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State workers' unused paid time means big payouts

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One public employee received a \$594,976 lump-sum payment from the state when he retired last year; another got \$553,253.

The two - a surgeon and a dentist who provided care to prison inmates - topped the list of some 300 state employees who left or retired from their state jobs in 2010 and collected six-figure payments for unused vacation and other paid time off accumulated during their careers, according to records obtained from the state controller's office.

The records reflect a widespread failure by the state to control the amount of paid time off that employees amass. State policy caps the number of vacation hours an employee is allowed to bank at 640 hours - or 16 weeks - and sometimes higher for public safety workers. But many agencies do not enforce the limits.

Controller's data shows that in 2010, California paid \$293 million in lump-sum payments to 20,048 state workers who retired or left. But while some checks were as low as 41 cents, others were for hundreds of thousands of dollars - reflecting months upon months, or in some cases years, of banked leave.

In 2010, the top 100 people to collect six-figure payments accounted for nearly \$20 million alone. Among them were a highway patrol sergeant in Los Angeles County who collected \$208,772, a parole agent in Santa Clara County who got \$268,990, and a prison psychiatrist in Solano County who received \$262,535.

Critics say the numbers should be a wake-up call for state leaders who need to do a better job managing employee work hours.

"It is shocking but not surprising," said David Kline, a vice president at the California Taxpayers Association. "We've seen so many examples of bad management decisions that cost state taxpayers millions of dollars. ... In the private sector, business owners set standards as far as how much vacation time an employee can accrue and they stick to those standards."



Furloughs add to woes

Elizabeth Ashford, a spokesman for Gov. [Jerry Brown](#), said the Democratic administration is concerned.

"The last administration likely exacerbated this situation with its furlough program. Once the furlough program winds down, we hope that employees will be able to use their vacation time and prevent additional growth in leave balances," she said.

Jason Sisney, director of state finance at the Legislative Analyst Office, said the banked time has grown in recent years. According to the state auditor's office, workers had \$1.9 billion worth of paid leave banked in 2006-07. Today, it's a \$3.5 billion liability.

State managers face "difficult decisions in managing leave time," because service levels could fall and overtime could rise if workers were to use all their paid time off, Sisney said.

However, he added, "when workers retire and cash out, departments generally have to manage these cash-out costs within their existing ... sometimes very stretched budgets."

Many of the workers who received the largest payouts are employed in 24-hour-a-day, seven-day-a-week operations, such as the Department of Corrections and Rehabilitation, the Highway Patrol and the Department of Forestry and Fire Protection.

Employees on the list said they often worked through vacations when emergencies or staffing shortages forced them to cancel scheduled time off. And they noted that because the money comes in one lump sum, it is heavily taxed.

"The way the system is set up, particularly for those in top-level management ... is that over the course of time, a lot of vacation builds up," said Robert Meyers, who was a doctor in the state prison system for 22 years and retired as chief medical officer of the California Men's Colony in San Luis Obispo. His payout, before taxes, was \$412,666 - equivalent to what he would typically earn in about a year-and-a-half.

Meyers said he asked corrections department superiors if he could burn the time off by taking some long vacations toward the end of his career, but was turned down because there was no one to fill his shoes. "For me to take that much time was not doable," he said. "There's no backup position if you're running a program."

Top 100 on list

Many of the top payouts went to managers, and nearly half of the top 100 worked in prisons, mostly as medical staff. Highway patrol officers, firefighters and mental health officials made up the bulk of the rest of the list.

"Every year we have employees on this list, because we are a 24-hour a day emergency department," said Daniel Berlant, a spokesman for Cal Fire. "We don't always allow them to use holiday, personal leave or comp time credits they build up. And in 30 or 40 years of a career you can easily build up a lot of time. We do encourage them to use it, we try to schedule them to use the time, but many employees are not able to do it when it comes down to it."

