and the lowest-ranked employees are eliminated.

For example, if three employees held the classification of custodian and one position was to be eliminated, the three employees would be ranked from 1 to 3 in both seniority and competency, as determined by the head of the department. Their rankings are then averaged, as in the calculations below, taken from a Garden Grove Memorandum of Understanding:

<table>
<thead>
<tr>
<th>Employee</th>
<th>Seniority Ranking</th>
<th>Competency Ranking</th>
<th>Average Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1</td>
<td>2</td>
<td>(\frac{3+2}{2}=1\frac{1}{2})</td>
</tr>
<tr>
<td>B</td>
<td>2</td>
<td>3</td>
<td>(\frac{5+2}{2}=2\frac{1}{2})</td>
</tr>
<tr>
<td>C</td>
<td>3</td>
<td>1</td>
<td>(\frac{4+2}{2}=2)</td>
</tr>
</tbody>
</table>

In this scenario, Employee B would be eliminated, and if bumping into a lower classification, would be given a competency factor equal to the average for the new

\textsuperscript{54}Bethel, ME, \textit{Personnel Rules and Regulations} (1990), sec. 11.
classification. This policy assigns the determination of competency ranking to the department head.\textsuperscript{55}

The City of Moreno Valley, California has adopted a hybrid layoff plan which considers the most recent performance evaluation, disciplinary actions or commendations, seniority and, in the event of a tie, preference for military veterans.\textsuperscript{56} Moreno Valley’s policy is included as Appendix B of this study.


CHAPTER 3
RESEARCH METHODOLOGY

Research Design

To obtain the data used in this project, the author personally contacted staff members from 34 cities in the eight southernmost California counties: Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara and Ventura. Of the 34, data was obtained from 30. The cities ranged in population from nearly 38,000 (El Centro) to over 151,000 (Garden Grove).

Initially, the author prepared a list of cities from the above counties containing the names of all cities with populations between 45,000 and 200,000. Cities with populations outside those parameters were eliminated due to limitations in the scope of this work, with the exception of El Centro. Since there were no cities in Imperial County meeting the size requirements, the author arbitrarily chose to include El Centro, its largest city, in the final list of cities to be surveyed.

Ninety-one cities met the initial population and geographic criteria. From those, 29 cities were selected at random to join El Centro on the final list of 30. The initial selection of 29 cities, however, included no cities from either Santa Barbara or Ventura counties. Since the author preferred that each county be represented, two cities were removed at random from the list of 30, and names of cities drawn again from the large list,
at random, until one from each of the two unrepresented counties were encountered. Those two cities—Santa Barbara and Simi Valley—brought the final list back to 30.

During the survey, the author encountered substantial difficulties in contacting representatives from four cities. These difficulties arose from apparent lack of time or interest on the part of the respondents, and the author chose not to pursue unwilling respondents. These four cities—Irvine, Carson, Pasadena and Torrance—were replaced with four others, again chosen at random from the large list.

Respondent cities and their populations are listed in Table 1 below.

Table 1: Respondent cities and their populations, by county

<table>
<thead>
<tr>
<th>Imperial</th>
<th>Orange</th>
<th>Rancho Cucamonga</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Centro</td>
<td>Fullerton</td>
<td>115,900</td>
</tr>
<tr>
<td></td>
<td>37,800</td>
<td></td>
</tr>
<tr>
<td>Orange</td>
<td>Garden Grove</td>
<td>Rialto</td>
</tr>
<tr>
<td></td>
<td>122,100</td>
<td>80,300</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>Mission Viejo</td>
<td>Victorville</td>
</tr>
<tr>
<td></td>
<td>151,400</td>
<td>60,000</td>
</tr>
<tr>
<td>Alhambra</td>
<td>Orange</td>
<td>San Diego</td>
</tr>
<tr>
<td>88,500</td>
<td>119,700</td>
<td>Escondido</td>
</tr>
<tr>
<td>Azusa</td>
<td>Westminster</td>
<td>Oceanside</td>
</tr>
<tr>
<td>45,100</td>
<td>82,500</td>
<td>147,200</td>
</tr>
<tr>
<td>Downey</td>
<td>Riverside</td>
<td>San Marcos</td>
</tr>
<tr>
<td>97,600</td>
<td>Corona</td>
<td>48,100</td>
</tr>
<tr>
<td>El Monte</td>
<td>99,500</td>
<td></td>
</tr>
<tr>
<td>113,300</td>
<td>Hemet</td>
<td></td>
</tr>
<tr>
<td>Glendale</td>
<td>52,600</td>
<td></td>
</tr>
<tr>
<td>193,500</td>
<td>Moreno Valley</td>
<td></td>
</tr>
<tr>
<td>Lancaster</td>
<td>133,400</td>
<td></td>
</tr>
<tr>
<td>121,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pomona</td>
<td>Santa Barbara</td>
<td></td>
</tr>
<tr>
<td>139,800</td>
<td>Santa Barbara</td>
<td></td>
</tr>
<tr>
<td>Santa Clarita</td>
<td>89,400</td>
<td></td>
</tr>
<tr>
<td>129,900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Covina</td>
<td>San Bernardino</td>
<td>Ventura</td>
</tr>
<tr>
<td>101,900</td>
<td>Chino</td>
<td>Simi Valley</td>
</tr>
<tr>
<td>Whittier</td>
<td>63,400</td>
<td>103,200</td>
</tr>
<tr>
<td>82,500</td>
<td>Fontana</td>
<td></td>
</tr>
<tr>
<td></td>
<td>105,300</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ontario</td>
<td></td>
</tr>
<tr>
<td></td>
<td>142,200</td>
<td></td>
</tr>
</tbody>
</table>

Population source: Demographic Research Unit, California Department of Finance

There are a few research questions which were purposely not addressed by direct survey questions, but answers for which were anticipated in narrative responses to some of the qualitative survey questions. For example, one of the research questions asks if ethical or equity issues are involved in layoff decisions; survey questions such as those asking about difficult issues to resolve during layoffs and largest current policy problem should have (and did) yield evidence to assist in the answering of the research question.

The author was aware that the preliminary information contained in Chapter 1 of this report—definitions and examples—could be augmented by policies obtained through the data gathering process. Where interviews disclosed policies of interest or policies which might help frame a model, respondents were requested to forward a copy to the author.

Research Limitations

While the scope of this project (mid-size cities) limited the number of cities to be surveyed, there were some other limitations to the research. Because the survey targeted senior staff members, respondents were sometimes difficult to contact. The author estimates that each response took an average of three phone calls to contact an appropriate staff member who had the time and inclination to respond.

The number of phone calls required to complete the survey further limited the number of cities surveyed. Whether the numbers and types of responses yielded enough data for the results of the survey to be statistically significant will be explored in Chapter 4.
Sources of Data

Most of the data sought were either historical in nature or required the perceptions and considered opinions of the respondents. Therefore, senior staff members in the human resources departments were the targeted survey group. In several cases, even senior staff members were reluctant to discuss the topic with the author, and referred the author to the director.

During his years in public service, the author has observed that department heads in general—and personnel directors in particular—have a high degree of turnover, hence the author’s preference to contact senior staff members, who have often been employed by the city for a longer period than the director. In all cases, however, the respondents who participated were quite aware of their cities’ layoff histories, and well-informed about the topic in general.

Data Gathering Methods

The data were gathered by means of a telephone survey conducted by the author. The survey instrument is described below; it was prepared by the author and approved for use by the project advisor.

Because of the non-experimental nature of this project, there were no pre- or post-test groups. Due to its narrow scope and the limited number of cities to be surveyed, no preliminary sub-sample testing was done, and no test/retest reliability coefficients were drawn by repeated sub-sample testing. Nonetheless, all indications are that the respondents provided honest, responsible answers and it is the author’s opinion that the
survey results are valid and reliable insofar as the respondents’ observations are concerned.

Description of Survey Instrument

The two-page survey instrument contained 16 questions. Eleven were closed-ended questions, including six yes-no questions, four multiple-choice and one Likert scale. The remainder were open-ended, and the responses later coded by me.

Several questions asked for the respondent’s observation of the preferences of others, e.g., “Did employees view this procedure as fair?” Therefore, it is important that the reader keep in mind that the survey instrument sought the observations of management or management-oriented staff members, and that the opinions of labor groups are not represented in the survey.

The first 3 survey questions, dealing with the type of layoff policy in place (if any) and the type of policy, were asked of all respondents. Likewise, questions 12 through 16, which address types of layoff plans some stakeholders would prefer and how current plans might be improved, were also applicable to all respondents. Questions 4 through 11, which seek historical data from those cities who have experienced downsizing, were asked only if respondents gave a response of “yes” to question 3: “Has your city experienced layoffs in the past 10 years?”

A copy of the survey instrument is included as Appendix C.
CHAPTER 4
DATA PRESENTATION AND ANALYSIS

Presentation of Data

Survey Results

The data obtained during the survey are presented here, along with pertinent comments and observations of the author:

Q1: Do you currently have a layoff procedure in place?

Yes: 30  No: 0

Surprisingly, this question took a bit of interpretation. Two communities (Lancaster and Victorville) have policies which authorize the City to lay off employees, but offer no procedures or guidelines as to how they are to arrive at the order of layoff.

Q2: If Yes, what type of policy?

Seniority-based: 20
Performance-based: 0
Hybrid: 9
Other: 2 (Lancaster and Victorville, as listed above)

The figures total 31 due to a split in one city: Santa Barbara’s rank-and-file employees have a seniority-based plan, while supervisors have a hybrid plan.

A number of staff members replied that their cities had performance-based policies but later review of the policy by the author revealed a seniority component as well, which
was interpreted for purposes of this study as a hybrid plan. Where this occurred, the response was coded correctly. Although not included in the survey, when asked why a city had a certain type of policy, the respondents replied either that the policy was in place when they began work for their employer, or was arrived at through collective bargaining.

