

MEMORANDUM

TO: Government Operations and Fiscal Policy Committee

FROM: Justina Ferber, Legislative Analyst

SUBJECT: **Worksession: FY14 Operating Budget
 Office of Human Resources (General Fund)**

Those expected for this worksession:

- Joseph Adler, Director, Office of Human Resources (OHR)
- Kaye Beckley, Manager, Business Operations and Performance Division, OHR
- Jennifer Shovlin, Budget Manager, OHR
- Helen Vallone, Sr. Management and Budget Specialist, OMB

The Executive's recommendation for the Office of Human Resources (OHR) budget is attached at ©1-7.

Overview

This packet addresses the general fund portion of OHR's budget. Compensation and benefits, including the Employee Health Benefit Self-Insurance Fund, are addressed by the Council Staff Director in a separate packet. The Executive's recommended budget for the General Fund portion of the OHR budget is \$7,656,440 a 7.3% increase over the approved FY13 budget of \$7,136,988.

	FY11 Actual	FY12 Actual	FY13 Approved	FY14 CE Recommended	% Change FY13-FY14
Expenditures:					
General Fund	\$5,822,018	\$6,049,017	\$7,136,988	\$7,656,440	7.3% \$519,452
Positions:					
Full-time	74	70	68	68	0.0%
Part-time	6	6	6	6	0.0%
TOTAL Positions	80	76	74	74	0.0%
FTEs	35.7	36.4	44.3	46.25	4.4%

Expenditure Changes

The County Executive's recommendation for the FY14 OHR General Fund budget is an increase of \$519,452 from FY13. The increase is related to the following changes:

Changes with Service Impacts (General Fund)	
<i>Add:</i> Disability Employment Initiative	\$255,000; 0.0 FTE
Changes with No Service Impacts (General Fund)	
Shift Funding for Information Technology (IT) Manager from Tech Mod	\$57,880; 0.4 FTE
FY14 Compensation Adjustment	\$149,826
Eliminate FY13 \$2,000 Lump Sum	-\$88,545
Group Insurance Adjustment Cost Increase	\$65,701
Printing and Mail Cost Increase (Directors Office)	\$3,659
Other Labor Contract Costs Increase	\$105,369
Retirement Adjustment Increase	\$562
Technical adjustment – Adjust FTEs (see Crosswalk ©8)	1.55 FTE

Budget changes listed above are discussed in the packet by division:

FY14 Expenditure Issues by Division

DIRECTOR'S OFFICE: Responsible for human resources policy development and planning, administration of human resources programs and customer service.

Changes in this division relate to increased compensation and benefits, departmental adjustments and the transfer of a portion of two positions from the Enterprise Resource Planning (ERP) and Technology Modernization projects.

Director's Office	
FY13 Expenditures \$673,972	FY13 4.10 FTEs
FY14 Expenditures \$1,091,760	FY14 6.65 FTEs
\$57,880; 0.4 FTE	Shift Funding for Information Technology (IT) Manager from Technology Modernization Project to OHR
\$86,820; 0.5 FTE	Shift Funding for Manager III position from ERP to OHR
\$3,659	Printing and Mail Cost Increase
\$269,429; 1.65 FTEs	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

BUSINESS OPERATIONS AND PERFORMANCE: Comprised of the Classification, Compensation, Records Management, and Administration teams to ensure employees are appropriately compensated and records are managed.

The increase in operating expenses for this Division is for compensation, benefits and staffing adjustments.

Business Operations and Performance	
FY13 Expenditures \$1,389,509	FY13 13.35 FTEs
FY14 Expenditures \$1,555,125	FY14 15.85 FTEs
\$165,616; 2.50 FTEs	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

Classification Studies: OHR will perform 50 individual position and 7 occupational class studies for employees affiliated with MCGEO in FY14. The studies will be conducted by OHR staff or contractors. Operating funds of \$100,000 are included in the OHR budget for contractor studies. Twenty individual position studies for non-represented employees will be scheduled.

CHANGE MANAGEMENT, TRAINING, AND ORGANIZATIONAL DEVELOPMENT: Administers a centralized workforce development and change management program that recognizes employee’s contributions, develops leadership competencies and facilitates professional and personal development and improved organizational effectiveness.

The decreases in operating expenses for this Division are related to departmental restructuring and to compensation and benefit adjustments.

Change Management, Training, and Organizational Development	
FY13 Expenditures \$996,054	FY13 6.55 FTEs
FY14 Expenditures \$995,164	FY14 5.05 FTEs
-\$890; -1.50 FTEs	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

Tuition Assistance: Operating funds of \$435,000 are budgeted for employee tuition assistance for FY14; the same as budgeted for FY13. The breakdown is a little different due to MCGEO’s FY14 bargaining agreement to earmark 50% of tuition assistance funding (not designated for FOP members) for MCGEO members.

