

# County of Orange Compensation Disclosure



# **County of Orange Compensation Disclosure**

## ***SUMMARY***

The 2010–2011 Orange County Grand Jury has examined the extent and effectiveness of the disclosure of compensation and employment contract information for elected officials and high level employees by the County of Orange.

Based on this review, it was concluded that the degree of transparency currently provided to the public by the County of Orange regarding compensation information is inadequate in its accessibility, content, and clarity.

For this reason, the Grand Jury has designed a format for use in reporting compensation information to the public and recommends that this format, together with employment contract disclosure, be posted on the County's Internet website as soon as practicable.

## ***REASON FOR STUDY***

Compensation of public officials and employees has long been a subject of citizen concern. Recent revelations from governmental entities outside of Orange County have led to charges that officials were paying themselves lavish salaries and benefits at taxpayer expense and have undermined the public's trust and confidence in their government officials.

An effective means by which this confidence may be restored and preserved is through disclosure of compensation information to the public. In this regard, an objective and comprehensive analysis was conducted of how compensation information is disclosed to the public by the County of Orange, as compared with other major California county governments.

## ***METHODOLOGY***

In order to establish the current level of disclosure, the Internet websites of the ten most populous California counties were analyzed and evaluated. The websites were objectively reviewed on the quality of their disclosure in three important areas:

- Accessibility
- Content
- Clarity

Also, interviews were conducted with representatives of Orange County Human Resources and County Counsel to confirm certain facts and findings contained in this report.

All population statistics used in this report are from the State of California, Department of Finance, E-1 Population Estimate for Cities, Counties and the State with Annual Percent Change – January 1, 2008 and 2009, Sacramento, California, May, 2009.

## ***FACT***

**Fact:** The ten most populous California counties maintain Internet websites, where information relating to county government is reported.

## ***ANALYSIS***

### **Transparency:**

An effective way to guard against abuses in the compensation of governmental officials and employees is to provide the public with easy access to accurate information. An efficient means for widespread disclosure of compensation information is on the Internet. That information for officials and employees should be posted in a clear, concise and consistent manner that is also easy for the public to access.

Since the County of Orange currently has a website, the enhancement of compensation information on the website should not impose an undue burden. Not only will that publication serve the citizens of Orange County, but should also pre-empt numerous information requests from media and other interested parties.

To find examples of the types and levels of current county compensation disclosure, the websites of the following ten most populous California counties were reviewed:

<b>County</b>	<b>Population</b>
Los Angeles	10,393,185
San Diego	3,173,407
Orange	3,139,017
Riverside	2,107,653
San Bernardino	2,060,950
Santa Clara	1,857,621
Alameda	1,556,657
Sacramento	1,433,187
Contra Costa	1,060,435
Fresno	942,298

### **Website Reviews:**

The websites were reviewed on the following three criteria:

- **Accessibility** – Is the compensation content readily identifiable and accessible without complex website search and navigation?  
**Note** – Most websites include a search function with varying degrees of effectiveness. For the sake of consistency in this study, search functions were not used.
- **Content** – Does the website present both actual salary and benefit costs for senior level officials and employees? If benefits are shown, are the items detailed separately and extensively?
- **Clarity** – Is the compensation information presented in a clear, concise format that may be easily read and understood by the average viewer? Are the salaries and benefits totaled, or is the viewer required to do the math?

It should be noted that this review of the county website postings was done from the perspective of the general public accessing the information for their personal use and enlightenment. In contrast to this perspective, most of the current county salary and benefit postings appear to be intended for either job applicants or existing county employees.

Based on this review, the following are outstanding examples of public disclosure in the 3 criteria noted above.

- **Accessibility** – Websites providing easy access with a link to compensation data on the home page are:
  - Los Angeles – <http://lacounty.gov/>
  - Riverside – <http://www.countyofriverside.us/>
  - Santa Clara – <http://www.sccgov.org>
- **Content** – An excellent example of salary and benefit cost information is:
  - Contra Costa – <http://www.co.contra-costa.ca.us/DocumentView.aspx?DID=2194>.
- **Clarity** – Good examples of a clear listing of officials are:
  - Los Angeles – <http://lacounty.gov/>
  - Riverside – <http://www.countyofriverside.us/>

### **County of Orange Website:**

In comparison to these, the current County of Orange website disclosure provides:

**Accessibility** – There is no direct link to salary or benefit information on the home page. To access salary information, the reader has to take the following steps:

- Click on the link entitled “Departments & Agencies”,
- Click on the link entitled “Human Resources (OCHR)”,
- Either click on “Salary Schedules” to see a list of schedules with varying types of salary range information, or
- Click on “Title Schematics” and then sort either alphabetically or by title code to see a list of all job classifications with hourly and monthly salary range minimums and maximums.

**Content** – Actual salaries are not posted, only salary ranges. Under the tab “Salary Schedules”, the ranges are linked to position codes not meaningful to the average viewer. “Title Schematics” is slightly more descriptive, but the viewer who is not familiar with job codes has to scroll through long lists of position titles to find a position or positions. There is no posting of any other pay information such as bonuses or pay in lieu of time off. For benefit information, the link entitled “Benefits Overview” may be accessed to view an overall description of benefit programs, but no benefit cost information is posted.

**Clarity** – The varying use of job codes is confusing to the average outside viewer. Scrolling through alphabetical lists of positions is also confusing to the viewer who probably does not know the exact position title, much less the job code, for the individuals being researched.