The author used a strict definition to categorize the layoff plans; any seniority components, no matter what the relative value, in an otherwise performance-based layoff plan resulted in a hybrid coding. This swung both ways: in Moreno Valley, seniority is the third consideration behind two performance aspects which heavily outweigh the seniority aspect; in El Centro, "retention points" are awarded for positive performance to offset seniority in calculating the order of layoff, but during the actual layoff procedure, the retention points made no difference whatsoever.  

Q3: Has your city experienced layoffs in the past 10 years?

Yes: 16  
No: 14

Two cities lost positions through attrition but had not actually laid off employees from those positions. These were coded as "no" answers, since layoff policies had not been a factor in the action.

Questions 4 through 11 were asked only of the 16 respondents who indicated they’d experienced layoffs in the past ten years:

---

Q4: From an administrative standpoint (not the emotional one), please estimate how difficult the layoffs were to implement. 1=easy 10=excruciating

Responses: 0 1 1 2 0 0 3 3 4 2
Likert Scale: 1——2——3——4——5——6——7——8——9——10

Twelve of 16 respondents gave scores of 7 or higher. One respondent gave a score of 12, and attributed that score to the complicated nature of that city’s layoff procedure. His response was coded as a 10.

Here, the mean response is 7.125, with a standard deviation of 2.44. The data received for this question are examined further in the next section of this chapter.

Q5: Was there a layoff procedure in place prior to implementation?

Yes: 13 No: 3

Moreno Valley, Orange, and Rancho Cucamonga respondents said their staffs knew they were facing layoffs but had no policy in place to guide the procedure, and were therefore obligated to formulate one.

Q6: Did employees view the procedure as fair?

Yes: 9 No: 7

Several responses to this question and to question 13 (about layoff preferences of labor groups) indicated a few respondents made conclusions the author questions. These questions are discussed in the next section of this chapter.
Q7: What type of policy was in place prior to implementation?

Seniority-based: 9
Performance-based: 0
Hybrid: 3
Other: 1

Responses total 13 because of the 16 cities with layoffs, Rancho Cucamonga, Moreno Valley and Orange had no pre-existing policies. The response coded as “other” was from a city whose pre-existing policy was a convoluted one which called for all other employees to be laid off before any employees represented by the Teamsters lost their jobs. The Teamsters represented all city hall rank-and-file workers. Therefore, had that policy been followed, all city supervisors, managers and public safety employees would be eliminated prior to a single license clerk or building inspector.

Q8: Was there a need to amend these procedures just before or during the process?

Yes: 6    No: 10

Cities amending their layoff plans immediately preceding or during the layoffs included Moreno Valley, Orange, Rancho Cucamonga, Chino, El Centro and Glendale.

Q9: What were the two most difficult issues to resolve (if any) during the layoffs?

The responses were coded by the author by categorical grouping, and generally fell into one of the topics listed below. The number of responses is also listed by topic, along with some comments made by the respondents (paraphrased here).

A. Management procedural concerns (13 comments): Problems with ties in seniority dates; lots of confusion; figuring out the bumping and having to allow each level of
employee bump down the line was very complicated and took too long; too much advance notice to workers resulted in some disability claims; hard to decide employee skills needed for the future to select the correct positions to eliminate; hard to weigh department needs against one another; different wording in MOUs of different groups; hard to determine if bumpers had the qualifications for positions into which they wanted to bump.

B. *Employee or union procedural complaints/grievances (5):* Several employees filed grievances over terms and definitions; employees resented exceptions to the layoff policy made in later waves of layoffs; no employee negotiating groups during the first wave, but soon afterward they formed groups.

C. *Workload concerns (4):* The need to restructure and redistribute work; increased workload on the survivors; losing our best employees.

D. *Lack of adequate policy (4):* The policy didn't help us resolve problems about ties; no policy in place for the first wave of layoffs.

E. *Pain of the process (3):* We were one big family; it was very painful to do.

F. *Surviving employee morale concerns (2):* It was tough for survivors—we were losing good people.

**Q10:** After the layoffs, did productivity improve?

Yes: 2  No: 14

One respondent who answered yes commented that after the first wave of layoffs, the employees knew they were not kidding.
Q11: How?

8 cities responded; pertinent comments are paraphrased here:

- Employees kept talking about doing a minimal job
- It was bad that the layoffs came at Christmas. Low morale caused a decline in productivity
- There was just too much to do
- Everywhere you looked, one person was doing the job that three used to do
- One city adopted a 4-day 10-hour scheduling plan to alleviate morale problems (but productivity was not improved)

Q12: What type of plan would management most like to see?

Seniority-based: 9
Performance-based: 14
Hybrid: 5
Other: 2

Those responses coded in the category of “Other” each said it “didn’t matter” what type of policy their city had.

Q13: What type would labor groups prefer?

Performance-based: 1
Seniority-based: 26
Hybrid: 3
Other: 0

Two of the respondents who listed their response as “hybrid” work at cities with hybrid policies. Their conclusion was based on the fact that the employee groups
bargained for and ratified use of hybrid plans. This logic is discussed in the next section of this chapter.

Q14: What do you see as the largest current problem with your present policy?

Q15: How would you improve it to meet your city’s needs?

These questions are presented together here because of the brief responses they received. Only six respondents chose to list problems for question 14; most felt they had already covered the issues important to them. Many of the responses to question 15 were to the effect of “fix it,” but when asked for specifics had nothing further to offer.

The pertinent responses, paraphrased here, included:

- We’re hampered by MOUs, but it’s the only way they can do it (Chino)
- Problems with interpretation of definitions. They should be clarified where possible (Corona)
- Employee rights after layoff, such as reinstatement, are ambiguously worded. They should be fixed (Fontana)
- Would change our policy to a performance-based plan (Oceanside)
- Would add performance measures for layoff plans affecting rank-and-file workers (Santa Barbara)
- Policy is vague as to definitions such as “competency” and should be fixed (Westminster)
Q16: Are there any other comments you’d like to make?

Five respondents chose to make comments for this question. Each is listed here (paraphrased):

• As HR Director, it doesn’t matter which way it goes (performance- or seniority-based)—just make it clear (Corona)

• “Retention points” in the layoff policy were supposed to give preference to the best employees, but they made no difference whatsoever during the layoffs (El Centro)

• “I used to be a big proponent of performance-based layoffs, but I’ve realized it’s really a big pain in the butt.” (Fullerton)

• Likes the city’s retraining program. It allowed many downsized employees to keep working—e.g., a building inspector was retrained as a wastewater station operator (Whittier)

• If there were some fair way to implement a performance-based plan, then maybe. Employee perceptions are important (Azusa)

Additionally, the author was prepared to send copies of the survey results to anyone who requested one. None did.

Data Analysis and Observations

Much of the data collected in the survey for this project is qualitative in nature, and is therefore limited to non-parametric statistical examination. Further, many of the common non-parametric tests (Mann-Whitney U test; Wilcoxon T test; Kruskal-Wallis H
test) each require two or more samples,\textsuperscript{59} where this study provides only one. Chi-square testing is useful for single samples, however, and is applied in this analysis. So although its utility is somewhat limited, statistical analysis has been applied to the data in a few questions and will be discussed in detail later in this section.

One important issue is whether the sample population is large enough that the findings are statistically significant. Common sense tells us that from a total population of 91 mid-size cities, our sample group of 30 should, on its face, be statistically significant.

However, there are complicating factors. The question which gives us the best data with which to calculate adequate sample size (Q4, with a Likert scale) has only 16 respondents because it was a contingency question,\textsuperscript{60} based on the respondent’s answer to the preceding question. Moreover, the responses are spread a bit over the scale, thereby increasing the sample standard deviation and skewing the calculated adequate sample size upward.

So, although statistical evaluation of the data is limited by the data and by the nature of the topic, it is included where applicable. More important is that all cities in the total population had the same chance of being selected for inclusion in the sample group, with the exception of El Centro, as discussed in Chapter 3. Sample groups, by their nature, do not uniformly mirror the population they represent, but as the sample grows in


size, it also grows in its representation of the larger group. For that reason, the author chose to survey 30 cities, nearly one-third of the total population.

Data analysis and observations are presented here in three groupings: the types of layoff policies currently employed by cities surveyed, their layoff experiences, and layoff policy preferences.

Current Layoff Policy Types

All cities surveyed have some sort of policy in place, although a few are clearly inadequate because they accomplish little more than allowing the city to conduct layoffs. The survey found no cities using a layoff policy based strictly on performance. This is perhaps the most significant finding of the study. While seniority-based plans outnumbered others nearly two-to-one, it is also significant that about one-third of the cities surveyed have performance criteria included in their layoff plans.

It is worth noting that some cities had layoff policies contained in labor groups’ memoranda of understanding, while others were found in policy manuals or personnel rules. While the survey did not address this topic, it became a brief topic of discussion in a number of the surveys while the respondent was looking for the policy. None of the respondents indicated a preference or need to have the layoff plan in one set of policies over another.

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61Ibid., 193.
Layoff Experiences

Just over half the cities surveyed have experienced layoffs in the past ten years. Most of those had multiple waves of layoffs, and the staffs clearly suffered as they occurred. Administratively, the layoffs were difficult to implement. Question 4 was an attempt to quantify those difficulties, at least insofar as the respondents' opinions were concerned. Responses on the Likert scale employed in this question were heavily distributed on the “difficult” side; the mean response was 7.125. However, 4 of the 16 respondents had significantly less difficulty, and their low-end responses spread the sample standard deviation to 2.44. Still, nearly the entire distribution within 1 standard deviation of the mean is on the difficult side (>5).

The data from Question 4 was also used in an attempt to determine if the survey sample was representative of the total population. Using the formulae:

\[
\frac{E}{z} = \frac{s}{\sqrt{n}} \quad \text{or} \quad n = \left( \frac{zs}{E} \right)^2
\]

where \(E\) is the allowable error (2.124 for this analysis), \(z\) the z-table score associated with the degree of confidence (.05 here) and \(s\) the sample deviation of the survey responses,\(^62\) we attempt to determine the sample size \((n)\) necessary to show that Q4 results are in fact representative of the population, and that it is therefore correct to conclude that layoffs are difficult (again, >5 on the Likert scale) for the total population. For this calculation,

allowable error has been set at 2.124 to keep the estimate of the true mean above the
Likert scale mid-range value of 5.