Tuition Assistance FY14
 \$135,000 FOP
 \$150,000 MCGEO
 \$150,000 Non-represented, Volunteer Firefighters, IAFF
 \$435,000 Total

The GO Committee received an update on the use of tuition assistance funds in October 2012. The report identified courses taken using tuition assistance. In addition to course descriptions, OHR provided a chart which included the following: job title, major, degree, school, course title, and course description.

SELECTION AND RECRUITMENT: Responsible for attracting, hiring, and promoting the County workforce.

The new Disability Employment Initiative has been added to this division. Other increases in operating expenses for this Division are for compensation, benefits and departmental reorganization.

Selection and Recruitment	
FY13 Expenditures \$1,098,942	FY13 9.40 FTEs
FY14 Expenditures \$1,366,229	FY14 10.40 FTEs
\$225,000; 0.0 FTE	Add: Disability Employment Initiative
\$42,287; 1.0 FTE	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

Disability Employment Initiative: OHR will hire a contractor to administer the disability employment Program. Additional operating funds in FY14 of \$225,000 are included in the OHR budget to provide funds to County departments to fund positions for one year to hire disabled employees on a permanent basis. Some funding will be used for reasonable accommodations. OHR hopes to begin implementing the program in the next few months. Depending on the success of the program, the \$225,000 will be a recurring expense each year.

LABOR AND EMPLOYEE RELATIONS: Negotiates collective bargaining agreements on behalf of the County Executive and provides early intervention strategies in workplace disputes. Provides assistance, guidance and training to employees and managers concerning equal employment and diversity.

The increase in operating expenses for this Division is for compensation, benefits and staffing adjustments.

Labor and Employee Relations	
FY13 Expenditures \$1,513,818	FY13 10 FTEs
FY14 Expenditures \$1,557,040	FY14 10 FTEs
\$43,222; 0 FTE	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

OHR launched a new quarterly Labor and Employee Relations newsletter in May of 2012. A copy of the April 2013 newsletter is attached at ©10.

HEALTH AND EMPLOYEE WELFARE: The Benefits and Information Technology Division was renamed the Health and Employee Welfare Division. It Manages the County group insurance and retirement benefit programs and the County's employee health and welfare programs including occupational medical services.

Changes in operating expenses for this Division are for increases in claim costs and compensation, benefits and staffing adjustments.

Health and Employee Welfare	
FY13 Expenditures \$196,723,275	FY13 17.05 FTEs
FY14 Expenditures \$199,781,722	FY14 18.55 FTEs
\$3,325,106; 0.0 FTE	Increased cost in claims and administrator
\$2,325; 0.0 FTE	Printing and Mail cost increase
\$268,984; 1.5 FTE	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

Employee Wellness Initiative - Brenda Salas was hired as the new Wellness Program Manager beginning March 25. She will be working with OHR and union representatives to develop a Wellness Program. A joint labor/management wellness committee meeting will be held Wednesday April 24, 2013. A joint HHS/GO meeting will be scheduled in June to brief Councilmembers on the program.

OTHER ISSUES

Staffing changes: OHR has provided a crosswalk of positions at ©8 to show the staffing adjustments made from FY13 and FY14.

Personnel Regulations: The Montgomery County Personnel Regulations expire on January 5, 2014 and OHR is conducting an extensive review of the current regulations.

OLO Leave Report: OHR is addressing issues and recommendations raised in the OLO report on work hours and leave. Manager and employee questions regarding leave will be directed to the OHR Labor Team to provide consistency and facilitate responses. OHR training personnel will create a training program for supervisors and employees with a focus on leave processes and policies. The training should provide supervisors with the tools needed to oversee leave issues. CountyStat is working with departments to collect leave data. OHR has streamlined the FMLA process to address the recommendation that OHR increase its role in leave administration.

Telework: The GO Committee received an update in November 2012 on the County's telework program and advised that OHR would be working with county unions in a Labor/Management Relations Committee. The committee has been formed and will meet on May 9. Prior to the meeting committee members will participate in a telework webinar conducted by experts in the field.

Financial Disclosure: OHR and County departments are working with the Ethics Commission to provide timely information for the financial disclosure process. OHR briefed new Ethics Commission staff on OHR and Department HR Liaison' role as it relates to County's financial disclosure processes, training and orientation programs.

Customer Service: OHR is included in the CountyStat Montgomery County Customer Satisfaction Survey for internal customers for FY11 and FY12. The survey identifies trends in order to help departments identify strategies for improving processes. OHR showed a statistically significant increase in quality of service from 2011 to 2012. More detailed information is on the CountyStat website.

Multilingual Pay Differential: OHR provided the following update on the Multilingual Pay Differential.

Multilingual Certification Program

The County's Personnel Regulations provide a multilingual pay differential to employees who are fluent in English and: (a) are certified by OHR as having basic or advanced multilingual skills; (b) are assigned to a position designated for a multilingual pay differential or who fill a department's need for specific language skills; and (c) actually provide or are available to provide multilingual services in the course of employment. The pay differential amount is specified in Montgomery County's collective bargaining agreements with MCGEO, FOP, and the IAFF. Unrepresented employees are also eligible for pay differential.

