

Agenda #6  
May 12, 2008

Worksession

MEMORANDUM

May 8, 2008

TO: Management and Fiscal Policy Committee

FROM: Susan D. John, Legislative Analyst <sup>ST</sup>

SUBJECT: **Worksession:** FY09 Operating Budget  
**Office of Human Resources (General Fund)**

*Those expected for this worksession:*

Joseph Adler, Director, Office of Human Resources (OHR)

Kaye Beckley, Manager, OHR

George Addae-Mintah, OHR

Lori O'Brien, Management and Budget Specialist, Office of Management and Budget (OMB)

Summary of Management and Fiscal Policy Committee Recommendations

The MFP Committee held a worksession on the OHR budget on April 28, 2008. The Committee recommends a net change of \$54,000 to the Executive's recommended \$239,301,000.

Item:	Dollar:	Page:
Restore Injured/Ill Police Employees Network	\$54,000	5

The Executive's recommendation for the Office of Human Resources (OHR) is attached at ©1-8.

**Overview**

For FY09, the Executive recommends total expenditures of \$171,799,160 for an increase of \$11,408,820 or 7.1% from the FY08 approved budget. The OHR budget reflects expenditures associated with the General Fund and the Employee Health Benefits Self Insurance Fund (EHBSIF). The MFP Committee reviewed the EHBSIF in conjunction with compensation and benefits. **The Executive's recommendation for the General Fund portion of the OHR budget is \$9,522,970, an increase of \$259,060 or 2.8% from the FY08 approved budget.**

	<b>FY07 Actual</b>	<b>FY08 Approved</b>	<b>FY09 CE Recommended</b>	<b>% Change FY08-FY09</b>
<b>Expenditures:</b>				
General Fund	\$7,893,565	\$9,263,910	\$9,522,970	2.8%
<b>TOTAL Expenditures</b>	<b>\$7,893,565</b>	<b>\$9,263,910</b>	<b>\$9,522,970</b>	2.8%
<b>Positions:</b>				
Full-time	68	81	80	-1.2%
Part-time	5	5	4	-20.0%
<b>TOTAL Positions</b>	<b>73</b>	<b>86</b>	<b>84</b>	-2.3%
<b>WORKYEARS</b>	<b>48.7</b>	<b>50.6</b>	<b>46.6</b>	-7.9%

The Executive recommends a net decrease of one full-time position and a net decrease of one part-time position.

	<b>Full-time</b>	<b>Part-time</b>	<b>Comments</b>
<b>New positions for FY09</b>			
Positions created during FY08			
<b>Abolished positions for FY09</b>			
Positions abolished during FY08	1	1	
<b>Net Change</b>	<b>-1</b>	<b>-1</b>	

The FY09 CE recommendation is an increase of \$259,060. This increase comes in part from the identified same services adjustments listed on the following page.

### Identified Same Service Adjustments

Shift: Police Stress Management Funding	\$465,260
Increase Cost: General Wage and Service Increment Adj.	\$323,450
Increase Cost: Lifecycle programming support for IT systems	\$187,000
Shift: OCE Community Outreach Position	\$140,340
Increase Cost: Contract increase to align budget with OMS	\$136,280
Increase Cost: Retirement Adjustment	\$74,480
Increase Cost: Annualization of FY08 Lapsed Positions	\$60,220
Increase Cost: Group Insurance Adjustment	\$50,730
Increase Cost: Medical Certificate Exams for Non-CDL Holders	\$21,980
Increase Cost: Replacement of Biopacks for Public Safety	\$16,370
Increase Cost: Printing and Mail Adjustments	\$14,380
Increase Cost: Central Duplicating Deficit Recovery Charge	\$1,000
<b>Total Increases:</b>	<b>\$1,491,490</b>
Decrease Cost: Reduce Diversity Day expenses	(\$1,000)
Shift: Personnel costs from General Fund to the EHBSIF	(\$21,000)
Shift: Personnel costs from General Fund to the EHBSIF	(\$30,000)
Decrease Cost: Underfill HR Spec. position at PAI	(\$33,000)
Decrease Cost: Injured Ill Police Employees Network	(\$54,000)
Decrease Cost: Elimination of One-Time Items FY08	(\$179,160)
Decrease Cost: Internal Salary Equity Review	(\$188,360)
Decrease Cost: Annualization of FY08 Personnel Costs	(\$295,960)
<b>Total Reductions:</b>	<b>(\$802,480)</b>
<b>Net Same Services Adjustment Total:</b>	<b>\$689,010</b>

An additional \$429,960 in reductions stems from changes with service impacts, as discussed below under FY09 Expenditure Issues.