Continuing,

\[
n = \left( \frac{2.920 \times 2.44}{2.124} \right)^2
\]

\[
n = 11.25
\]

We round up to 12 and conclude that since the sample size was greater than 12
(there were 16 responses), the sample was large enough to be statistically significant for
this question. Therefore, it is correct to assume that to a 95% degree of certainty, if a
member of the total population of cities experienced layoffs, those layoffs were difficult to
administer. More to the point, it is reasonable to assume that absent policy changes, the
cities are likely to have difficulties in future layoffs, although moderating influences such
as unforeseen innovations or the benefit of “having done it once” have not been calculated
here.

Of the 16 cities in the sample group which had experienced layoffs, 6 (37.5%) found
the need to establish new—or modify existing—layoff policies (Q3, Q7). Two
established new policies when it became obvious that layoffs were imminent; the others
modified insufficient or outdated existing policies.

Given the time it takes for controversial meet-and-confer issues to be resolved, and
the time it takes for a city to complete layoff procedures (most policies call for advance
notice of varying lengths), it follows that quick layoffs can help the city achieve its (usual)
chief layoff objective: to save money on salaries that are no longer paid and services no longer delivered. Lengthy delays caused by protracted negotiations and slow procedural steps can cost cities a significant part of those savings, at a time when they can least afford it. The conclusion is that cities can save hard cash by having effective policies in place.

Protracted negotiations can also affect whether or not procedures are viewed as fair by employees (Q6). While 9 of the 16 respondents (56.25%) felt employees viewed the layoff procedure as fair, one must keep in mind that the responses are from the management perspective, and may not truly represent the labor perspective.

When answering both Q6 and Q13 regarding employees' views of policies, some respondents made statements to the effect of "they must have thought it was fair—they ratified it." Such a response is viewed by the author as either naive or arrogant; it is common for memoranda of understanding to be ratified despite terms undesirable to labor groups, in order that labor receive the positive benefits of the overall package, or because labor feels it has negotiated the best deal possible under the circumstances.63

Assuming that at least some contracts are ratified despite containing terms unfavorable to labor, it follows that the labor preferences in many areas may be further from those of management than managers are willing to admit.

63Experience of the author, including 15 years of labor-management negotiation experience, having represented (at different times) both the labor and management positions.
Although the responses to Q9 (2 issues most difficult to resolve during layoffs) did not yield data that were amenable to statistical analysis, the results were interesting from the author’s perspective. Results are depicted in Figure 2.

Adding emphasis to the Q9 data, Q11 addressed post-layoff productivity, with only 2 of 16 respondents indicating an increase. With only 2 of 16 respondents indicating that surviving employee morale was among their top 2 concerns during the layoff procedure (Q9), it follows that while the respondents may have felt employees were already working at high productivity before the layoffs (as one respondent explained), there certainly was no significant increase of productivity thereafter (Q11).

Policy Preferences

Data from Q12 (management’s layoff plan preference) and Q13 (management’s perspective of employees’ layoff plan preference) were subjected to Chi-Square ($\chi^2$) examination.
A table of frequencies is constructed:

Table 2: Observed/expected frequencies from Q12, Q13 data

<table>
<thead>
<tr>
<th>df=3</th>
<th>Performance</th>
<th>Seniority</th>
<th>Hybrid</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>f_o</td>
<td>f_e</td>
<td>e</td>
<td>e</td>
<td></td>
</tr>
<tr>
<td></td>
<td>14</td>
<td>7.5</td>
<td>9</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>7.5</td>
<td>17.5</td>
<td>4</td>
<td>1</td>
<td>30</td>
</tr>
<tr>
<td>Labor</td>
<td>f_o</td>
<td>f_e</td>
<td>e</td>
<td>e</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>26</td>
<td>3</td>
<td>0</td>
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<tr>
<td></td>
<td>7.5</td>
<td>17.5</td>
<td>4</td>
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<tr>
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<td>f_o</td>
<td>f_e</td>
<td>e</td>
<td>e</td>
<td></td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>35</td>
<td>8</td>
<td>2</td>
<td>60</td>
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<td>15</td>
<td>35</td>
<td>8</td>
<td>2</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: Survey by author

This calculation will use the chi-square formula:

\[ \chi^2 = \sum \frac{(f_o - f_e)^2}{f_e}. \]

Hypotheses are constructed:

\( H_0: \) Management preferences = labor preferences

\( H_A: \) Management preferences ≠ labor preferences

Using a .05 level of significance and a Table of Critical Values of \( \chi^2 \), the value of 7.81 is obtained for \( \chi^2_{crit} \). Calculating the \( \chi^2 \) statistic from the data table using the chi-square formula yields a calculated statistic of 22.02, which greatly exceeds \( \chi^2_{crit} \) and falls

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64Witte, 489.
into the range of rejection by a wide margin. We reject the null hypothesis and accept the alternate hypothesis, concluding that to a 95% level of confidence, labor and management prefer different types of layoff plans. Returning to the Critical Value Table, we find that even for a level of significance of .001—which brings us to a 99.9% level of confidence, with a critical statistic of 16.27—the calculated statistic still exceeds $\chi^2_{\text{crit}}$ and the null hypothesis is again rejected.

These findings assume that management perceptions regarding labor’s preferences are correct; as discussed earlier, labor may feel even stronger disagreement than management is willing to admit. If that is the case, evidence in favor of the alternate hypothesis is strengthened even further.
CHAPTER 5
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

Chapter 1 introduced the reader to the changing economic environment affecting the private sector, and its public sector ramifications: reduced revenues and the resulting layoffs. It examines methods by which cities eliminate personnel, outlines the scope of this study, defines key terms and sets forth research questions and assumptions to be addressed by this project.

In Chapter 2, some of the literature available on the subject of public sector layoffs is reviewed, and the general characteristics of the various types of layoff plans, including their advantages and disadvantages, are examined. Interviews with several practitioners, including the perspectives of both management and labor, are reported.

Chapter 3 describes the project’s research design, data sources, and methods of data gathering. As an appendix, a copy of the survey form used by the author to conduct a telephone survey of key Human Resources personnel in 30 Southern California cities is included.

Chapter 4 presents the data collected during the telephone survey, and an analysis of that data by the author. Although much of the data are qualitative, the analysis is
supported by statistical methods where possible. Some observations of the author are also included.

In Chapter 5, the author will attempt to answer the research questions, discuss constraints discovered in the study, make recommendations and discuss the likelihood of constructing a model policy based on the information learned during the study. The author will take a look at what the future holds, and make suggestions for future research.

Conclusions

The research questions will be presented here in the order in which they appear in Chapter 1.

Question 1: What is the current state of affairs with regard to municipal layoffs in Southern California? What types of policies are in use?

Recognizing that personnel reductions have become a necessary part of doing business for many municipal governments in Southern California, on whole they appear to have adapted fairly well. An overwhelming majority have arrived at a method by which layoffs are to be conducted, and have written policies in force. In many cities where existing policies were inadequate, outdated or non-existent, they have been modified or created through the collective bargaining process.

Seniority-based layoff policies are used by about two-thirds of Southern California’s mid-size cities, although there are managers in a majority of those cities who would prefer that performance-based aspects be included. Those same managers agree that most labor groups would prefer to see seniority-based plans.
Although research indicates that pure performance-based layoff plans are rare, hybrid plans—those which use elements of both seniority- and performance-based plans—account for nearly all the remaining cities’ policies. Characteristics of these plans vary from city to city, and include such features as complicated point systems, seniority or performance “tie-breakers,” etc.

**Question 2:** Where layoffs have occurred, what policy and procedural issues were involved?

Clearly, the most confounding issues for management in the administration of layoff policies were procedural in nature. Confusion over definitions and bumping rights, problems caused by lengthy advance notice (such as increased disability claims), and needs of the organization were typical complaints of the respondents.

Other issues included employee resentment, a few grievances, workload redistribution concerns and lack of adequate policy to cover the needs of the city. Surprisingly, concern about the morale of surviving employees was rated very low and may relate to a survey finding that productivity generally did not improve where layoffs have occurred.

**Question 3:** Were policy changes necessary, and if so, when were they made and how problematic were the meet-and-confer sessions?

Policy changes were necessary in over one-third of those cities surveyed who had experienced layoffs. Changes were made at different points in the various cities’
processes. These include times ranging from before the layoffs began to after a first wave of layoffs and before a second wave.

Meet and confer sessions slow the process but are legally necessary. Research revealed no indication that collective bargaining processes were any more or less intense during times of layoff than under normal circumstances. There was some indication, however, that management is able to point to the meet-and-confer sessions to demonstrate labor's participation in the decision-making process. The form, substance and effectiveness of that participation was not explored.

**Question 4: Are there ethical or equity issues involved? Who are the stakeholders, and were trade-offs involved?**

Research found no significant ethical issues connected with the formulation or administration of layoff plans. One Human Resources Director who had formerly been a proponent of performance-based plans now prefers a seniority plan because of the reduced level of detail involved, while two others professed they did not care what type of plan their organization followed. This raises an ethical question of sorts: should a Human Resources Director simply administer the city's plan in an objective fashion, or should the director attempt to influence the decision-making process?

Likewise, there were no significant trade-offs disclosed by the research. One city changed its employees to a 4-day, 10-hour scheduling plan to offset layoff-related morale problems, but only after the layoffs had occurred.

On the other hand, stakeholders and equity issues abound. Stakeholders include:
• Departing members of the organization’s staff; they are soon-to-be unemployed or must bump into lesser-paying positions;
• Surviving staff members, who must address the added workload;
• Staff of allied departments of the organization (such as the Human Resources Department), who must address the added burden of administrating the plan in addition to their day-to-day tasks;
• The organization’s constituency, who suffer the service and response-time cuts;
• Local council members, who must face that constituency and bear the political ramifications;
• The city administrator, who must face the local council and bear the professional ramifications.