Multilingual Pay Differential by Employee Group

Employee Group	Basic Level Differential	Advanced Level Differential
MC GEO	\$1.00 per hour for all hours worked	\$1.50 per hour for all hours worked
Unrepresented	\$1.00 per hour for all hours worked	\$1.50 per hour for all hours worked
FOP*	\$1.00 per hour for all hours worked*	\$2.00 per hour for all hours worked
IAFF	\$1.00 per hour for all hours worked	n/a

**Expert level multilingual pay differential for FOP members. Officers certified at the Expert skill level for interrogations and investigations will receive three dollars per hour for all hours actually worked.*

The multilingual pay differential is paid for all hours worked, regardless of whether the employee actually uses the language while working. Each employee who is certified to receive multilingual pay receives from \$2,080 to \$4,160 in additional salary each year.

STAFF RECOMMENDATION ON OHR BUDGET

- **Council staff recommends approval of the OHR recommended FY14 general fund budget of \$7,656,440 as submitted by the Executive.**

This Packet Contains:

Circle #

FY14 Recommended Budget: Office of Human Resources	1
Crosswalk of OHR positions from FY13 to FY14	8
<i>LER Connections</i> , April 2013 - Labor and Employee Relations Newsletter	10

Human Resources

MISSION STATEMENT

To provide a proactive and responsive human resources program that attracts, develops, and retains a diverse, high-performing, and well-qualified workforce.

BUDGET OVERVIEW

The total recommended FY14 Operating Budget for the Office of Human Resources is \$206,347,040, an increase of \$3,951,470 or 2.0 percent from the FY13 Approved Budget of \$202,395,570. Personnel Costs comprise 3.3 percent of the budget for 68 full-time positions and six part-time positions. A total of 66.50 FTEs includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses account for the remaining 96.7 percent of the FY14 budget.

The Office of Human Resources Budget is comprised of a General Fund component of \$7,656,440 and a Employee Health Benefit Self Insurance Fund component of \$198,690,600.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ **A Responsive, Accountable County Government**

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY13 estimates reflect funding based on the FY13 approved budget. The FY14 and FY15 figures are performance targets based on the FY14 recommended budget and funding for comparable service levels in FY15.

Measure	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Multi-Program Measures					
Average customer satisfaction rating on the yearly internal customer survey of County managers ¹	2.68	2.76	2.80	2.80	2.86
Percentage of grievances resolved before reaching third party neutral	84	85	87	87	87

¹ The satisfaction scale ranges from low (1) to high (4).

ACCOMPLISHMENTS AND INITIATIVES

- ❖ **Launched Disability Employment Initiative to encourage and assist Departments in hiring graduates of the County's internship programs for people with disabilities.**
- ❖ **Launched a new quarterly Labor and Employee Relations newsletter.**
- ❖ **Implemented quarterly HR Liaison meetings to encourage and enhance communication with departments on HR related issues.**
- ❖ **Implemented the Project SEARCH program to increase employment opportunities for individuals with disabilities.**
- ❖ **Instituted an online onboarding process, which automated and centralized all new employee onboarding materials, resources, and information.**
- ❖ **Hired a Wellness Program Manager to design and implement a County-wide wellness program.**
- ❖ **Developed a numeric rating process to be used for all preferred criteria rating processes to formalize and simplify the rating process for all raters.**
- ❖ **Developing a sick leave donor bank and program for MCGEO and unrepresented employees in Occupational Medical Services.**

❖ **Centralized the County's FMLA process in Occupational Medical Services. This has streamlined requests from departments and created a more consistent application of the law.**

❖ **Productivity Improvements**

- **Delegated outside advertising to departments to expedite the hiring process and improve billing and invoice tracking process.**
- **Expedited the selection process by allowing direct placement on the Eligible List when five or fewer applicants apply for a job and meet minimum qualifications.**
- **Expedited recruitments by allowing one week recruitments for large volume recruitments.**

PROGRAM CONTACTS

Contact Jennifer Shovlin of the Office of Human Resources at 240.777.5039 or Helen P. Vallone of the Office of Management and Budget at 240.777.2755 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Director's Office

The Director's Office is responsible for human resources policy development and planning; the administration of human resources programs; ensuring the integrity of the merit system; and directing the design and implementation of new initiatives to better serve customers and improve organizational performance. The team also provides direct customer service at the main reception area. The Information Technology team provides management and oversight to the Department's information technology initiatives.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	673,972	4.10
Shift: Manager III position from Enterprise Resource Planning (ERP) to Human Resources	86,820	0.50
Shift: Funding for Information Technolog (IT) Manager from Technology Modernization Capital Project	57,880	0.40
Increase Cost: Printing and Moil Adjustment	3,659	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	269,429	1.65
FY14 CE Recommended	1,091,760	6.65

Business Operations and Performance

The Business Operations and Performance division is comprised of the Classification, Compensation, Records Management, and Administration teams. The Classification and Compensation team reviews and evaluates the duties and responsibilities of individual positions and occupational classes in response to employee, department, and union requests in order to assure that positions are correctly assigned at comparable grade levels. This program also ensures that employees are accurately and appropriately compensated through technical analysis and equitable application of compensation systems and procedures. The team designs compensation plans and provides leadership to departments on performance-based pay. The Classification and Compensation team is also responsible for oversight and administration of the County's policies on compensation.