### FY09 Expenditure Issues

#### Training and Development

Training and Organizational Development administers a centralized workforce development program that facilitates professional and personal development to enhance employees' delivery of services and ensures the County has a well-qualified workforce available to meet current and future needs.

#### **Enhance: Tuition assistance negotiated with IAFF and MCVRFA (\$5,910)**

Under tentative collective bargaining agreements, tuition assistance for firefighters is increased by \$100 each fiscal year (FY09, FY10, and FY11). Tuition assistance for volunteer firefighters is tied to the rate provided to non-represented employees (which is also an additional \$100).

**Reduce: Food served at QLF meetings (-\$4,000)**

This line item reduces food served at training meetings and substitutes coffee and water.

**Reduce: Size and Scope of Montgomery Best Honor Awards Program (-\$19,000)**

Montgomery's Best Honor Awards program recognizes exceptional efforts of individuals, teams, and organizations that support the County's initiatives and programs. This reduction is due to switching to lower-cost venues for certain ceremonies, and eliminating the Length of Service ceremony.

**Miscellaneous Adjustments (-\$103,030)**

This item includes various compensation changes, benefits changes, and other changes affecting more than one program.

**Equal Employment Opportunity and Diversity**

This program provides assistance, guidance, and training to employees and managers concerning equal employment and diversity management in order to promote a discrimination free workplace that values diversity.

**Decrease Cost: Reduce Diversity Day Expenses (-\$1,000)**

The total Diversity Day budget is \$7,500. An additional \$1,000 is budgeted to pay for moving and set-up costs for annual events organized by the Diversity Council, including Diversity Day. Staff will use volunteers for moving expenses rather than hire professionals.

**Miscellaneous Adjustments (\$93,270)**

This item includes various compensation changes, benefits changes, and other changes affecting more than one program.

**Occupational Medical Services**

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

**Shift: Police Stress Management Funding (\$465,260)**

OMS recently took over the Police Stress Management program. This cost represents the transfer of program expenditures from the Police Department to OHR. This change moves 3.5 workyears from the Police Department to OHR.

**Increase Cost: Medical Services Contract (\$136,280)**

For FY08, OMS is again experiencing cost overruns in its two medical services contracts. The Lockheed Martin contract, which provides medical services to firefighters through Fire and Rescue Occupational Medical Services (FROMS), is \$463,667 higher than the FY08 approved budget. This overrun will be charged back to Montgomery County Fire and Rescue Service. The Medocracy contract, which provides medical services to all other County employees through OMS, is \$259,508 higher than the FY08 approved budget. Of this amount, OHR will charge back \$83,900 to other departments and will absorb the remaining \$175,320 itself.

**ISSUE: OMS medical contracts have experienced cost overruns since FY07. This issue has been monitored by the MFP Committee during FY08, and the Committee has requested continued periodic updates through FY09.**

**Increase Cost: Medical Certificate exams for Non-CDL Holders (\$21,980)**

Maryland law requires medical exams and certification of all drivers of vehicles over certain weights. OMS had been providing medical exams to drivers who hold CDL licenses. This new service expands medical exams to include non-CDL holders who are driving specified vehicles.

**Decrease Cost: Injured/Ill Police Employees Network (-\$54,000)**

This program is offered under the Police Stress Management program, and offers outreach and support to police officers who are injured on the job or have family illnesses. OHR advises this program is being abolished due to budget constraints. Many of its functions are still available under the Stress Management Program.

**ISSUE: The Executive's recommended FY09 budget abolished this program due to budget constraints, noting the availability of similar services within the Police Stress Management program and, to a certain extent, the Employee's Assistance Program (EAP). The Committee recommends restoring the program, which acts as a single point of contact for police officers facing illness and injuries.**

**Decrease Cost: Abolish Part-time Psychologist Position (-\$62,970)**

OHR advises it is abolishing this position, which is located in Stress Management, due to budget constraints. OHR advises that since police employees are covered by the County's EAP as well as the Stress management program, this position could be abolished without compromising services to employees. Abolishing this position also eliminates 0.5 workyears.

**Decrease Cost: Abolish Program Manager II Position (-\$97,000)**

This is a currently vacant position that had performed various administrative duties. Its functions have been distributed among other staff. Abolishing this position also eliminates 1.0 workyear.

**Decrease Cost: Miscellaneous Adjustments (-\$413,770)**

This item includes various compensation changes, benefits changes, and other changes affecting more than one program.

**Management Services**

This program is comprised of the Employee/Labor Relations team, the Recruitment and Selection team, and the Classification and Compensation team.

**Reduce: Require All Resumes to be Submitted Online (-\$12,000)**

This change eliminates the need for processing paper resumes. Currently, 93% are submitted online.