Equity issues can be problematic where performance-based policy elements are in place. As outlined in Chapter 2, performance measures are highly subjective and can be affected by any number of non-performance-related factors, each of which conflict with a fair layoff policy. Although the “fairness” of a layoff plan cannot be guaranteed, fairness is important on the basis of both \textit{a priori} reasoning and the need to protect against liability exposure. To limit grievances and civil litigation, it is important that any layoff plan be equitably applied.
Question 5: What factors explain the types of layoff systems used by respondent agencies?

Research uncovered little information as to why cities opt for one type of layoff policy over the other. However, in those organizations where changes were made during the respondents' tenure there, the changes were accomplished with employee input, through the collective bargaining process. It is worth noting that the only two cities surveyed without structured layoff plans are also cities where rank-and-file employees are unrepresented by collective bargaining groups.

Question 6: Is one type of plan more suitable? Can a useful model be constructed?

Research indicates that while one particular type of layoff plan may not be suitable for the needs of all cities, one type of plan may be more suitable for a given city than another. For example, if the management philosophy of a city is employee-oriented (the term “one big family” was encountered several times), if managers feel employee harmony is important to maintain good service to the community, or if it is important to have a plan that is simple and objective to implement, then a seniority-based plan may be more appropriate than other plans.

Conversely, where management is more concerned with the efficiency with which public service is conducted, or where the assertion of management rights is important, a performance-based or hybrid plan may be more suitable for the organization.

Therefore, successful construction of a model policy is considered unlikely since no one policy seems suitable for all organizations. Managers in some organizations extol
the virtues of a particular plan, while those in another cannot live with it and will not consider its use.

**Question 7: Is this any more than a political question or a collective bargaining issue?**

Yes. While it can be either, or both—the type of layoff plan used by a city is fundamentally a management philosophy issue. At its core is the preference of the city administrator, who must convince the legislative body (in this case, the city council) of the validity of that preference.

In turn, that preference is subject to scrutiny of the labor groups through the collective bargaining process, and might be successfully fought off or compromised by labor groups who oppose the it. As part of the bargaining process, it is also subject to whatever political influences the stakeholders choose to exert, e.g., labor groups may lobby council, push for dismissal of the city administrator, etc. Thereby, the issue can become a political or collective bargaining matter. But unless that preference is opposed by one or more stakeholders willing to take specific political or legal action, it will likely become policy.

### Constraints of the Study

As outlined in Chapter 3, telephone contact with respondents was extremely hard to establish, and prolonged the study. As with most surveys, the preferred method here would have been face-to-face interviews. Such interviews were ruled out due to time and expense constraints.
Although 30 cities were surveyed, those which had never experienced layoffs contributed relatively small amounts of data for the study because of the research design. There were exceptions: one respondent, a Human Resources Director, was working for a city that hadn’t experienced layoffs, but she had worked for two others during serious layoff crises and had valuable insights to offer. Regardless, it may have been more useful to have surveyed a larger number of cities with layoff experiences.

As the author began this project, equity seemed to be the foremost test of adequacy of a layoff plan, and the survey instrument was designed with that in mind. As work progressed, however, equity gradually gave way to managerial preference as the prime moving factor behind choice of layoff policy, and the survey instrument seemed a bit less useful.

Finally, this project began as a management study, and excluded labor representatives from the survey. Doing so forced the author to rely too heavily on management’s perceptions of labor opinions, and hampered the data analysis. It would have been more accurate to obtain labor representatives’ opinions in a similarly-worded survey instrument and compared the two, where possible.

**Recommendations**

The author has only three recommendations:

- In cities that have not experienced layoffs, administrators and their management staff should carefully examine the layoff policy currently in place for potentially-problematic issues such as those detailed in this project.
• City administrators should periodically re-visit their managerial philosophy as it pertains to this topic and all employee-related issues, to insure that policies are in line with that philosophy.

• Cities must closely examine their financial positions and development policies with regard to future revenues and service costs if they wish to remain viable as communities.

What the Future Holds

While the economy shows signs that it has “bottomed-out” and development is increasing across Southern California, there are still serious revenue issues which must be addressed by cities. For many cities, Proposition 218 has either struck or is lurking in wait, ready to remove utility taxes and similar revenue-generating devices from city treasuries.

As reliable revenue sources dwindle further, more cuts may be inevitable. Some cities will continue to grow in healthy fashion, while others may have already set a course toward eventual (and inevitable) bankruptcy. Most, however, will survive after periods of service cuts and layoffs. Unfortunately, some of this latter group will suffer needless further revenue losses through mismanagement of—and civil litigation arising from—layoff policy administration.

Suggestions for Further Research

The author recommends that anyone doing further research into this topic consider surveying city administrators for their management preferences, and conducting a
statistical comparison between those preferences and the types of layoff policy in place.
The author also recommends that labor representatives be surveyed, as noted earlier in this chapter.
APPENDIX A

LAYOFF POLICY HANDBOOK
INTRODUCTION

Dear Employee,

I regret the need to write this letter to you, but the City's revenue shortfall and subsequent budget problems have made layoffs necessary. This layoff action certainly does not reflect on you personally, nor as a City Employee. It is a consequence of the City's current economic situation.

The City and representatives of the three employee associations have spent many hours in meet-and-confere sessions attempting to resolve the budget crises. Although major cost reductions were accomplished, we were regretfully unable to generate enough savings to prevent these layoffs.

Your employment with the City of Glendale has contributed greatly toward the accomplishment of the organization's goals and service to the community. These efforts are recognized and greatly appreciated.

This handbook has been prepared for employees facing layoff of employment from the city. The layoff of employees is never easy. We anticipate a variety of questions regarding this process. This booklet was designed to answer questions which you may have.

Should you desire further information, please contact the City of Glendale Personnel Division at 548-2110. Thank you for your cooperation and understanding.

Sincerely,

CITY OF GLENDALE

David H. Ramsay
City Manager
# Layoff Information Booklet

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## Disclaimer

In the event of any inconsistency or conflict between the provisions of this handbook and any provisions of the City Charter, Municipal Code, Civil Service Rules and Regulations, Memorandum of Understanding, Administrative Policy Manual or any other such official document, such provisions shall supersede the information in this handbook. This handbook is not an official document, nor an employment contract, expressed or implied.
Background
The following is a summary of the layoff policies and procedures used by the City of Glendale. We have attempted to provide the necessary information and to answer most questions related to layoffs. While this booklet is quite extensive, it cannot address every situation. Should you have a question or problem that is not addressed in this handbook, please contact the Personnel Division.

I. Seniority and Layoff Policy

A. Authorities
Provisions for accomplishing layoffs of employees are stated in the City Charter, Article XXIV Section 9b - "abolishment of positions"; the Municipal Code, Chapter 4 - "Personnel"; Civil Service Commission Rules and Regulations; and the Administrative Policy Manual, Policy 5-3D, "Layoff". Layoff provisions outlined in the Charter and Administrative Policy Manual are restated in the Civil Service Rules and Regulations. All layoffs will occur in accordance with the guidelines established in Rule XI, Section 1-3 of the Civil Service Rules and Regulations and past practice established in prior layoffs.

B. Explanation of Key Terms
The following terms are explained for their use in this handbook:

1. The term "Layoff List" is used to define the list of the names of those permanent employees in the classified service who have been laid off or reduced because of the permanent or temporary abolishment of any position.

2. The term "Layoff Reinstatement List" is used to define the list used for the names of those probationary employees in the classified service who have been laid off or reduced because of the permanent or temporary abolishment of any position.

3. The term "Seniority" stands for "seniority within a classification" based upon length of service within a particular classification. When comparing two employees with continuous service within the same classification, the first individual hired or promoted into the classification would have "seniority" over the second individual.
4. The term "Service Time" stands for the "total cumulative service time with the City." It is based upon the total length of time an individual is employed by the City in any permanent, full-time, salaried, classified position.

C. Excerpts From The Civil Service Rules and Regulations In Reference To Layoffs

1. Civil Service Rules and Regulations: Rule XI, Section 1: Layoff and abolition of positions
   a. Notice—Number of Employees to be Laid Off
      Whenever it becomes necessary through lack of work or funds, or as determined by the City Manager, to reduce the number of employees, or when a position in the classified service is to be temporarily or permanently abolished, the appointing authority shall notify the Director of Personnel of the number of employees to be laid off or the names and numbers of positions to be abolished.
   b. Notice to Employees to be Laid Off
      Upon receipt of such notice, the Director of Personnel shall advise the employees who shall be laid off and notify the appointing authority.

2. Civil Service Rules and Regulations: Rule XI, Section 2: Seniority in Layoffs
   In the event of the abolishment of positions, the reduction and termination of all employees affected thereby shall follow as closely as practicable the reverse order of the lines of promotion, giving credit according to seniority within the following limitations:
   a. Temporary and Probationary Employees
      All temporary employees in the classification involved shall be laid off before the probationary employees; probationary employees before permanent employees.
   b. Inverse Order of Appointment
      Employees serving in a classification involved in a layoff shall be laid off in the inverse order of their appointment to the classification, with the last one so appointed being the first to be laid off.
c. Equal or Lower Classifications
Any employee so affected may be assigned to an equal or lower classification in the same series or in a different formerly occupied classification, provided he/she has seniority* over the person in said classification and meets the minimum requirements for examination for said position.
*For clarification, the word seniority in this paragraph should be interpreted as 'service time'.

d. Transfer in Lieu of Layoff
The City Manager may order the permanent or temporary transfer of any employee to any appropriate position as determined by the Director of Personnel in order to avoid the layoff of employees.

e. Military Leave
Time during which employee is on leave of absence while engaged in performance of ordered service in the armed forces of the United States of America, or in the auxiliaries thereof, and while going to and returning from such ordered service, shall be included as part of the employee's period of service in determining seniority or layoffs.