The Records Management team is responsible for establishing and maintaining personnel records that are required by law and/or necessary for the administration of the merit system. The team enters data for the position into Enterprise Resource Planning (ERP) Human Resources System and other ERP systems, so that an employee's paycheck can be generated. The Administration team provides management and oversight to office procurements and contracts, budget preparation and administration, and financial management of the employee health benefits and retirement funds. The team also remits payments to benefit program carriers and third party administrators, approves invoices, and remits bills to employees and retirees as necessary.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	1,389,509	13.35
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	165,616	2.50
FY14 CE Recommended	1,555,125	15.85

Change Management, Training, and Organizational Development

The team promotes collaboration, competence, and organizational effectiveness through leadership, workforce development, succession planning, and change management. The goal of the team is to ensure an organizational framework that is designed to lead Countywide change efforts for improved organizational effectiveness and strategic intervention. The team leads and facilitates

a strategic business effort to align training/organizational development, organizational effectiveness, and change management with the County's objectives and desired outcomes. The team designs short and long term business strategies to create required professional competencies, organizational performance and effectiveness, and champions organizational change efforts to support the County's objectives. The team establishes strong and credible relationships with management and employees to successfully build trust, collaboration, and integrity.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Customer satisfaction with training: Percentage who found training helpful to job	89	92	89	89	89
Customer satisfaction with training: Percentage who found training helpful to professional development	89	89	89	89	89

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	996,054	6.55
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-890	-1.50
FY14 CE Recommended	995,164	5.05

Selection and Recruitment

The Recruitment and Selection team is responsible for attracting, hiring, and promoting and retaining candidates for County departments and agencies that result in a highly skilled, competent, and diverse workforce. The team engages in a wide variety of outreach activities designed to ensure quality and diversity in the candidate population such as providing recruitment planning, guidance, and advisory services to departments and agencies on selection and hiring, conducts new employee orientation, administers reductions-in-force, and designs and administers public safety promotional examinations and other employment tests, administers the County's internship, fellowship and volunteer programs, and provides Selection Guidelines Training on Interviewing and Selecting Employees.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Average number of days to fill a vacant County position	38	84	84	84	84
Average satisfaction of departments with pools of candidates for positions, based on a survey of hiring managers ¹	4.3	4.5	4.3	4.3	4.3

¹ The satisfaction scale ranges from low (1) to high (5).

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	1,098,942	9.40
Add: Disability Employment Initiative	225,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	42,287	1.00
FY14 CE Recommended	1,366,229	10.40

Labor and Employee Relations

Employee Relations consists of two teams: Labor and Employee Relations and Equal Employment Opportunity and Diversity.

The Labor and Employee Relations team is designed to support County managers in the areas of collective bargaining and related personnel policies and procedures by negotiating competitive compensation and benefits. The Labor and Employee Relations team participates in collective bargaining and provides early intervention strategies for workplace disputes to ensure that managers comply with contractual and legal requirements and improves employee labor relations.

The Equal Employment Opportunity (EEO) and Diversity Management team provides assistance, guidance, and training to employees and managers concerning equal employment and diversity management to promote a discrimination free workplace that values diversity. The team also investigates complaints of harassment and discrimination by and against employees. The team is responsible for the production of the annual EEO and Diversity Action Plan and maintaining compliance with other Federal EEO-related reporting requirements and statistical analysis.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	1,513,818	10.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	43,222	0.00
FY14 CE Recommended	1,557,040	10.00

OHR Health and Employee Welfare Division

This Division is comprised of Employee Benefits, Occupational Medical Services, and Stress Management teams.

The Benefits Team manages the County's health and welfare programs. In addition to maintaining operations associated with program eligibility, the team provides customer service, education, and consulting to County employees, participating County agencies, and retirees in a manner that ensures an understanding of program provisions and their value as part of total compensation. This Team also oversees the County's Wellness Program.

The Occupational Medical Services (OMS) program provides multi-disciplinary occupational medical services, including health promotion, work-related medical and safety hazard assessments, and employee disability management in order to promote the health, wellness, and productivity of the County workforce. Occupational Medical Services also manages the medical services component of the Fire and Rescue Service's Wellness Initiative.