**Shift: Personnel Costs from General Fund to EHBSIF (-\$30,000)**

This expenditure shift represents 20% of a Manager II position's salary shifting from the general fund to the EHBSI Fund. The position oversees employees who are responsible for OHR fund expenditures related to OHR contracts, including some of the medical contracts.

**Decrease Cost: Underfill HR Specialist II Position (-\$33,000)**

This change underfills an HR Specialist II position as a Public Administration Intern position, which is the beginning level of work in a variety of functions, including human resources.

**Decrease Cost: Abolish Several Positions (-\$350,000)**

The Executive is recommending the abolishment of three vacant positions: HR Specialist II in Labor Relations, HR Specialist in Staffing, and a Management Services Manager-II.

**Decrease Cost: Internal Salary Equity Review (-\$188,360)**

This item eliminates funding for a portion of Internal Salary Equity Review, which originally was funded through a pilot project. The pilot project will not continue into FY09.

**Miscellaneous Adjustments (\$620,870)**

This item includes various compensation changes, benefits changes, and other changes affecting more than one program.

**Administration**

The Administration program is comprised of the Director's Office and the administrative Services team.

**Increase Cost: Lifecycle Programming Support for IT (\$187,000)**

In 2005, OHR implemented a Unified Data Modeler to address potential security concerns to maintain employee data confidentiality. The increased costs pay for professional services contractors that support and expand these programs.

**Shift: Personnel Costs from the General Fund to EHBSIF (\$-21,000)**

This shift changes funding of 0.5 workyears (0.25 workyears for two employees) to the EHBSI Fund, because a portion of their duties is related to the intake and routing of group insurance inquiries.

**Miscellaneous Adjustments (\$53,910)**

This item includes various compensation changes, benefits changes, and other changes affecting more than one program.

**Labor Contracts**

The Executive's recommendation includes one item, tuition assistance for firefighters and volunteers (\$5,910), required by recent collective bargaining agreements. In addition, there are several identified services from prior negotiations that change in FY09. These Labor Contracts account for a net increase of \$109,100 for FY09, which include the following items.

**Collective Bargaining Changes: FY09**

Item	Expenditure
Tuition Assistance	\$49,100
Wage Surveys with Comparable MCPS Titles	-\$50,000
Gain sharing (New FY09 Initiative)	\$125,000
Program Specialist Classification Study	-\$15,000
<b>Total:</b>	<b>\$109,100</b>

## Chargebacks

The recommended OHR operating budget does not include a total of \$4,201,730 and 14.6 workyears that are charged to other accounts. The table below shows a breakout of chargeback totals. The funding and workyears that are charged back are included in the respective receiving departments' budgets. Significant increases include the chargeback to the Capital Improvements Program (CIP) for \$1,020,050, which is an increase of \$797,000. These funds are to finance the Enterprise Resource Planning (ERP) project.

### FY09 CE Recommended Chargebacks

Chargebacks	Total Funds	Workyears
CIP	\$1,020,050	8.4
Solid Waste Collection	\$340	0.0
Solid Waste Disposal	\$2,740	0.0
Vacuum Leaf Collection	\$1,130	0.0
Motor Pool	\$100,390	0.2
Bethesda Parking District	\$7,230	0.0
Montgomery Hills Parking District	\$150	0.0
Silver Spring Parking District	\$7,720	0.0
Wheaton Parking District	\$1,080	0.0
Mass Transit	\$399,290	0.7
Fire	\$2,215,610	2.0
Health and Human Services (GF)	\$76,970	0.2
Liquor Control	\$74,050	0.1
Permitting Services	\$16,060	0.0
Police (GF) <sup>1</sup>	\$263,620	3.0
Recreation	\$12,100	0.0
Bethesda Urban District	\$40	0.0
Silver Spring Urban District	\$1,940	0.0
Wheaton Urban District	\$1,220	0.0
<b>Total:</b>	<b>\$4,201,730</b>	<b>14.6</b>

### Committee Recommendation

The Committee recommends approval of the FY09 budget as submitted by the Executive, with the following change: restore the Injured/Ill Police Employees Network, for an additional \$54,000.

This Packet Contains:

FY09 Recommended Budget: OHR

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<sup>1</sup> This chargeback amount reflects the elimination of chargebacks to the Police Department for the Stress Management Program that OHR took over from the Police Department. The transfer of this function reduced chargebacks by \$465,260 and 3.5 workyears as shown on page 33-3 of the CE's recommended budget (©3).