3. Civil Service Rules and Regulations: Rule XI, Section 3:

Layoff Lists
Layoff lists shall be established and maintained as follows:

a. Layoff List for Laid-Off Permanent Employees
A layoff list shall be maintained for each classification for all permanent employees in the classified service, other than probationary employees, who have been laid off or reduced because of the permanent or temporary abolishment of any position, and shall have their names placed on the appropriate layoff list. The lists shall follow as closely and practicable the reverse order of the Lines of Promotion and give credit according to seniority (City Charter XXIV, Section 9b).

b. Reinstatement List for Laid-Off Probationary Employees
A probationary employee whose position is permanently or temporarily abolished and who have not been removed pursuant to the provisions of these rules, shall be placed on the appropriate probationary reinstatement list ahead of all other
employees thereon except other probationers whose positions have been abolished and who have greater seniority.

c. Duration of Layoff Lists
Any employee who was placed upon a layoff list and has continuously remained thereon for a period of two (2) years shall, at the expiration of such period, be removed from layoff list and the employee shall cease to have any Civil Service standing. However, if the affected employee requests in writing prior to the expiration of the two (2) years and the Commission approves, the employee may continue on the layoff list for one additional two (2) year period.

II. Explanation of Layoff and Seniority Policy
This policy is summarized as follows, based on the Civil Service Rules and Regulations and past practice.

Glendale’s employee pool is considered to be divided into two systems for layoff purposes; the City System of classified and City/program funded positions, and the Program System comprised of Federally and State funded programs such as many of the positions housed in the Community Development and Housing Division. Layoffs in one "system" shall not impact employees in the other "system". A "City System" employee whose position is abolished may not bump an employee in the "Program System".

Part-time unclassified employees are considered to be "temporary unclassified" employees for layoff purposes.

Within a classification in which a layoff is to occur, part-time hours if available must be laid off prior to any full-time classified employee within that class being laid off.

A. Position Eliminated (Seniority Within Classification)
If a position is eliminated in your Division, the person with least seniority in that classification within your Division will be laid off unless they are able to move to another Division. If your position is eliminated, you may bump a City employee in another Division within that classification, only if you have greater service time with the City. The bumping process always begins with the most recently hired person in that classification. You may not bump or displace another employee who has greater service time with the City than yourself.

B. If Bumped, Return to Position Previously Held Utilizing That Seniority
If your position is eliminated and you are the employee with the least
seniority in your job classification, you may be eligible to return to a former job classification you have held on a permanent basis by reverse order of your promotion to these job classifications. To move to your former job classification your total service time as a City employee on a permanent full time basis must be greater than that of the person you "bump" in the lower classification. All attempts to bump begin with the least senior person in the classification. If you do not have greater service time than that employee, you would go on to attempt to bump the next least senior employee in that classification, provided you have greater total service time.

C. **Least Senior Employee Laid Off**
   If your seniority in your present job classification is less than all other City employees in that same job classification, and your total service time as a City employee is less than the total service time of all employees who hold the job classifications you have previously held, you will be laid-off from City employment and your name placed on a layoff list for your present job classification.

D. **Layoff Lists**
   The layoff list for a particular job classification will contain the names of all employees laid-off from that job classification. In the future as authorized vacancies occur, you will be rehired as determined by seniority, the most senior person laid off being the first person hired back. You may waive, in writing, your right to be rehired in any Division if you do not wish to work in that Division. This layoff list is active for two years.

E. **Request For Extension Of Layoff List**
   If you and other former employees are still on the layoff list after two years, you may request of the Civil Service Commission in writing to retain your name on the list for an additional period of two years.

F. **Part-Time Employee Laid Off**
   If you are a part-time employee in a classification affected by layoff, regardless of the Division, you will be laid off prior to any full-time employees in that same classification being laid off.

G. **Probationary Employees Promoted From Permanent Positions**
   If you are a probationary employee who has been promoted from another City classification and your new position is eliminated you will return to your former job classification if you have more total service time than other incumbent employees in that classification.
H. Reinstatement List For Laid-Off Probationary Employees
If you are a probationary employee whose position has been eliminated and have not held a previous job classification in the City, you will be laid-off and your name placed on a Layoff Reinstatement List for your job class.

I. Layoff Reinstatement List
A Layoff Reinstatement List will be ranked by seniority and will be considered for reemployment only after all people on the Layoff List for that job classification are rehired. If you are on a Layoff Reinstatement List, there is no absolute guarantee of rehire with the City. However, people on a Layoff Reinstatement List are considered for vacancies before people on Promotional and Open lists.

J. Hiring Order Policy
In case of a vacancy the people certified to the Division to fill the vacancy will be certified from lists in this order.

1. Layoff list
2. Layoff Reinstatement List - laid off probationary employees
3. Promotional List
4. Reinstatement List - consisting of employees who have voluntarily resigned, separate and apart from any layoffs.
5. Open list

Note: The appointing authority may request certification of names from Reinstatement List prior to certification from a Promotional List, subject to Civil Service Commission approval.

K. Layoff and Other Lists
People from layoff list will be rehired to their former job classification by order of seniority provided that the layoff list is still active. The Division hiring can only hire the person at the top of the layoff list. In the case of lists other than the Layoff List, a Division may hire any one of the top three ranked people certified from these lists in accordance with the Civil Service Rules and Regulations, Rule V, Section 2A.

L. Life of Layoff Reinstatement List
A Layoff Reinstatement List may exist for up to two years. If there are still names on the list at the end of two years, they may request in writing, prior to the expiration of the two year period that the Civil Service Commission extend them on the list for another two years.
M. Open Recruitment
You are strongly encouraged to apply for other future openings with the City for which you are qualified. Although laid-off employees are no longer eligible to compete for promotional examinations, the City welcomes your participation in future open examinations. For information, please call the Job Information Hotline at (818) 548-2127 or periodically visit the Personnel Division to review posted job bulletins.

III. Seniority List
The Personnel Division has completed a current classification seniority list. This list is compiled for each classification within each Division. The list shows the most senior employee first through the least senior employee last. The listing also shows the hire date in the current classification and the total number of days in that classification.
II. EXAMPLE CASES FOR LAYOFFS

The following are examples of how the elimination of a position affect the employee concerned as well as other City employees. These are meant to be examples for illustrative purposes only. All situations, as well as the employees' names and job histories, are fictitious.
EXAMPLE ONE

<table>
<thead>
<tr>
<th>Employee</th>
<th>Classes Held</th>
<th>Date of Hire</th>
<th>Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ralph</td>
<td>Senior Equipment Mechanic</td>
<td>12/1/89</td>
<td>Public Works</td>
</tr>
<tr>
<td></td>
<td>Equipment Mechanic</td>
<td>12/5/87</td>
<td></td>
</tr>
</tbody>
</table>

Position Held | Date of Hire | Division
Mike       | Equipment Mechanic | 4/10/90 | Public Service |

Ralph is a Senior Equipment Mechanic in the Public Works Division. He is also the last Senior Equipment Mechanic that the City has hired, and, therefore, the least senior. His position has been eliminated so he will return to a job classification he previously held, which is Equipment Mechanic. There are no Equipment Mechanics in his Division to bump, so he bumps the least senior of the Equipment Mechanics in the City with less overall service time than Ralph. The least senior Equipment Mechanic in the City is Mike in the Public Service Division, who is still on probation. Mike has held no previous permanent status City job classifications and has less service time than Ralph, so he must be separated from City employment. Because he is still on probation, his name will go on a Layoff Reinstatement List for the classification of Equipment Mechanic. He will be considered for reemployment after the people on the Equipment Mechanic layoff list have all been rehired. Ralph will be placed on a layoff list for Senior Equipment Mechanic and will be returned to his previous job classification if a new Senior Equipment Mechanic position is allocated in any Division. (For enhanced understanding of this scenario, please refer to the "Explanation of Layoff and Seniority Policy", Section II, Subsections B and H, pages 4-5 of this handbook.)
EXAMPLE TWO

<table>
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<th>Employee</th>
<th>Classes Held</th>
<th>Date of Hire</th>
<th>Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stacey</td>
<td>Administrative Associate</td>
<td>4/5/90</td>
<td>Public Service</td>
</tr>
<tr>
<td>Larry</td>
<td>Administrative Associate</td>
<td>6/10/90</td>
<td>Public Service</td>
</tr>
<tr>
<td>Ted</td>
<td>Administrative Associate</td>
<td>11/1/90</td>
<td>Public Works</td>
</tr>
<tr>
<td></td>
<td>Administrative Assistant</td>
<td>5/1/88</td>
<td>Public Works</td>
</tr>
<tr>
<td></td>
<td>Customer Service Representative</td>
<td>5/1/86</td>
<td></td>
</tr>
<tr>
<td>Alex</td>
<td>Administrative Assistant</td>
<td>5/5/88</td>
<td>Fire</td>
</tr>
</tbody>
</table>

Stacey is an Administrative Associate in the Public Service Commercial Section. Her position is eliminated, so she bumps the least senior person in the Public Service Division in the same classification. The person bumped is Larry, who is also an Administrative Associate working in the Electrical Section of Public Service. Larry would then bump the least senior Administrative Associate in the City, who is Ted, who works in Public Works. Since Ted is the least senior Administrative Associate in the City, he must return to a position he has formerly held, provided that his total service time as a City employee is greater than at least one of the employees in that lower level position. Ted was previously an Administrative Assistant, and he has had more total employment time with the City than Alex, a current Administrative Assistant in Fire; so he bumps Alex. Take notice than Alex has more time as an Administrative Assistant than Ted, but Ted can bump him from his Administrative Assistant position because he has a greater amount of total service time with the City.