The Stress Management team promotes the emotional, mental, and physical well-being of Montgomery County Police Department employees and their family members through counseling, training, consultation services, and peer support.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	196,723,275	17.05
Increase Cost: Operating Expense Adjustments including Claims and Administration	3,325,106	0.00
Increase Cost: Printing and Mail Adjustment	2,325	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-268,984	1.50
FY14 CE Recommended	199,781,722	18.55

BUDGET SUMMARY

	Actual FY12	Budget FY13	Estimated FY13	Recommended FY14	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	3,535,925	3,470,881	3,842,369	3,644,122	5.0%
Employee Benefits	955,848	1,094,508	1,135,787	1,134,529	3.7%
County General Fund Personnel Costs	4,491,773	4,565,389	4,978,156	4,778,651	4.7%
Operating Expenses	1,557,244	2,571,599	2,211,613	2,877,789	11.9%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	6,049,017	7,136,988	7,189,769	7,656,440	7.3%
PERSONNEL					
Full-Time	70	68	68	68	—
Part-Time	6	6	6	6	—
FTEs	36.40	44.30	44.30	46.25	4.4%
EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND					
EXPENDITURES					
Salaries and Wages	1,126,560	1,334,686	1,219,757	1,589,572	19.1%
Employee Benefits	235,536	357,230	340,667	424,462	18.8%
Employee Health Benefit Self Insurance Fund Pers. Costs	1,362,096	1,691,916	1,560,424	2,014,034	19.0%
Operating Expenses	183,594,760	193,566,666	181,109,541	196,676,566	1.6%
Capital Outlay	0	0	0	0	—
Employee Health Benefit Self Insurance Fund Exp.	184,956,856	195,258,582	182,669,965	198,690,600	1.8%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	12.70	16.15	16.15	20.25	25.4%
REVENUES					
Investment Income	262	24,400	0	0	—
Medicaid/Medicare Reimbursement	2,415,262	0	0	0	—
Miscellaneous Revenues	1,357,538	0	0	0	—
Self Insurance Employee Health Income	181,075,608	190,203,450	181,741,180	192,432,260	1.2%
Other Charges/Fees	4,141,165	0	0	0	—
Employee Health Benefit Self Insurance Fund Revenues	188,989,835	190,227,850	181,741,180	192,432,260	1.2%
DEPARTMENT TOTALS					
Total Expenditures	191,005,873	202,395,570	189,859,734	206,347,040	2.0%
Total Full-Time Positions	70	68	68	68	—
Total Part-Time Positions	6	6	6	6	—
Total FTEs	49.10	60.45	60.45	66.50	10.0%
Total Revenues	188,989,835	190,227,850	181,741,180	192,432,260	1.2%

FY14 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY13 ORIGINAL APPROPRIATION	7,136,988	44.30
Changes (with service impacts)		
Add: Disability Employment Initiative [Selection and Recruitment]	225,000	0.00
Other Adjustments (with no service impacts)		
Increase Cost: FY14 Compensation Adjustment	149,826	0.00
Increase Cost: Other Labor Contract Costs	105,369	0.00
Increase Cost: Group Insurance Adjustment	65,701	0.00
Shift: Funding for Information Technolog (IT) Manager from Technology Modernization Capital Project [Director's Office]	57,880	0.40
Increase Cost: Printing and Mail Adjustment [Director's Office]	3,659	0.00
Increase Cost: Retirement Adjustment	562	0.00
Technical Adj: Adjust FTEs	0	1.55
Decrease Cost: Elimination of FY13 \$2,000 Lump Sum	-88,545	0.00
FY14 RECOMMENDED:	7,656,440	46.25

	Expenditures	FTEs
EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND		
FY13 ORIGINAL APPROPRIATION	195,258,582	16.15
Other Adjustments (with no service impacts)		
Increase Cost: Operating Expense Adjustments including Claims and Administration [OHR Health and Employee Welfare Division]	3,325,106	0.00
Shift: Manager III position from Enterprise Resource Planning (ERP) to Human Resources [Director's Office]	86,820	0.50
Increase Cost: FY14 Compensation Adjustment	52,237	0.00
Increase Cost: Printing and Mail Adjustment [OHR Health and Employee Welfare Division]	2,325	0.00
Increase Cost: Other Labor Contract Costs	1,922	0.00
Technical Adj: Adjust FTEs	0	3.60
Decrease Cost: Retirement Adjustment	-3,419	0.00
Decrease Cost: Group Insurance Adjustment	-10,976	0.00
Decrease Cost: Elimination of FY13 \$2,000 Lump Sum	-21,997	0.00
FY14 RECOMMENDED:	198,690,600	20.25

PROGRAM SUMMARY

Program Name	FY13 Approved		FY14 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Director's Office	673,972	4.10	1,091,760	6.65
Business Operations and Performance	1,389,509	13.35	1,555,125	15.85
Change Management, Training, and Organizational Development	996,054	6.55	995,164	5.05
Selection and Recruitment	1,098,942	9.40	1,366,229	10.40
Labor and Employee Relations	1,513,818	10.00	1,557,040	10.00
OHR Health and Employee Welfare Division	196,723,275	17.05	199,781,722	18.55
Total	202,395,570	60.45	206,347,040	66.50