## **Compensation Disclosure Model:**

In the interest of consistency and clarity in the disclosure of compensation data for County of Orange officials and employees, the Grand Jury has developed a model for posting onto the County of Orange Internet website. The fundamental elements of the model on the website would provide that:

- **Accessibility** – The link from the home page to the compensation webpage be a permanent feature, which is prominently displayed and requires only one mouse click for access.
- **Positions Reported** – All elected officials and department heads be reported. Elected officials be listed first, followed by department heads in descending order of salary amount. A list of all elected officials and department heads for the County of Orange who would be covered by this posting is shown on Appendix 1.
- **Salary Reporting** – The actual annual base rate of salary be shown, rather than range minimums and maximums.
- **Other Pay**
  - **Fees** – Any fees earned from County-sponsored boards, committees or commissions
  - **Deferred Compensation**
  - **Bonus** – Any form of management, incentive or performance improvement bonuses.
  - **Pay in Lieu of Time Off**
  - **Automobile Allowance**
- **Insurance Premiums** – Annualized amounts that the County pays on the employee’s behalf for medical, dental, vision, disability and life insurance.
- **Pension Costs** – Annualized amounts that the County pays for contributions to a pension plan (such as CalPERS).
- **Total Compensation** – Salary and benefit amounts be totaled for a representation of the total compensation received for the calendar year.

An illustration of this model as it would appear on a webpage is shown in Appendix 2.

## **Employment Contracts:**

For the purpose of this report, the term “employment contract” is defined as a written agreement between an individual employee and the County setting forth the detailed terms, conditions and mutual obligations of the employment.

The County of Orange currently maintains six employment contracts, covering the:

- Chief Executive Officer
- Clerk of the Board of Supervisors
- County Counsel
- Director of Internal Audit
- Performance Audit Director
- Executive Director of the Office of Independent Review

Employment contracts are all subject to approval by the Board of Supervisors and are maintained by the Clerk of the Board.

While there is currently no reasonably accessible disclosure of employment contract information on the County of Orange website, the Grand Jury is of the opinion that employment contracts are important public information and should be disclosed in an easily accessible manner in the interest of public trust and confidence.

### ***FINDINGS:***

In accordance with *California Penal Code* Sections 933 and 933.05, the 2010-2011 Grand Jury requests a response from the County of Orange Executive Office to the findings presented in this section. The response is to be submitted to the Presiding Judge of Superior Court.

Based on its investigation of the County of Orange Internet website, the 2010-2011 Orange County Grand Jury has two principal findings, as follows:

- F.1:** The quality and extent of compensation disclosure by the County of Orange on its Internet website is inadequate.
- F.2:** There is currently no reasonably accessible disclosure of written employment contracts on the County of Orange website.

## **RECOMMENDATIONS:**

### **The 2010/2011 Orange County Grand Jury makes the following recommendations:**

In accordance with *California Penal Code* Sections 933 and 933.05, the 2010-2011 Grand Jury requests a response from the County of Orange Executive Office to the recommendations presented in this section. The response is to be submitted to the Presiding Judge of the Superior Court.

Based on its review and evaluation of the compensation disclosure provided by the County of Orange, the 2010-2011 Orange County Grand Jury makes the following two recommendations:

**R.1: Compensation Disclosure – The County of Orange report compensation information to the public on the Internet in an easily accessible manner. The Compensation Disclosure Model (Appendix 2) provides a sample as to the items that are recommended to be included in determining total compensation.**

**R.2: Employment Contracts – The County of Orange reveal any individual employment contracts in an easily accessible manner.**

## **REQUIREMENTS AND INSTRUCTIONS:**

The California Penal Code Section 933(c) requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court); except that in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such comment shall be made *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code Section 933.05(a), (b), (c), details, as follows, the manner in which such comment(s) are to be made:

- (a) As to each grand jury finding, the responding person or entity shall indicate one of the following:
  - (1) The respondent agrees with the finding

- (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.
- (b) As to each grand jury recommendation, the responding person or entity shall report one of the following actions:
  - (1) The recommendation has been implemented, with a summary regarding the implemented action.
  - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
  - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
  - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.
- (c) If a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the grand jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with the Penal Code Section 933.05 are requested from the:

<b>Responding Agency</b>	<b>Findings</b>	<b>Recommendations</b>
<b>The County of Orange Executive Office</b>	<b>F.1, F.2</b>	<b>R.1, R.2</b>

**Appendix 1: County of Orange Elected Officials and Department Heads**

<b>POSITION</b>	<b>POSITION</b>
<b>A. ELECTED OFFICIALS</b>	<b>B. DEPARTMENT HEADS</b>
County Supervisor Dist. 1	Chief Executive Officer *
County Supervisor Dist. 2	Clerk of the Board of Supervisors *
County Supervisor Dist. 3	County Counsel *
County Supervisor Dist. 4	Director of Internal Audit *
County Supervisor Dist. 5	Exec. Dir. Office of Independent Review
Assessor	Performance Audit Director *
Auditor - Controller	Assistant CEO
Clerk - Recorder	Deputy CEO Infrastructure
District Attorney	Deputy CEO Govt. & Public Services
Public Administrator	Deputy CEO Information Technology
Sheriff - Coroner	Deputy CEO Finance
Treasurer – Tax Collector	Director OC Community Resources
	Director of Public Works
	Director, Health Care Agency
	Chief Probation Officer
	Public Defender
	Registrar of Voters
	Director OC Waste & Recycling
	Director, Dana Point Harbor
	Airport Director
	Human Resources Director
	Public Guardian
	Director, Child Support Services
	Director, Social Services

\* Covered by Employment Contract