Alex is the last Administrative Assistant that the City hired and has not held a previous job with the City, so he is separated from City employment and his name is placed on a layoff list. When his name comes to the top of the layoff list for Administrative Assistant, he will be rehired to whatever Division has the opening. Ted will also be placed on a layoff list for his former position of Administrative Associate. (For enhanced understanding of this scenario, please refer to the "Explanation of Layoff and Seniority Policy", Section II, Subsections B and C, page 4 of this handbook.)
Laura is a Planner in the Planning Division. She is also the Planner with the least seniority in the City. Her position has been eliminated, requiring her to return to a job classification she previously held. There are no Administrative Associate positions in the Planning Division, so she will "bump" the least senior Administrative Associate in the City, with less total service time - who happens to be Ricardo.

Therefore, Laura will become an Administrative Associate in the Public Works Division. Her name will go on the layoff list for Planner, and she will return to her previous classification of Planner when her name gets to the top of the list and a vacancy occurs.

Ricardo, being a probationary employee, will be laid off and his name will go on the Layoff Reinstatement List for Administrative Associate. He will be considered for reinstatement as an Administrative Associate after the layoff list for Administrative Associate has been exhausted and a vacancy occurs. (For enhanced understanding of this scenario, please refer to the "Explanation of Layoff and Seniority Policy", Section II, subsections B and H, pages 4-5 of this handbook.)
### Example Four

<table>
<thead>
<tr>
<th>Employee</th>
<th>Classes Held</th>
<th>Date of Hire</th>
<th>Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mae</td>
<td>Customer Service Supervisor</td>
<td>9/8/91</td>
<td>Public Service</td>
</tr>
<tr>
<td></td>
<td>Sr. Customer Service Rep.</td>
<td>8/1/90</td>
<td>Public Service</td>
</tr>
<tr>
<td></td>
<td>Customer Service Rep.</td>
<td>4/18/85</td>
<td>Public Service</td>
</tr>
<tr>
<td>Mary Ellen</td>
<td>Sr. Customer Service Rep.</td>
<td>10/20/87</td>
<td>Public Service</td>
</tr>
<tr>
<td></td>
<td>Office Assistant I</td>
<td>7/12/85</td>
<td>Public Service</td>
</tr>
<tr>
<td>Kelley</td>
<td>Office Assistant I</td>
<td>8/25/87</td>
<td>Planning</td>
</tr>
</tbody>
</table>

A position of Customer Service Supervisor in the Public Service Division is being eliminated. Being the most recently hired Customer Service Supervisor in the Public Service Division, Mae returns to her former classification of Senior Customer Service Representative bumping Mary Ellen.

Note: Mae "bumps" Mary Ellen, even though Mary Ellen has more seniority in "class" as a Senior Customer Service Representative, because Mae has greater overall City seniority or service time.

Mary Ellen would return to the position of Office Assistant I in the Planning Division, replacing Kelley, the most recently hired Office Assistant I in the City. Because Kelley has no prior classification, she will be laid off and placed on the reinstatement list for Office Assistant I.

Mary Ellen's name will be placed on the layoff list for Senior Customer Service Representative.

Mae's name will be placed on the layoff list for Customer Service Supervisor.

(For enhanced understanding of this scenario, please refer to the "Explanation of Layoff and Seniority Policy", Section II, Subsections B and C, page 4 of this handbook.)
EXAMPLE FIVE

<table>
<thead>
<tr>
<th>Employee</th>
<th>Classes Held</th>
<th>Date of Hire</th>
<th>Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark</td>
<td>Fire Captain</td>
<td>7/1/90</td>
<td>Fire</td>
</tr>
<tr>
<td></td>
<td>Fire Engineer</td>
<td>7/1/85</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Firefighter</td>
<td>9/1/79</td>
<td></td>
</tr>
<tr>
<td>Jess</td>
<td>Fire Engineer</td>
<td>4/2/88</td>
<td>Fire</td>
</tr>
<tr>
<td></td>
<td>Firefighter</td>
<td>9/8/81</td>
<td></td>
</tr>
<tr>
<td>Bob</td>
<td>Fire Engineer</td>
<td>5/4/90</td>
<td>Fire</td>
</tr>
<tr>
<td></td>
<td>Firefighter</td>
<td>2/8/77</td>
<td></td>
</tr>
</tbody>
</table>

Mark is a recently hired Fire Captain, whose position is being abolished. Mark has the right to return to his former classification of Fire Engineer and bump one of the current incumbents. The first person Mark will attempt to bump is Bob, since Bob has the least seniority in that classification. Bob, however, has greater total service time with the City than Mark, so Mark cannot bump him.

Mark must now try to bump Jess, who has been a Fire Engineer longer than Bob, but has less total service time than either Bob or Mark.

Mark will take Jess' position as Fire Engineer and Jess will return to his former classification of Firefighter. (Refer to Section II, Subsection B, page 4.)
III. QUESTIONS AND ANSWERS ON LAYOFF POLICY

1. Question: If I am laid-off and rehired to the same job classification, what will by salary be?
   Answer: The Division Head, with the approval of the City Manager, shall set your salary range when you are rehired.

2. Question: If I am laid-off, can I apply for any future "open" positions and remain on a layoff or reinstatement list?
   Answer: Yes.

3. Question: If I am recalled to City employment, will I get my old job back in the Division I used to work for?
   Answer: Not necessarily. Laid-off employees will be rehired into the Division where the vacancy occurs, with the laid-off employee with the most seniority being hired first.

4. Question: Do I have to take the job?
   Answer: No. You can waive consideration for that particular job and the next person on the layoff list can accept the job you turned down.

5. Question: If I get rehired by another Division after a layoff, or if I "bump" another person in another Division with less seniority, do I have to start another probationary period?
   Answer: No, as long as you had completed probation prior to being laid-off.

6. Question: If I am a part-time employee and laid-off, do I go to a layoff or reinstatement list for my old job?
   Answer: Neither. There are no seniority rights for part-time employees.

7. Question: If I am being laid-off, and I have greater seniority in my classification than another employee in the same classification in a federally-funded unclassified program in the Community Development Division, can I bump that employee?
8. Question: How long is a Layoff or Layoff Reinstatement list good for?
Answer: Two years. People laid-off can individually request the Civil Service Commission to approve a two year extension, prior to the expiration of the first two year period. Laid-off employees are reminded to monitor the expiration date of the layoff list they appear on, as well as notify the Personnel Division when there is a change of address or phone number.

9. Question: If I know I am going to be laid-off, but I resign to take another job before that layoff occurs, am I eligible to be put on the layoff list?
Answer: No, but you may request to be put on a regular Reinstatement List. This request must be made of the Civil Service Commission within one year from the date you resign; however, you cannot make the request until three months have passed from the day you terminate your employment with the City.

10. Question: If I am a probationary employee who has been laid-off, will my name be placed on a Reinstatement List with the people who resigned their position prior to the layoff?
Answer: No. Two completely separate Reinstatement Lists are created: the Layoff Reinstatement List is created for laid-off probationary employees, and the regular Reinstatement List is for employees who have voluntarily resigned. People on the Layoff Reinstatement List are considered for re-hire before people on the regular Reinstatement List, because the latter left the City by their own choice.

11. Question: If I am a probationary employee and I am laid-off and rehired from the Layoff Reinstatement List, will I receive any credit towards the completion of my probationary period for my prior service?
Answer: Depending on the similarity of your new assignment to that of your previous one in the same classification, you may, at the discretion of
the Division head, receive some credit towards the completion of your probationary period. It is possible, however, that you will be required to complete an entire new probationary period.

12. Question: If I am laid-off from my old Division and rehired or "bumped" to another Division, how can I return to my former Division?

Answer: Employees wishing to return to work in their former Division may request a voluntary transfer through the Personnel Division as per Civil Service Rules and Regulations, Rule IX, Section 2.

13. Question: If I had a temporary job or a part-time job with the City before I finally got a permanent position with the City, will this temporary or part-time employment count towards my total service time with the City?

Answer: No. Only time spent as a permanent full-time employee will count towards total service time and seniority.

14. Question: If I worked for the City for a couple of years, then resigned for a couple of years and then returned to the City, will my first employment period with the City count towards my total service time?

Answer: Yes, if you had permanent full-time status, it will be counted toward your total service time with the City.

15. Question: If I am laid-off and have received tuition reimbursement from the City within the past year, do I have to pay this money back?

Answer: No. If you had voluntarily resigned or been terminated due to misconduct, you would have to pay the money back. But not in the case of a layoff.

16. Question: Do temporary unclassified employees go on a Layoff or Reinstatement list?

Answer: Neither. Temporary unclassified employees have no property interest rights to their jobs and are not covered by Civil Service.
17. Question: If I am laid-off, may I file for Unemployment Insurance?
Answer: Yes. You may file at your local Employment Development Department Office.

18. Question: If I am laid-off, do I get paid off for my unused comp time, vacation time and overtime?
Answer: Yes, for accrued unused comp time, overtime and vacation. You will not be paid for unused sick leave. If you retire, however, and have accumulated over 100 days of unused sick leave, you can convert those unused sick leave days over 100 to medical insurance coverage into your retirement. Details on accumulated sick leave at retirement are available in the Personnel Division.

19. Question: If I am rehired after a layoff, do I get my accumulated sick leave back?
Answer: Yes. All accumulated sick leave will be reinstated.

20. Question: In case of a layoff, which employees go first?
Answer: Within the affected classifications, temporary and part-time employees are laid off before probationary employees and probationary employees are laid off before permanent employees. Permanent employees are laid off by seniority within the job classification.

21. Question: What if I started my employment in my current job class at the same time as another employee in the same classification. How do we determine who has the most seniority within the class for purposes of layoff?
Answer: The employee with the earliest appointment date has the most seniority. If they both began on the same date and shift, the employee with the lowest requisition certification number is the more senior employee.

22. Question: If I am called up to active military service while I was a City employee, is my service time considered as part of my total seniority?
Answer: Yes. Time during which employee is on leave of absence while engaged in performance of ordered service in the armed forces of
the United States of America, or in the auxiliaries thereof, and while going to and returning from such ordered service, shall be included as part of the employee's period of service in determining seniority or layoffs.