# 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 FY09 Operating Budget for the Office of Human Resources is \$171,799,160, an increase of \$11,408,820 or 7.1 percent from the FY08 Approved Budget of \$160,390,340. Personnel Costs comprise 4.1 percent of the budget for 80 full-time positions and four part-time positions for 58.8 workyears. Operating Expenses account for the remaining 95.9 percent of the FY09 budget.

## 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**

## PERFORMANCE MEASURES

This table presents what the department estimates and projects will be the FY08 through FY10 data for its performance measures if there are no changes in funding.

Measure	Actual FY06	Actual FY07	Estimated FY08	Projected FY09	Projected FY10
Customer satisfaction with training: Percentage who found training helpful to job	92	86	86	86	86
Customer satisfaction with training: Percentage who found training helpful to development	98	91	87	87	87
Average recruitment time (number of days)	80	80	90	90	90
Average employee absenteeism per year (sick leave hours)	67.5	68	70	70	70
Percentage of separating employees satisfied with compensation and benefits	97	98.5	98.5	98.5	99
Number of County job groups in which minorities are underrepresented <sup>1</sup>	N/A	40	39	38	36
Employee turnover as a percentage of total workforce	6.2	6.2	6.6	6.7	6.8
Satisfaction of departments with pools of candidates for positions (1-5 scale) <sup>2</sup>	N/A	4.3	4.3	4.3	4.3

<sup>1</sup>In FY08, the County had over 900 job groups.

<sup>2</sup>The satisfaction scale ranges from low (1) to high (5).

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ **Convened a cross-departmental committee to conduct an in-depth review of the County's recruitment processes to identify ways to improve and streamline the recruitment process, to improve communication with job seekers, and to ensure that the County attracts a diverse pool of highly qualified applicants through user-friendly processes. Some recommendations have been implemented and others are under review.**
- ❖ **Redesigned the Career Site and implemented new Candidate Portal upgrade in the Peopleclick on-line applicant tracking and resume management system.**
- ❖ **Developed and currently testing an online Total Compensation Statement which will, when complete, result in printing and mailing cost savings.**
- ❖ **Productivity Improvements**
  - **Implemented ePerform which is a web-based application designed to help supervisors and employees communicate about performance expectations, find information on job competencies and manage pay based on performance.**

## PROGRAM CONTACTS

Contact George Addae-Mintah of the Office of Human Resources at 240.777.5039 or Lori O'Brien of the Office of Management and Budget at 240.777.2788 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### Training and Development

The Training and Organizational Development team administers a centralized workforce development program that recognizes employee's contributions, develops leadership competencies and facilitates professional and personal development to enhance the delivery of services and ensures that the County has a well-qualified workforce available to meet current and future needs. Services include leadership and manager development, performance management, employee recognition, internships, exit survey, core mandatory training, tuition assistance, information technology, and course work that leads to a certificate of completion for various professional development tracks. In addition, OHR customizes training to meet specific training needs of departments.

The Training and Organizational Development program provides a curriculum of study and activities that allow employees to enhance their skills and develop professionally in order to ensure that the County has a well-qualified workforce available to meet current and future needs. Services include management and leadership development, performance management, technical and professional management training, and tuition assistance.

### FY09 Recommended Changes

	Expenditures	WYs
<b>FY08 Approved</b>	<b>1,790,470</b>	<b>7.0</b>
Enhance: Tuition assistance negotiated with IAFF and MCVFRA	5,910	0.0
Reduce: Food served at QLF meetings and serve coffee and water	-4,000	0.0
Reduce: Size and scope of Montgomery Best Honor Awards program and eliminate countywide length of service ceremony	-19,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-103,030	0.0
<b>FY09 CE Recommended</b>	<b>1,670,350</b>	<b>7.0</b>

### Equal Employment Opportunity and Diversity

The Equal Employment Opportunity (EEO) and Diversity Management team provides assistance, guidance and training to employees and managers concerning equal employment and diversity management in order to promote a discrimination free workplace that values diversity. The team also investigates complaints of harassment and discrimination by and against employees. Additional services and programs include mediation program, EEO compliance training, workplace harassment training, and the annual Montgomery County Diversity celebration. This program also supports the Montgomery County Diversity Council and participates in the ADA Task Force, Community Outreach Forum, Limited English Proficiency Committee, Diversity Health Fair, Diversity Educational Fair, the Juneteenth Program, Black History Month program and co-sponsors events with the various employee organizations. The team is responsible for the production of the annual EEO and Diversity Action Plan and complying with other Federal EEO-related reporting requirements and statistical analysis.