CHP and prison officials echoed Berlant's statement, noting that their employees cannot simply walk away from prisons or emergency situations. Hiring freezes, furloughs and unfilled positions have exacerbated the buildup of paid time off at state prisons, said prison spokeswoman Terry Thornton. The state is short between 2,000 and 3,000 correctional guards.

"We do encourage our supervisors and managers to work with staff to make sure they take time off," she said. "But with the hiring freeze still in place, it's made it more difficult to take time off, and other leave has built up as well."

CHP spokeswoman Fran Clader said that agency's top official, Commissioner J. A. Farrow, in January directed his division commanders to work with their employees to reduce excessive leave amounts by the end of the year. She also said that despite the CHP's large payouts in 2010 - \$2.47 million to 15 people - the agency stayed within its budget and even returned some funding to one state account in recent years.

Many in medical field

Many of the employees on the top 100 list, like Meyers, were medical professionals who worked under the direction of a federal receiver. That position was created in 2006 to oversee health care in prisons after a three-judge panel ruled that the state's inadequate medical care led to the unnecessary deaths of about 50 inmates a year. The first receiver gave large raises to most workers under his control, arguing that the state could not attract qualified individuals.

Meyers, for example, saw his salary increase from around \$160,000 a year to about \$260,000 - a jump that gave his final payout a bump, because it is calculated at a workers' final salary.

Nancy Kincaid, a spokeswoman for the current receiver, J. Clark Kelso, stressed that it was his predecessor, Robert Sillen, who made the salary hikes and said that the receiver's office instructs staff members to give their direct supervisor a plan to burn excessive time once they reach the state's 640-hour cap.

"However, with that said, the issues with most departments - we had the same issue when I was with the Department of Mental Health - is that (the state) requires staff to use furlough and (other) time first," she said in a written response. "Many people have banked furlough time ... so now it is just difficult to get leave time down."

Staff shortages

Kincaid also said that a number of the prison medical professionals on the top 100 list have been with the state for 18 years or more "so some of those who have high balances were probably ones who didn't get to take vacation or leave because they were working many hours back when (the department) had many, many vacancies, under lower salaries when they could not recruit or retain clinical staff."

Jay Wickizer, a Cal Fire administrator whose lump sum was \$294,440 before taxes, said he worked 37 years for the department to "put my life into trying to do something that would matter." He said it was difficult to take vacations in that agency, even as a manager, because emergencies - from fires to budget fights - arise.

"It's not just me - a lot of people care more about that than about the dollar - they want to get the job done," he said. "I tried to give more than I was paid for."

Managers responsible

Kline, of the taxpayers group, said the responsibility for cutting down the large payouts lies with managers.

"There are ways, even in public safety departments, that you can manage personnel better so they can have both vacation time and someone holding the hose and putting out the fire," he said. "You don't want to see somebody stop in the middle of an emergency surgery because it's time for their two weeks off. But by the same token, most surgeons in the private sector can schedule procedures in advance, and have a regular family life while still doing the job. The state has employment standards, and it needs to uphold those standards."

Top 100 list: More than 20,000 state employees retired last year and received lump-sum payments for unused vacation and other time off. To see the list of the top 100 retirees from 2010 who collected the biggest lump-sum payments, go to <http://sfg.ly/eDYoSv>.

How state workers accrue paid leave

State employees generally receive 11 holidays per year and one personal day. They also earn between seven and 16 hours of vacation time per month. Workers can also earn comp time by working overtime. In addition, many state employees participate in a personal leave program, which gives them one day off a month in exchange for a 5 percent pay cut.

Managers generally get a single bank of time off, meaning there's no difference between vacation and sick time.

There are caps on how much time employees can bank, but those limits are not consistently enforced.

All unused paid time off is cashed out when state workers retire or leave state service, and it's paid out at the worker's final pay rate.

Source: Department of Personnel Administration

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<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/03/20/MNB31IBR5S.DTL>

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