23. Question: If I am on a layoff or reinstatement list for a certain job classification, can I accept a job in a vacant lower level class if I have never held that job before?

Answer: Yes, but only if: 1) you meet minimum qualifications for the position; 2) the Division is willing to accept you; 3) there is no existing layoff or reinstatement list for this lower classification (they would have priority). If the City is able to place you in this vacant classification, you are subject to a new probationary period.

24. Question: If I do accept a job in a vacant lower level classification, does my name remain on the Layoff List for the higher classification?

Answer: Yes.

25. Question: If I am laid-off from my job at the City, will my name still remain on promotional examination lists for other jobs?

Answer: No. You are no longer considered an active City employee.

26. Question: If I am laid-off, may I continue my current medical and dental coverage?

Answer: Your medical and dental coverage will normally terminate on the last day of the month in which you were laid-off. You may elect to continue your medical and dental coverage under the provisions of COBRA. Please contact the benefits desk of the Personnel Division for further details.

27. Question: If I am laid-off, does the City provide any type of severance pay to affected employees?

Answer: Terminated employees will receive accumulated vacation, compensatory time, overtime and court time. This payment is generated by receipt of the terminating employees' separation paperwork.
28. **Question:** If I am bumped or voluntarily transferred to a lower level job classification, what will my new salary be?

**Answer:** The City will attempt whenever possible to set your salary at the same step assignment which you were receiving at your higher-level job classification, with the exception of M step. For example, an employee receiving C step in his/her former salary range would receive C step in his/her new salary range. Employees receiving M step would revert to E step in the lower-level classification. All salary step assignments are made at the discretion of the Division Head, and with the approval of the City Manager.

29. **Question:** If I have not taken my Floating Holidays this year, will I get paid off for them when I terminate from the City?

**Answer:** The employee must utilize any floating holidays prior to their last day of employment with the City.

30. **Question:** How does a layoff and possible rehire affect my vacation benefit?

**Answer:** When you terminate you are paid off for all vacation days accumulated and unused as of that date. If you are rehired after a layoff, your vacation bank will be empty, but you will begin earning vacation at the same rate per year that you held prior to being laid off. If you are rehired you will be eligible to take your vacation leave under the same conditions as a newly hired employee. For example, if you were earning 15 days per year prior to your layoff, you would once again begin earning 15 days per year following the first year of your rehire.

31. **Question:** If my position has been abolished and I return to my former classification, who will I be bumping in my former classification?

**Answer:** You will attempt to bump the least senior employee in that classification, provided you have greater overall service time with the City. If you do not have greater overall service time than that employee, you will attempt to bump the employee with the second least amount of seniority in that classification, again, provided you have more service time. This cycle goes on until you are able to bump an employee with less overall service time than you, or it is determined that you have no further bumping rights.
32. Question: If I am a part-time employee with over ten years of total service time with the City, can I be bumped by a full-time employee in my classification with only one year of service time?

Answer: Yes. Part-time employees within a given classification are always the first to be bumped, regardless of total service time.

33. Question: If I am a lateral transfer Police Officer, do I get seniority credit for the time I worked for another Police Department?

Answer: No. The only seniority or service time granted for any employee is that earned while employed by the City of Glendale.

34. Question: If I am transferred to another Division in my current job classification or "bumped" to a lower level job classification because of layoffs, do I get a choice of where I can go?

Answer: No. The layoff procedure requires that you bump the employee with the least seniority within a classification. The Division where this occurs will is where you will be placed.

34. Question: What happens if I refuse to accept a transfer or "bump" to another job?

Answer: The only alternative is a layoff.
IV. SEPARATION PROCEDURE

A. SEPARATION FROM EMPLOYMENT
Prior to final work day with the City, you should obtain a "Separation Clearance Form" (C-302) from your supervisor, which summarizes the separation procedure. The following is a brief summary of the various steps you should follow when separating from employment, due to layoff.

1. Divisional Separation & Clearance
   All tools, keys, uniforms, identification cards or other items belonging to the City must be returned to your division.

2. Personnel Division
   Personnel Division staff will assist you with closing out your benefits, including finalizing your retirement benefits and converting your medical and dental insurance. An exit interview will be conducted to gather your feedback.

3. City Clerk
   Your parking permit must be returned to the City Clerk's office.

4. Credit Union
   Although you may continue to hold accounts with the Credit Union, you must still check-in to review your accounts' status prior to separation.

5. Employees' Association
   If you are a member of one of the three non-management employee associations, you must close out your membership status prior to separation.

6. Finance and Administrative Division
   The Finance and Administrative Services Division issues your final paycheck after all of the above steps have been taken, and all other monetary transactions have been settled.

B. BENEFITS

1. Medical and Dental Insurance
   A conversion policy is available for both the indemnity (Provident) and the Group Pre-Paid (Cigna) medical plans. Please make an appointment at the benefits desk in the Personnel Division for information and further assistance.
2. **Public Employees' Retirement System**
   Upon layoff from the City you must select one of the three (3) options listed below:
   
a. If you have less than five (5) years total service time with the City, your retirement contribution refund, plus interest earned, will be refunded in full.

b. If your employment with the City exceeds five (5) years, you may choose to let your contributions remain in the retirement fund. Your contribution can be withdrawn at a later date if you wish.

c. If your employment with the City exceeds five (5) years and you believe that your layoff from employment with the City will last for less than one year, you may choose to have your contributions remain in the retirement fund. Your contributions will continue to earn interest compounded annually.

After your selection is made, the Report of Status Change form (available at the benefits desk of the Personnel Division) is completed and signed by you, then it is forwarded to PERS for appropriate action on the option of your choice. PERS requires a minimum of one month to process a refund.

3. **Credit Union**
   You may continue your Credit Union membership following layoff. Loans may continue to be secured along with savings accounts. Contact the Credit Union at (818) 548-3976 for more details.

4. **Life Insurance For Management Employees**
   The City-paid life insurance coverage ends upon separation from the City.

5. **Deferred Compensation**
   If you have a deferred compensation account, you must fill out a deferred compensation withdrawal form within sixty days of your separation, to choose how and when you want your payments made. You may also request to freeze your account until a later date. There is always the opportunity to withdraw funds in the event of an emergency situation. Contact the Finance and Administrative Services Division at extension 2085 for further information regarding deferred compensation.

C. **FINAL CHECK**
   Your final paycheck will be determined as follows:
   
   I. **Wages, Comp Time, Vacation**
   The Payroll Section of the Finance and Administrative Services will
determine the amount of your final paycheck, including wages, compensatory time and vacation. There is no cashout for unused sick leave.

2. **Floating Holidays**
You will not be paid or any floating holidays which you have not used during the course of your employment with the City of Glendale. Employees must take all floating holidays prior to separation.
V. UNEMPLOYMENT COMPENSATION INSURANCE

A. THE CALIFORNIA UNEMPLOYMENT INSURANCE PROGRAM

The State of California Employment Development Department (EDD) pays unemployment insurance (UI) benefits and assists individuals in finding jobs.

Unemployment insurance is not charity or welfare. California employers pay the costs of unemployment insurance to provide you with regular income when you are out of work through no fault of your own.

B. FILING YOUR CLAIM

To file a claim you need:

1. to be totally or partially unemployed
2. to know your correct social security number
3. to know the name and address of your last employer
4. names and addresses of all employers for the last nineteen months, including employers in other states.

As soon as you become unemployed, go to the nearest Employment Development Department Office. The office in Glendale is listed below; other offices are listed in the telephone book under "California, State of".

Employment Development Department
1255 South Central Avenue
Glendale, California 91204-2597
(818) 247-1321

C. FIRST PAYMENT OR CLAIM

First payment on a new claim will usually be sent about two and one-half to three weeks after filing.

D. ELIGIBILITY

In order to receive benefits you must be:

1. physically able to work
2. available to accept work
3. actively seeking work
Recipients must make reasonable efforts to find work during the benefit period. The EDD requires that you list on the continued claim form all employers contacted during the week for which you claim benefits. They will provide you with further information on your reporting requirements.

E. CONDITIONS AFFECTING ELIGIBILITY

You could be determined ineligible for benefits if you:

1. voluntarily quit your last job
2. voluntarily retired from your last job
3. were discharged from your last job for misconduct
4. refused to take suitable work
5. failed to apply for a job when referred by the EDD office
6. failed to make reasonable effort to find employment
7. make false statements or withheld information
8. failed to report on regular report day.

F. FILE CLAIM EARLY

We encourage you to file your unemployment claim immediately upon layoff with the State of California Employment Development Department. The sooner you file your claim, the sooner you will be eligible to begin receiving unemployment benefit checks.
IV. RE-EMPLOYMENT PROCEDURE

At the time the City’s economic situation improves and authorization to fill a vacancy created by this layoff is granted, the rehiring process will proceed as outlined below.

The "hiring" division will receive names of eligibles for rehire in the following order:

1. **LAYOFF LIST**

   Former employees on the layoff list will be rehired to their former job classification by order of seniority. The most senior person laid off will be the first name on the list. When a layoff list is used, the hiring division is allowed to hire only the person at the top of the list. No additional names are certified to the division.

2. **LAYOFF REINSTATEMENT LIST**

   If no layoff list for the classification exists, the layoff reinstatement list consisting of probationary employees who have been laid off will be used. Again, the most senior person laid off will be the first name on the list. When a layoff reinstatement list is used, the division is allowed to hire only the person whose name is on the top of the list. No additional names are certified to the division.

   If neither a layoff or layoff reinstatement list exists, or if they have expired, certifications would be made from the following lists:

   1. **PROMOTIONAL LIST**;
   2. **REINSTATEMENT List** (employees who have voluntarily resigned, separate and apart from any layoffs).*
   3. **OPEN LIST**

   *The appointing authority may request certification of names from the Reinstatement List prior to certification from a promotional list, subject to Civil Service Commission approval.