### FY09 Recommended Changes

	Expenditures	WYs
<b>FY08 Approved</b>	<b>384,270</b>	<b>4.0</b>
Decrease Cost: Reduce Diversity Day expenses	-1,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	93,270	0.0
<b>FY09 CE Recommended</b>	<b>476,540</b>	<b>4.0</b>

### Benefits and Information Management

The Benefits and Information Management program is comprised of the Employee Benefits team and the Information Technology team. The Employee Benefits team manages the County's group insurance and retirement benefit programs, including the 457 deferred compensation plan. In addition to maintaining operations associated with benefit eligibility and payment processing, the team provides customer service, education, and consulting to County employees, participating County agencies, and retirees in a manner that ensures an understanding of benefit program provisions and their value as part of total compensation. Services include: conducting presentations and workshops; retirement and investment counseling; benefit processing and eligibility maintenance, development and administrative oversight of all benefit plans and related communication; COBRA; and ensuring legal compliance. The Information Technology team provides management and oversight to the department's information technology initiatives.

### FY09 Recommended Changes

	Expenditures	WYs
<b>FY08 Approved</b>	<b>150,582,450</b>	<b>9.7</b>
Increase Cost: Increase in estimated claims costs and carrier administration	11,012,430	0.0
Shift: Personnel costs from the General Fund to the Employee Health Benefits Self Insurance Fund	51,000	0.7
Increase Cost: Add one FT regular HR Specialist III position to administer changes to group insurance and retirement plans, including the addition of a new retirement plan	36,140	0.4
Decrease Cost: Eliminate one-time funding for HCM Interface Reporting	-20,000	0.0
Decrease Cost: Savings from not printing and mailing the Total Compensation Statement	-40,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	157,530	-0.5
<b>FY09 CE Recommended</b>	<b>161,779,550</b>	<b>10.3</b>

### Occupational Medical Services

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. Services include: comprehensive medical evaluations of employees to determine their state of health vis a vis employment; providing early identification of health risks and diseases; ensuring equal job opportunities through reasonable accommodation of disabled persons in the workplace; and improving personal well-being and workforce health and health awareness through a comprehensive employee wellness program that utilizes the Employee Assistance Program (EAP) and an employee wellness provider.

Occupational Medical Services also manages the Disability Retirement Program and the medical services component of the Fire and Rescue Service's Wellness Initiative.

### FY09 Recommended Changes

	Expenditures	WYs
<b>FY08 Approved</b>	<b>1,656,350</b>	<b>1.3</b>
Shift: Police Stress Management Funding (eliminate chargeback)	465,260	3.5
Increase Cost: Contract increase to align budget with expected service utilization	136,280	0.0
Increase Cost: Medical Certificate exams for Non-CDL Holders	21,980	0.0
Increase Cost: Replacement of Biopacks for Public Safety	16,370	0.0
Shift: Transfer one Human Resources Specialist workyear from Police Department	0	1.0
Decrease Cost: Injured Ill Police Employees Network contract in OMS	-54,000	0.0
Reduce: Abolish part-time psychologist position in Stress Management Section	-62,970	-0.5
Reduce: Abolish Program Manager II (Grade 25) position	-97,000	-1.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-413,770	0.0
<b>FY09 CE Recommended</b>	<b>1,668,500</b>	<b>4.3</b>

### Management Services

The Management Services program is comprised of the Employee/Labor Relations team, the Recruitment and Selection team, and the Classification and Compensation team. The Employee/Labor 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 through collective bargaining and by providing early intervention strategies in workplace disputes in order to enable managers to comply with contractual and legal requirements and improve employee labor relations. Services include: the administration of the grievance processes through Alternative Dispute Resolution and/or formal grievance meetings to address employee/management disputes concerning alleged violations; assisting departments and agencies with labor related and employee relations issues through training workshops and consultation; reviewing proposed adverse and disciplinary actions; developing personnel policies and regulations changes; and overseeing bilateral work groups and committees. The Employee/Labor Relations team is also responsible for oversight and administration of the County's policies on compensation.

The Recruitment and Selection team is responsible for attracting, hiring, and promoting 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, provides guidance to departments and agencies on selection and hiring, conducts new employee orientation, administers reduction-in-force, and designs and administers public safety promotional examinations and other employment tests.

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.

**FY09 Recommended Changes**

	Expenditures	WYs
<b>FY08 Approved</b>	<b>4,228,150</b>	<b>25.9</b>
Reduce: Require all resumes to be submitted online and eliminate processing of paper resumes	-12,000	0.0
Shift: Personnel costs from the General Fund to the Employee Health Benefits Self Insurance Fund	-30,000	-0.2
Decrease Cost: Underfill HR Specialist III position (Grade 25) at PAI (Grade 16)	-33,000	0.0
Reduce: Abolish HR Specialist III position in Labor Relations	-97,000	-1.0
Reduce: Abolish HR Specialist position in Staffing	-97,000	-1.0
Reduce: Abolish Management Services Manager II position	-156,000	-1.0
Decrease Cost: Internal Salary Equity Review	-188,360	-2.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	620,870	-1.2
<b>FY09 CE Recommended</b>	<b>4,235,660</b>	<b>19.5</b>

**Administration**

The Administration program is comprised of the Director's Office and the Administrative Services team. 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 Administrative Services team supports the responsibilities of the Director's Office and provides management and oversight to office procurements, records management, 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.