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY13		FY14	
		Total\$	FTEs	Total\$	FTEs
COUNTY GENERAL FUND					
CIP	CIP	1,003,199	7.85	910,326	6.95
Fire and Rescue Service	Fire	1,293,260	0.00	1,293,260	0.00
Police	County General Fund	240,574	2.00	252,741	2.00
Total		2,537,033	9.85	2,456,327	8.95

FUTURE FISCAL IMPACTS

Title	CE REC.			(\$000's)		
	FY14	FY15	FY16	FY17	FY18	FY19
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY14 Recommended	7,656	7,656	7,656	7,656	7,656	7,656
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	201	252	252	252	252
These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits.						
Labor Contracts - Other	0	0	-105	-105	-105	-105
These figures represent other negotiated items included in the labor agreements.						
Subtotal Expenditures	7,656	7,857	7,803	7,803	7,803	7,803
EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND						
Expenditures						
FY14 Recommended	198,691	198,691	198,691	198,691	198,691	198,691
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	69	86	86	86	86
These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits.						

Title	CE REC.			(\$000's)		
	FY14	FY15	FY16	FY17	FY18	FY19
Labor Contracts - Other	0	0	-2	-2	-2	-2
These figures represent other negotiated items included in the labor agreements.						
Subtotal Expenditures	198,691	198,760	198,775	198,775	198,775	198,775

Provide a Crosswalk of OHR positions by division from FY13 to FY14 and explain the technical adjustments for FTEs:

OHR underwent a reorganization in FY13 when the County's Retirement programs were transferred to the Board of Investment Trustees. As a result of this reorganization, OHR continues to realign existing personnel resources and the FY14 budget includes adjustments to reflect the placement of positions within the organizational structure.

The section below outlines the programs that included material changes in FTE's for FY14.

Director's Office

FY13 Approved FTE's = 4.1

FY14 Recommended FTE's = 6.65

The Information Technology unit was moved into the Director's Office from the Employee Benefits and Information Technology Division

- Shift 2.0 FTE's for Sr. IT Specialists from Employee Benefits and Information Technology to the Director's Office.
- Shift 1.0 FTE for IT Manager from Employee Benefits and Information Technology to Director's Office. This position was previously charged .9 FTEs against the ERP CIP
- Shift .25 FTE for Principal Administrative Aide Position from Employee Benefits and Information Technology to Director's Office.
- Technical adjustment of -0.25 FTE.

Business Operations and Performance

FY13 Approved FTE's = 13.35

FY14 Recommended FTE's = 15.85

- 1.0 FTE for WPM existing position that was previously lapsed
- Lapse existing position, which was previously identified as a -1.0 FTE

Change Management, Training, and Organizational Development

FY13 Approved FTE's = 6.55

FY14 Recommended FTE's = 5.05

- Includes a -1.50 FTE adjustment for the Sr. Fellows group position.

Selection and Recruitment

FY13 Approved FTE's = 9.4

FY14 Recommended FTE's = 10.4

- Lapse existing position, which was previously identified as a -1.0 FTE

Labor and Employee Relations

FY13 Approved FTE's = 10.0

FY14 Recommended FTE's = 10.0

- No changes

OHR Health and Employee Welfare Division (previously Employee Benefits and Information Technology)

FY13 Approved FTE's = 17.05

FY14 Recommended FTE's = 18.55

- Shift 1.2 FTE's for Human Resources Specialist (0.6 FTE each for two positions) from Retirement Funds to Group Insurance Fund
- Increase .2 FTE for Administrative Specialist III position (lapsed .8 in FY13)
- Technical Adjustment 0.1 FTE

Negotiations Reach Successful Completion!

Since the last issue of LER Connections, in December, the County reached agreement with all three County unions: MCGEO, IAFF and FOP. All three negotiations completed without a need for arbitration, the first time that has happened in recent years. The negotiations with IAFF were for a full term contract and we agreed to a new three-year agreement. The negotiations with MCGEO and FOP were, primarily, economic reopeners. However, the County and MCGEO agreed to a new three-year agreement, agreeing to an early termination of the current agreement. And, the County and FOP agreed to extend their two-year agreement an additional year.

Did you know...

If the recent negotiated settlements are approved by Council, next year will be first year in **8** years that we are not negotiating with MCGEO

Save the Date

- 
- April 18, 2013 –Training: *Managing Conflicts in a Union Environment* (1:00 – Redbrick Courthouse)
 - April 23, 2013 –Training: *Preventing Workplace Harassment* (1:00 – UpCounty)
 - May 22, 2013 –Training: *Managing Conflicts in a Union Environment* (1:00 – Redbrick Courthouse)
 - June 6, 2013 –Training: *Managing Conflicts in a Union Environment* (1:00 – Redbrick Courthouse)
 - June 26, 2013 –Training: *Introduction to Managing in a Union Environment* (1:00 – EOB Auditorium)

Please remember to register online!