**PRE-PLACEMENT PROCESS**

At the time you are rehired, you will follow the normal employee processing procedure prior to commencing re-employment with the City:

1. Completion of the City Pre-Placement Medical Examination.
You will receive a pre-placement medical examination from Employee Health Services. Upon your successful completion of this examination, your division will be advised and you will be given a starting date. Prior to your first day of re-employment, you will be required to complete the following documentation:

2. Fingerprint forms.
3. W-4 Form, Income Tax Withholding Form.
5. Employee Eligibility Form (I-9).
6. Medical/Dental Insurance and Retirement application forms.

You will also receive and sign for copies of the Workplace Harassment Policy, Privacy in the Workplace Policy, and Supervisors Manual (if appropriate).

Depending upon whether you worked for the rehiring division in the past, you will be given a departmental orientation introducing you to your new work environment, your co-workers, and the general procedures followed by the department or section in which you will be working.

It is the City's sincere hope that all employees involved in this layoff will be reinstated into their original classifications at some time in the future. We encourage you, however, to pursue any available open recruitments in the City for which you are qualified during this most difficult time.
APPENDIX B
MORENO VALLEY LAYOFF POLICY
shall fund for the City Manager-approved reclassification from its general personnel account for the balance of the current fiscal year. The department shall place and fund the reclassified position in the following year's personnel budget. Reclassifications are normally done with the adoption of the fiscal year budget, but may be done at other times.

Reclassification shall not be used for the purpose of avoiding restrictions concerning demotions, promotions, or unit modifications. The Human Resources Officer may conduct objective, non-competitive examinations to establish qualifications for the position.

The salary of an employee in a position that is reclassified shall be determined as follows:

1. **Classification with Same Salary Range:** If the position is reclassified to a classification with the same salary range as the previous classification, and if the incumbent is appointed to the reclassified position, the salary rate and the salary anniversary date of the employee shall not change. The provision shall also apply to the change of classification title, provided there is no change in the basic duties of the classification.

2. **Classification with Higher Salary Range:** If the position is reclassified to a classification with a higher salary range than the previous classification, and if the incumbent is appointed to the reclassified position, he or she shall be compensated at the step in the new salary range which comes nearest to but not less than five (5) percent higher than the step he or she held in the previous salary range. The incumbent's salary anniversary date shall not change.

3. **Classification with Lower Salary Range:** If the position is reclassified to a classification with a lower salary range than the previous classification, and if the incumbent is appointed to the reclassified position, the City Manager may approve a Y-rated salary for the employee if the employee is at the top step. Otherwise the employee's new salary at the lower grade shall be placed at a step which yields a salary closest to, but not less than, the current salary. The incumbent's salary anniversary date shall not change. Normally, benefits will not be Y-rated, unless specifically approved by the City Manager.

The effective date of reclassification shall coincide with the first working day of a pay period after the reclassification is approved by the City Manager. Any completely new classification, one not listed in the Classification Roster, must be adopted by the City Council before it is approved.

3.45 LAYOFFS/REDUCTION-IN-FORCE/RECALL: The City Manager may lay off permanent and probationary workers at any time for lack of work, budgetary reasons, technological changes, or other City actions that necessitate a reduction in the work force. At least four weeks notice shall be given to any employee who is to be laid off. At the City Manager's discretion, a demotion or transfer to another department or classification may be made to prevent a layoff provided the employee is qualified by education and/or experience and is capable of performing the duties of the classification. The Department Heads, in consultation with the Human Resources Officer, and as approved by the City Manager, will effect the layoffs.

Reduction In Force. When it becomes necessary to reduce the work force in the City, the City Manager shall designate the job classification, division, department, or other organizational unit in order to effect a reduction in the work force. Contract, temporary, seasonal, or initial
probationary employees in the same job classification as ones proposed to be reduced within the City shall be laid off first. Although the City may elect to do so, it is not required to allow laid off employees to "bump" employees in other classifications. Probationary promotional employees who are laid off shall be returned to their former classification. Employees who accept lower positions or transfers in lieu of lay-off shall be placed at a step which yields a salary closest to current salary.

Order of Layoff: The order of layoff of career employees shall be made in accordance with a system which favors retention of the more meritorious employees, based upon evaluation of the following factors in the listed order of importance:

a. the most recent performance evaluation record once finalized and filed in Human Resources except when an employee has less than one year seniority with the City. In that case, only seniority will be used.

b. documented disciplinary actions or formal recognition of meritorious performance during the preceding twelve (12) months.

c. seniority (length of service in a career position)

1. In the City
2. In the classification
3. In the department

d. for employees who are equal in performance and seniority, as established in a.-c. above, preference will be given to those with the most veterans preference points (excluding military retirees with 20 or more years.)

Other exceptional circumstances to deviate from this policy may include the desirability of maintaining a department or work unit with adequate staffing to perform required service, and maintaining employees in the classification, department, or section who have the ability to perform work available.

Seniority: Seniority is determined from the day of official appointment to a City department as a regular employee, provided that any regular employee who, as a result of promotion, transfer, or voluntary demotion, is appointed to a regular position in another department, shall for purposes of layoff, carry seniority previously acquired over to the new department.

Seniority shall continue to accrue during periods of vacation, sick leave, layoff not exceeding two (2) years, any authorized leave of absence of less than three (3) months, or any call to military service for the duration of the call to duty. Seniority shall not accrue during any other break in continuous service.

Other Policies: The City may call back as a temporary employee within the first year after layoff any laid off employee who is on the reinstatement list when the employee is qualified to fill a vacancy of a full-time position. Once that temporary employee has worked for one year in that
capacity in the City, he or she shall be reinstated as an "at will" employee with no property rights, but shall receive career benefits until such time as a career position is budgeted. Unless two years have elapsed from the day of lay-off, he or she shall be placed in that career position.

Any employee who receives an involuntary transfer shall have automatic "bumping rights" to the classification said employee was involuntarily transferred from for up to six (6) months from the effective date of the involuntary transfer in the event of layoff.

Reassignment: An employee who would otherwise be terminated for failure to accept reassignment may terminate and be placed on the Reinstatement List if the employee is being reassigned to a position previously occupied by an employee who was laid off within twenty (20) working days of the effective date of the reassignment.

An employee who chooses to terminate and have his/her name placed on the Reinstatement List under this section shall notify the department in writing of his/her decision at least three (3) working days prior to the effective date of reassignment. Such termination shall be on the same date as the reassignment would have been effective.

Reinstatement List: The name of every regular employee who is laid off, transferred, or elects to demote to a formerly held classification in the same department for longer than one pay period due to a Reduction-in-Force, shall be placed on the Reinstatement List. Vacancies to be filled within a department shall be offered, first in order of performance, to individuals named on the Reinstatement List who at the time of the Reduction-in-Force, held a position in the same job classification within the department as the vacancy to be filled.

Individual names may be removed from the Reinstatement List for any of the following reasons:

1. The expiration of two (2) years from the date of placement on the list.
2. Re-employment with the City in a regular full-time position in a department other than that from which the employee was laid off.
3. Failure to respond within 14 calendar days of mailing of a certified letter regarding availability for employment.
4. Failure to report to work within 14 calendar days of mailing of a certified letter containing a notice of reinstatement to a position, absent mitigating circumstances.
5. Request in writing to be removed from the list.

Status on Re-employment: A regular employee who has been laid off or terminates in lieu of reassignment and is re-employed in a regular position within two (2) years from the date of his layoff or termination shall be entitled to:

1. Buy back and thereby restore all sick and vacation leave credited to the employee's account on the date of layoff or termination and at the same rate as it was paid originally. This restoration must be requested in writing within 30 days of returning to work and must be fully paid back within six (6) months of the return to work.
2. Restoration of seniority accrued prior to and accrued during layoff.

3. Credit for all service prior to layoff for the purpose of determining the rate of accrual of vacation leave.

4. Placement in the salary range as if the employee had been on a leave of absence without pay if he/she is reinstated to the same job classification in the same department from which he/she was laid off or terminated.

**Recall:** Those former employees in a classification who were laid off shall be recalled first in order of performance merit to be used in any City-wide position for which the former employee qualifies, unless exceptional circumstances occur of which the concerned employee shall be fully apprised in advance.

No person from outside City employment shall be hired in a career position in the deleted classification until all those displaced due to layoffs or transfers are recalled to their former classification or one classification lower in the same career ladder as the one in which the employee was laid off.

**Continuation of Benefits:** Those who are laid off shall have their medical insurance benefits continued to the end of the second month following the date of their layoff in the event that they are not covered by another medical plan at that time.
APPENDIX C

SURVEY INSTRUMENT
TELEPHONE SURVEY
LAYOFF EXPERIENCES OF SOUTHERN CALIFORNIA CITIES

City Surveyed: ________________________  Population: ________________

Date: ________________  Time: ______

Employee interviewed: ________________________  Position: ________________

8. Do you currently have a layoff procedure in place?     Y     N

2. If Yes, what type of policy?     Performance  Seniority  Hybrid  Other

3. Has your city experienced layoffs in the past 10 years?     Y     N

4. From an administrative standpoint (not the emotional one), please estimate how difficult the layoffs were to implement.  1=easy 10=excruciating

    1------2------3------4------5------6------7------8------9------10

5. Was there a layoff procedure in place prior to implementation?     Y     N

6. Did employees view the procedure as fair?     Y     N

7. What type of policy was in place prior to implementation?     Per  Sen  Hyb  Oth

8. Was there a need to amend these procedures just before or during the process?     Y     N

9. What were the two most difficult issues to resolve (if any) during the layoffs?

    1.

    2.

10. After the layoffs, did productivity improve?     Y     N

11. How?

12. What type of plan would management most like to see?     Per  Sen  Hyb  Oth
13. What type would labor groups prefer? Per Sen Hyb Oth

14. What do you see as the largest current problem with your present policy?

15. How would you improve it to meet your city’s needs?

16. Are there any other comments you’d like to make?

If they’d like a copy of the survey results, enter mailing address below:
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