**FY09 Recommended Changes**

	Expenditures	WYs
<b>FY08 Approved</b>	<b>1,748,650</b>	<b>13.7</b>
Increase Cost: Lifecycle programming support for the Unified Data Modeler (UDM) and Electronic Personnel Action Form (e-PAF), critical systems that support MCtime, e-Perform, and computer based training	187,000	0.0
Shift: Personnel costs from the General Fund to the Employee Health Benefits Self Insurance Fund	-21,000	-0.5
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	53,910	0.5
<b>FY09 CE Recommended</b>	<b>1,968,560</b>	<b>13.7</b>

# BUDGET SUMMARY

	Actual FY07	Budget FY08	Estimated FY08	Recommended FY09	% Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	3,844,129	4,489,500	4,178,960	4,625,930	3.0%
Employee Benefits	1,202,947	1,237,010	1,183,470	1,100,970	-11.0%
<b>County General Fund Personnel Costs</b>	<b>5,047,076</b>	<b>5,726,510</b>	<b>5,362,430</b>	<b>5,726,900</b>	<b>0.0%</b>
Operating Expenses	2,846,489	3,537,400	3,753,500	3,796,070	7.3%
Capital Outlay	0	0	0	0	—
<b>County General Fund Expenditures</b>	<b>7,893,565</b>	<b>9,263,910</b>	<b>9,115,930</b>	<b>9,522,970</b>	<b>2.8%</b>
<b>PERSONNEL</b>					
Full-Time	68	81	81	80	-1.2%
Part-Time	5	5	5	4	-20.0%
Workyears	48.7	50.6	50.6	46.6	-7.9%
<b>REVENUES</b>					
Federal Financial Participation (FFP)	21,324	0	0	0	—
<b>County General Fund Revenues</b>	<b>21,324</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
<b>EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	913,986	888,560	727,250	1,011,420	13.8%
Employee Benefits	181,368	249,770	198,220	314,850	26.1%
<b>Employee Health Benefit Self Insurance Fund Pers. Costs</b>	<b>1,095,354</b>	<b>1,138,330</b>	<b>925,470</b>	<b>1,326,270</b>	<b>16.5%</b>
Operating Expenses	132,572,104	149,988,100	148,979,110	160,949,920	7.3%
Capital Outlay	0	0	0	0	—
<b>Employee Health Benefit Self Insurance Fund Exp.</b>	<b>133,667,458</b>	<b>151,126,430</b>	<b>149,904,580</b>	<b>162,276,190</b>	<b>7.4%</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	9.6	11.0	11.0	12.2	10.9%
<b>REVENUES</b>					
Self Insurance Employee Health Income	140,505,538	140,209,240	148,829,880	157,013,120	12.0%
Investment Income	1,373,529	340,030	337,290	369,180	8.6%
<b>Employee Health Benefit Self Insurance Fund Revenues</b>	<b>141,879,067</b>	<b>140,549,270</b>	<b>149,167,170</b>	<b>157,382,300</b>	<b>12.0%</b>
<b>DEPARTMENT TOTALS</b>					
<b>Total Expenditures</b>	<b>141,561,023</b>	<b>160,390,340</b>	<b>159,020,510</b>	<b>171,799,160</b>	<b>7.1%</b>
<b>Total Full-Time Positions</b>	<b>68</b>	<b>81</b>	<b>81</b>	<b>80</b>	<b>-1.2%</b>
<b>Total Part-Time Positions</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>-20.0%</b>
<b>Total Workyears</b>	<b>58.3</b>	<b>61.6</b>	<b>61.6</b>	<b>58.8</b>	<b>-4.5%</b>
<b>Total Revenues</b>	<b>141,900,391</b>	<b>140,549,270</b>	<b>149,167,170</b>	<b>157,382,300</b>	<b>12.0%</b>