Arbitration & Grievance News

In recent Arbitration decisions:

Since the last LER Connections, we have received one arbitration award involving MCGEO grievances.

An arbitrator issued a split decision in a matter where the County dismissed an employee for failing to follow proper procedures that resulted in serious consequences. The Union alleged that the employee had followed procedures and that the dismissal was not for “just cause.” The arbitrator concluded that the employee’s actions were worthy of discipline, although not dismissal, and ordered the employee to return to County employment but with a 30-day suspension without pay.

A recent CAO decision:

The CAO issued a split decision in a grievance where a department division denied an employee’s request for annual leave based upon both operational need and a policy disallowing annual leave requests for more than a two-week period. The CAO held that the department was justified in denying the leave based upon legitimate operational need. However, policies restricting the period that any employee in a division or department can request annual leave violate the CBA. Annual leave requests can be for any period, must be considered on a case-by-case basis and can only be denied for legitimate operational need.

~Labor & Employee Relations Team~

Labor Relations: Sarah Cook, Lasantha Dahanaike, George Lacy (Police Labor Manager), Jackie LaRocca, Jeremy Milewski, Stuart Weisberg, Teresa White, Mike Woodruff, Steve Sluchansky (L/ER Manager)

EEO: Angela Washington (EEO Officer), and Patricia Miller

Disability Program Manager: Ricky Wright

Executive Office Building, Office of Human Resources, 7th Floor, 101 Monroe Street, Rockville MD 20850

LER Connections

County/MCGEO Agree to New Conflict Management Process

The recent negotiations between the County and MCGEO resulted in the development of an innovative new process to assist employees and supervisors in **addressing conflict and fostering a professional and productive work environment**. The new program is located at (new) Article 57 and is called the **Conflict Facilitation Process (CFP)**. The new process is a **two-year pilot program** and is intended to replace Article 52, a process to address conflict that both parties believed needed improvement.

The new process has several key aspects:

- Facilitation will usually be conducted by a **dual/joint County/MCGEO facilitation team**. Each team will consist of one facilitator appointed by the County plus one facilitator appointed by MCGEO. The facilitators will act as neutrals, not advocates, using their skills and the process to facilitate the parties to a resolution of the conflict. **Either an employee or a supervisor may request to access the process.**
- While the process goes into effect with the new CBA on July 1, 2013, the **new process will not be implemented until several steps are first accomplished**: the identification and training of the facilitation group, and the development of operating guidelines by the County-wide Labor Management Relations Committee (LMRC). The LMRC will identify issues that are appropriate for the process, e.g., communication issues, and issues that are not appropriate for the process, e.g., performance issues.
- The County and MCGEO made it clear during negotiations that they intend to use this process in good faith, to productively address conflict and to not use the process to harass or intimidate supervisors for managing responsibly.

We will continue to update you on the process as it develops.

TOP 10 COUNTY/MCGEO CONTRACT CHANGES

Although the recent negotiations between the County and MCGEO were predominantly on economic reopener issues, we were also required to negotiate on a number of "non-economic" matters. The following list captures the most significant changes on those issues.

1. The County and MCGEO will collaborate to develop and administer a "climate" survey process in all departments.
2. New two-year pilot conflict facilitation process (new Article 57) that provides dual facilitation of conflict between employees and supervisors (see article elsewhere in this issue).
3. Article 52 now held in abeyance while new Article 57 in effect.
4. When County changes work schedules of bargaining unit employees, reasonable advance written notice must be provided to affected employee(s) and Union.
5. Employees' normal work schedule must include, whenever practicable, two consecutive days off, unless work load and operational need require otherwise.
6. Prior to transferring an employee, the employee must be given 30 days advance notice, unless operational need requires otherwise, and include the reason for the transfer.
7. Employees may request temporary delay of transfer, only related to documented dependent care or enrollment in current educational course. Such requests may not be unreasonably denied.
8. Individual classification studies resume with a maximum of 50 studies each year.
9. The County and MCGEO identified specific steps to follow in establishing a new and robust union-management wellness program.
10. The current three-year Contract will be terminated early with the termination date June 30, 2013. The new CBA goes into effect July 1, 2013 for a three-year period.

LER Connections

One County/Management Bargaining Team Member's Perspective on Negotiations

Ivonne Gutierrez-Anglin, DOCR's HR Manager, participated in her first County-MCGEO negotiations. In addition to being a full member of the County bargaining team, she also participated in the bargaining subcommittees that addressed the issues of conflict facilitation between employees and supervisors and work schedules. LER Connections asked for her impressions of her experience and the process.

Q: Were there any surprises in the process, anything that you did not expect?

A: No surprises because I went into it without any preconceived notions or expectations. It was my goal to be an active participant in understanding perceptions that cause differences and misunderstandings and move forward in changing or creating language that would give balance to an issue that mattered to both parties.

