

State of California

MEMORANDUM

To: PERSONNEL MANAGEMENT LIAISONS

DATE: August 20, 1992

REFERENCE CODE: 92-95

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

DEPARTMENT DIRECTORS AND AGENCY SECRETARIES, EMPLOYEE RELATIONS OFFICERS; ACCOUNTING OFFICERS, ACCOUNTING STAFF AND TRAVEL/RELOCATION LIAISONS; DEPARTMENT STAFF REDUCTION TEAMS

From: Department of Personnel Administration

Subject: Relocation Cost

The purpose of this memo is to provide you with a summary of the Department of Personnel Administration (DPA) Rules related to relocation, to show approximate costs associated with those rules and to explain when the payment of relocation costs becomes mandatory. This document is meant only to be used as a tool in projecting your budget needs when considering the redirection of staff through involuntary relocation, or when filling vacancies with surplus staff from other appointing powers. This memo does not contain the full text of the rules or the policies and procedures applicable to relocations of State employees.

DPA RULES/COST CONSIDERATIONS

DPA rules provide that an employee SHALL receive actual and necessary moving and relocation expenses incurred before and after a move that is deemed to be required (by the State) due to a promotion, a non-promotional transfer for the good of the state, or a transfer in lieu of layoff to the same or a different appointing power. State Restriction of Appointments (SROA) eligibility alone does NOT constitute "in lieu of layoff" and carries no obligation to pay relocation. "In lieu of layoff" means that prior to a hiring commitment by the same or a different appointing power, the employee has received a formal notice of layoff in accordance Government Code Section 19997.14, DPA Rule 599.845 and the DPA California State Civil Service Layoff Process Manual.

Appointing powers may find it possible to resolve their surplus staff and avoid layoff by redirecting staff through involuntary transfers that require relocation. In those instances, the employee must receive a 60 day notice which includes the date and location of the new position. The department still incurs liability for the relocation costs, but may avoid the extended time frames and additional expense of going through the layoff process when relocations are inevitable. A change of residence is not deemed to be required (by the State) for any non-promotional transfers that are primarily for the good of the employee or in response to general requests which specify that moving and relocation expenses will not be paid.


When it is determined that the State will be responsible for the expenses, the cost to the department will typically average \$24,000 for each employee that relocates. These costs include relocation expenses of up to \$116.00 per day for up to sixty days while an employee is looking for a new permanent residence (up to \$6,900), movement of household goods by a commercial carrier (an average of \$6,000), miscellaneous expenses of up to \$200, and either the allowable costs associated with the sale of a residence (approximately \$10,800 on a residence selling for \$130,000) or the cost of relocating a mobile home coach (\$7,000 to \$21,000 depending on whether it is a single or double wide and the number of miles of transport). If the employee's principle residence is a rental, the State may be responsible for paying up to twelve months rent in settlement of a formal written lease.

The DPA rules contain no provisions for departments to offer less than the full relocation benefits. However, there have been exceptions negotiated with unions during layoff impact bargaining which limit relocation benefits for specific classes, locations, facilities and/or time periods. Any such negotiations require prior delegation authority and final approval by DPA. Lacking such an agreement and approval by DPA, any state paid relocation, mandatory or discretionary, encumbers the full liability of the allowable relocation expenses. A private agreement between employee and employer cannot be supported upon appeal.

Likewise, there are no provisions for departments to expand either the benefits or maximum timeframes beyond those that are specifically delegated, such as the weight of household goods over 11,000 lbs. and up to 18,000 lbs., or specifically limited, such as the time requirements for submission of claims for sale of residence.

Employees being reinstated or hired from reemployment lists are considered "new" employees for relocation purposes. Departments have delegated authority to reimburse up to \$1,000 in approved moving expenses to persons who change their place of residence to accept employment with the State. Such reimbursement is permissive on the part of departments. Reimbursements to new or reinstating employees in excess of \$1,000 must be approved in advance by the Department of Finance.

More detailed information may be found in DPA Rules 599.715 through 599.724, State Administrative Manual sections 3820 through 3829 and the relocation packages for current and new employees. All of the above mentioned material is available from your department relocation liaison, usually located in your department headquarters accounting office.


Patricia Pavone, Chief
Benefits and Training Division