## FY09 RECOMMENDED CHANGES

	Expenditures	WYs
<b>COUNTY GENERAL FUND</b>		
<b>FY08 ORIGINAL APPROPRIATION</b>	<b>9,263,910</b>	<b>50.6</b>
<b>Changes (with service impacts)</b>		
Add: Labor Contracts - Other	109,100	0.0
Enhance: Tuition assistance negotiated with IAFF and MCVFRA [Training and Development]	5,910	0.0
Reduce: Food served at QLF meetings and serve coffee and water [Training and Development]	-4,000	0.0
Reduce: Require all resumes to be submitted online and eliminate processing of paper resumes [Management Services]	-12,000	0.0
Reduce: Size and scope of Montgomery Best Honor Awards program and eliminate countywide length of service ceremony [Training and Development]	-19,000	0.0
Reduce: Abolish part-time psychologist position in Stress Management Section [Occupational Medical Services]	-62,970	-0.5
Reduce: Abolish HR Specialist III position in Labor Relations [Management Services]	-97,000	-1.0
Reduce: Abolish HR Specialist position in Staffing [Management Services]	-97,000	-1.0
Reduce: Abolish Program Manager II (Grade 25) position [Occupational Medical Services]	-97,000	-1.0
Reduce: Abolish Management Services Manager II position [Management Services]	-156,000	-1.0

	Expenditures	WYs
<b>Other Adjustments (with no service impacts)</b>		
Shift: Police Stress Management Funding (eliminate chargeback) [Occupational Medical Services]	465,260	3.5
Increase Cost: General Wage and Service Increment Adjustments	323,450	0.0
Increase Cost: Lifecycle programming support for the Unified Data Modeler (UDM) and Electronic Personnel Action Form (e-PAF), critical systems that support MCtime, e-Perform, and computer based training [Administration]	187,000	0.0
Shift: OCE Community Outreach Position	140,340	1.0
Increase Cost: Contract increase to align budget with expected service utilization [Occupational Medical Services]	136,280	0.0
Increase Cost: Retirement Adjustment	74,480	0.0
Increase Cost: Annualization of FY08 Lapsed Positions	60,220	0.5
Increase Cost: Group Insurance Adjustment	50,730	0.0
Increase Cost: Medical Certificate exams for Non-CDL Holders [Occupational Medical Services]	21,980	0.0
Increase Cost: Replacement of Biopacks for Public Safety [Occupational Medical Services]	16,370	0.0
Increase Cost: Printing and Mail Adjustments	14,380	0.0
Increase Cost: Central Duplicating Deficit Recovery Charge	1,000	0.0
Increase Cost: Workforce Adjustment	0	-2.8
Shift: Transfer one Human Resources Specialist workyear from Police Department [Occupational Medical Services]	0	1.0
Decrease Cost: Reduce Diversity Day expenses [Equal Employment Opportunity and Diversity]	-1,000	0.0
Shift: Personnel costs from the General Fund to the Employee Health Benefits Self Insurance Fund [Administration]	-21,000	-0.5
Shift: Personnel costs from the General Fund to the Employee Health Benefits Self Insurance Fund [Management Services]	-30,000	-0.2
Decrease Cost: Underfill HR Specialist III position (Grade 25) at PAI (Grade 16) [Management Services]	-33,000	0.0
Decrease Cost: Injured Ill Police Employees Network contract in OMS [Occupational Medical Services]	-54,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08	-179,160	0.0
Decrease Cost: Internal Salary Equity Review [Management Services]	-188,360	-2.0
Decrease Cost: Annualization of FY08 Personnel Costs	-295,950	0.0
<b>FY09 RECOMMENDED:</b>	<b>9,522,970</b>	<b>46.6</b>
<b>EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND</b>		
<b>FY08 ORIGINAL APPROPRIATION</b>	<b>151,126,430</b>	<b>11.0</b>
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: Increase in estimated claims costs and carrier administration [Benefits and Information Management]	11,012,430	0.0
Increase Cost: General Wage and Service Increment Adjustments	53,460	0.0
Shift: Personnel costs from the General Fund to the Employee Health Benefits Self Insurance Fund [Benefits and Information Management]	51,000	0.7
Increase Cost: Add one FT regular HR Specialist III position to administer changes to group insurance and retirement plans, including the addition of a new retirement plan [Benefits and Information Management]	36,140	0.4
Increase Cost: Annualization of FY08 Lapsed Positions	17,760	0.2
Increase Cost: Retirement Adjustment	13,920	0.0
Increase Cost: Group Insurance Adjustment	12,810	0.0
Increase Cost: Printing and Mail Adjustment	9,390	0.0
Increase Cost: Annualization of FY08 Service Increment	2,850	0.0
Increase Cost: Miscellaneous Workforce Adjustment	0	-0.1
Decrease Cost: Eliminate one-time funding for HCM Interface Reporting [Benefits and Information Management]	-20,000	0.0
Decrease Cost: Savings from not printing and mailing the Total Compensation Statement [Benefits and Information Management]	-40,000	0.0
<b>FY09 RECOMMENDED:</b>	<b>162,276,190</b>	<b>12.2</b>