Q: What did you find the most satisfying aspect of the bargaining process?

A: The focus and determination of the subcommittees to understand the issues from both perspectives (employee and management) and working together to reach a solution that would have positive results for all parties.

Q: What did you find the most frustrating aspect?

A: While it was frustrating to wordsmith the language as a group because a word can have certain meaning base on how we read text - it was important to pick the right words that would impart what the parties were attempting to communicate. In the end, the cadre of subcommittee members worked well in finding the right vocabulary.

Q: What advice would you give someone who would be on the team for the first time?

A: Go into it with no preconceived notions or expectations; leave your titles behind; be open to others' perceptions of an issue; work together for the greater good; recognize that the County has charged us with the task of producing a contract that works for everyone and that we all have to approach the process in good faith.

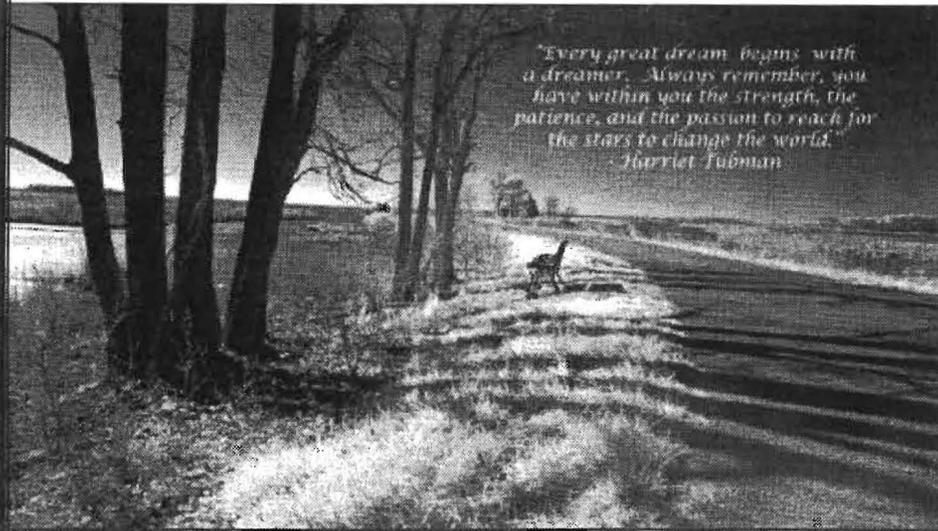
Q: Would you do it again?

A: Absolutely.

Get to know the Specialist: Jackie LaRocca

[Each issue, we will highlight a member of the L/ER Team.]

Jacqueline Quinn LaRocca is a HR Specialist on the Labor and Employee Relations Team in OHR. Jacqueline is currently assigned full-time to Legal and Labor Relations in the Department of Police. Jacqueline graduated with a B.A. in Psychology from the University of Maryland, earned a Master in Social Work from Catholic University of America in Washington D.C, and earned a Master in Human Resources & Training at Amber University in Texas. Jacqueline also obtained her Senior Human Resource Professional certification.



*"Every great dream begins with a dreamer. Always remember, you have within you the strength, the patience, and the passion to reach for the stars to change the world."
- Harriet Tubman*

Jacqueline is also a professional photographer. She graduated from the professional photography program at the Washington School of Photography. Her most recent project was "In Search of the Spirit of Harriet Tubman," which exhibited at the Montgomery County Government Black History Month celebration. The picture on the left was taken by Jacqueline.



LER Connections

Snapshots from Negotiations



Bargaining concludes with OHR Director Joseph Adler and MCGEO President Gino Renne signing the final Memorandum of Understanding. Mediator/Arbitrator Sean Rogers assisted the parties.



County and IAFF representatives prepare to sign IAFF Agreement
Management: Joseph Adler, Jeremy Milewski, Bill Scott, Chief Richard Bowers
IAFF: Mark Davies, John Sparks, Jeff Buddle

LER Connections

Thank you to our FY 2013 Bargaining Teams!

MC GEO Bargaining Team:

Dan Hibbert, DOT
Anita Williams, HHS
Bill Griffiths, DGS
Laura Lanham, Police
Ivonne Gutierrez-Anglin, DOCR
Chris Calantonio, Sheriff
Sarah Cook, OHR

IAFF Bargaining Team:

Ed Radcliffe, MCFRS
Mike Leigh, MCFRS
Bill Scott, Consultant, Lead Negotiator
Jeremy Milewski, OHR

FOP Bargaining Team:

Assistant Police Chief Russell Hamill
Lt. Laura Lanham
Lt. James Humphries
George Lacy, Lead Negotiator
Jackie LaRocca, OHR

All Teams:

Silvia Kinch, OCA
Lori O'Brien, OMB
Belinda Fulco, OHR
Joseph Adler, OHR
Steve Sluchansky, OHR

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