# PROGRAM SUMMARY

	FY08/Approved		FY09/Recommended	
	Expenditures	WYS	Expenditures	WYS
Training and Development	1,790,470	7.0	1,670,350	7.0
Equal Employment Opportunity and Diversity	384,270	4.0	476,540	4.0
Benefits and Information Management	150,582,450	9.7	161,779,550	10.3
Occupational Medical Services	1,656,350	1.3	1,668,500	4.3
Management Services	4,228,150	25.9	4,235,660	19.5
Administration	1,748,650	13.7	1,968,560	13.7
<b>Totals</b>	<b>160,390,340</b>	<b>61.6</b>	<b>171,799,160</b>	<b>58.8</b>

# CHARGES TO OTHER DEPARTMENTS

Recipient Department	Recipient Fund	FY08		FY09	
		Totals	WYS	Totals	WYS
<b>GENERAL FUND</b>					
CIP	CIP	223,250	1.5	1,020,050	8.4
DEP-Solid Waste Services	Solid Waste Collection	210	0.0	340	0.0
DEP-Solid Waste Services	Solid Waste Disposal	1,650	0.0	2,740	0.0
DEP-Solid Waste Services	Vacuum Leaf Collection	690	0.0	1,130	0.0
DGS-Fleet Management Services	Motor Pool	82,010	0.2	100,390	0.2
DOT-Parking Lot Districts	Parking District - Bethesda	4,880	0.0	7,230	0.0
DOT-Parking Lot Districts	Parking District - Montgomery Hills	100	0.0	150	0.0
DOT-Parking Lot Districts	Parking District - Silver Spring	5,230	0.0	7,720	0.0
DOT-Parking Lot Districts	Parking District - Wheaton	740	0.0	1,080	0.0
DOT-Transit Services	Mass Transit	343,660	0.7	399,290	0.7
Fire and Rescue Service	Fire	1,716,960	2.0	2,215,610	2.0
Health and Human Services	General Fund	73,220	0.2	76,970	0.2
Liquor Control	Liquor Control	54,340	0.1	74,050	0.1
Permitting Services	Permitting Services	15,660	0.0	16,060	0.0
Police	General Fund	436,760	0.0	728,880	6.5
Recreation	Recreation	9,590	0.0	12,100	0.0
Urban Districts	Urban District - Bethesda	20	0.0	40	0.0
Urban Districts	Urban District - Silver Spring	1,360	0.0	1,940	0.0
Urban Districts	Urban District - Wheaton	850	0.0	1,220	0.0

# FUTURE FISCAL IMPACTS

Title	CE REC.		(\$000's)			
	FY09	FY10	FY11	FY12	FY13	FY14
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>COUNTY GENERAL FUND</b>						
<b>Expenditures</b>						
FY09 Recommended	9,523	9,523	9,523	9,523	9,523	9,523
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	339	355	355	355	355
These figures represent the estimated cost of general wage adjustments, service increments, and associated benefits.						
Central Duplicating Deficit Recovery Charge	0	-1	-1	-1	-1	-1
This per employee charge will be eliminated in FY10.						
Labor Contracts - Other	0	55	60	60	60	60
These figures represent other negotiated items included in the labor agreements.						
<b>Subtotal Expenditures</b>	<b>9,523</b>	<b>9,916</b>	<b>9,937</b>	<b>9,937</b>	<b>9,937</b>	<b>9,937</b>
<b>EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND</b>						
<b>Expenditures</b>						
FY09 Recommended	162,276	162,276	162,276	162,276	162,276	162,276
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY09	0	9	9	9	9	9
New positions in the FY09 budget are generally lapsed due to the time it takes a position to be created and filled. Therefore, the amounts above reflect annualization of these positions in the outyears.						
Labor Contracts	0	55	59	59	59	59
These figures represent the estimated cost of general wage adjustments, service increments, and associated benefits.						

Title	CE REC. (5000's)					
	FY09	FY10	FY11	FY12	FY13	FY14
<b>Subtotal Expenditures</b>	162,276	162,340	162,344	162,344	162,344	162,344

## ANNUALIZATION OF PERSONNEL COSTS AND WORKYEARS

	FY09 Recommended		FY10 Annualized	
	Expenditures	WYs	Expenditures	WYs
Increase Cost: Add one FT regular HR Specialist III position to administer changes to group insurance and retirement plans, including the addition of a new retirement plan [Benefits and Information Management]	36,140	0.4	45,180	0.5
Total	36,140	0.4	45,180	0.5