

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 approved FY16 Operating Budget for the Office of Human Resources is \$235,149,012, an increase of \$23,117,404 or 10.9 percent from the FY15 Approved Budget of \$212,031,608. Personnel Costs comprise 3.4 percent of the budget for 64 full-time positions and six part-time positions, and a total of 67.30 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 96.6 percent of the FY16 budget.

The Office of Human Resources Budget is comprised of a General Fund component of \$8,088,066 and a Employee Health Benefit Self Insurance Fund component of \$227,060,946.

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 FY15 estimates reflect funding based on the FY15 approved budget. The FY16 and FY17 figures are performance targets based on the FY16 approved budget and funding for comparable service levels in FY17.

Measure	Actual FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Multi-Program Measures					
Average customer satisfaction rating on the yearly internal customer survey of County managers	3	3	3	3	3
Percentage of grievances resolved before reaching third party neutral	94	95	93	93	93

ACCOMPLISHMENTS AND INITIATIVES

- ❖ **Engaging a new vendor to provide Wellness support to County employees, including the offering of wellness incentives for participation. Currently discussing implementation with the County's collective bargaining units.**
- ❖ **Completed construction on the Health Insurance Customer Care Center to ensure HIPAA compliance for privacy of protected health information.**
- ❖ **Implemented Conflict Facilitation Process (CFP), which is part of the MCGEO bargaining agreement, and trained Facilitators to assist in resolving workplace conflicts.**
- ❖ **Implemented Medicare Part D Employer Group Waiver Program for Medicare eligible retirees and their dependents.**
- ❖ **Implemented the MCGEO sick leave bank program.**
- ❖ **Rewarding Excellence earned numerous awards such as: The American Society for Public Administration 2014 Public Service Local Government Agency/Program Award; 2014 Alliance for Workplace Excellence Seal of Approval – as a key contributor in one of four award categories for the County; and, The National Association of Counties (NACo) recognition of the Facilities Management Design Team for "Reducing energy Costs at the Strathmore Music Center and the Clarksburg Correctional Facility."**

- ❖ **Implemented online open enrollment for retirees.**
- ❖ **Relocated the Training and Organizational Development Team to a new site in the Rockville Core that provides a computer lab for computer based training and a large meeting space for up to 50 participants.**
- ❖ **Engaged consultants to conduct climate surveys in targeted areas to identify issues and propose solutions to improve morale and productivity.**
- ❖ **Updated the Montgomery County Personnel Regulations.**
- ❖ **Created Social Media campaign to reach a wider audience about employment opportunities in the County.**
- ❖ **Formalized long standing departmental Delegation of Authority functions in writing.**
- ❖ **Provided mentoring, on-site supervision and job coaching to Project Search interns, which has played a pivotal role in enabling the interns to secure employment with the County.**
- ❖ **Productivity Improvements**
 - **Implemented changes to Workforce Performance Management that include rolling over objectives from the previous year.**
 - **Provided training to HR Liaisons on Core HR Transactions and on Wage Equity.**
 - **Implemented training and Oracle job aids in Oracle based on user feedback.**
 - **MC311 became first point of contact for phone calls for the Health Insurance Team.**

PROGRAM CONTACTS

Contact Jennifer Shovlin of the Office of Human Resources at 240.777.5039 or Corey Orlosky of the Office of Management and Budget at 240.777.2762 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.

FY16 Approved Changes	Expenditures	FTEs
FY15 Approved	1,093,517	6.40
Decrease Cost: Printing and Mail	-6,947	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.	28,484	0.00
FY16 Approved	1,115,054	6.40

Business Operations and Performance

The Business Operations and Performance division is comprised of the Classification and Compensation, Records Management, Workforce Performance, 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.

Workforce performance consists of the Rewarding Excellence and Performance Management team. Rewarding Excellence is a process that encourages mentors, coaches, and front-line employees to work together as a team for the betterment of Montgomery County Government. Teams develop and implement recommendations for improvement. When cost savings are realized, employees receive a portion of the cost savings in the form of a bonus. Performance management is a continuous process, which includes creating performance appraisals, observing and documenting performance and behavior, providing feedback, coaching and

mentoring, and finally, evaluating employees. In addition to personal accomplishments and gratification, an employee's achievement of his/her performance management goals may result in pay-for-performance rewards. OHR facilitates these performance management processes through customer service, training, forms, and information technology system, Workforce Performance Management. The ultimate goal is to help employees and supervisors achieve Montgomery County's overall vision of efficient, effective, innovative, and responsive delivery of quality services. In addition, this team facilitates the creation and management of tactical and strategic metrics in OHR.

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. The team also remits payments to benefit program carriers and third party administrators, approves invoices, and remits bills to employees and retirees as necessary.

FY16 Approved Changes	Expenditures	FTEs
FY15 Approved	1,776,325	16.50
Increase Cost: Annualization of FY15 Personnel Costs	306,435	0.45
Decrease Cost: Elimination of One-Time Funding for Individual Classification Studies for MCGEO and Non-Represented Employees	-120,000	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.	234,686	0.45
FY16 Approved	2,197,446	17.40

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 FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Customer satisfaction with training: Percentage who found training helpful to job	92.0	93.1	92.0	92.0	92.0

FY16 Approved Changes	Expenditures	FTEs
FY15 Approved	1,027,610	5.05
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	18,752	-0.05
FY16 Approved	1,046,362	5.00

Notes: There was a cost-neutral shift of six positions from OHR to the Department of Technology to support the new Enterprise Resource Planning Division (ERPD).

Selection and Recruitment

The Recruitment and Selection team is responsible for attracting, hiring, promoting and retaining candidates for County departments and agencies resulting 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, designs and administers public safety promotional examinations and other employment tests, administers the County's internship, fellowship and volunteer programs, administers and manages the County's Disability Employment Initiative, and provides Selection Guidelines Training on Interviewing and Selecting Employees.

Program Performance Measures	Actual FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Average satisfaction score (1-5) of departments with pools of candidates for positions, based on a survey of hiring managers	4.51	4.51	4.50	4.50	4.50
Average number of days to fill a vacant County position	90	95	90	90	90

FY16 Approved Changes	Expenditures	FTEs
FY15 Approved	1,259,855	10.40
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	105,903	0.00
FY16 Approved	1,365,758	10.40

Labor and Employee Relations

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, provides early intervention strategies for workplace disputes to ensure that managers comply with contractual and legal requirements, and improves employee labor relations.

FY16 Approved Changes	Expenditures	FTEs
FY15 Approved	1,617,120	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.	-299,964	-2.00
FY16 Approved	1,317,156	8.00

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 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.

FY16 Approved Changes	Expenditures	FTEs
FY15 Approved	0	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.	292,996	2.00
FY16 Approved	292,996	2.00

OHR Health and Employee Wellness Division

The Health Insurance Team manages and administers the County's health and welfare plans in accordance with County policy and local, state and federal laws. In addition to maintaining operations associated with annual Open Enrollment and program eligibility, the team provides customer service, communications, education, and counseling to County employees, participating County agency employees, and retirees in a manner that ensures an understanding of program provisions and their value as part of total compensation.

The Wellness Program coordinates wellness activities such as health screenings, educational seminars, health education classes, employee incentive programs and contests through communication channels such as web, social media, and a monthly newsletter. The Program uses a dynamic, comprehensive data driven strategy to promote employee health and wellness.

FY16 Approved Changes	Expenditures	FTEs
FY15 Approved	205,257,181	18.10
Increase Cost: Health Insurance Claims Costs	21,693,321	0.00
Increase Cost: Enterprise Resource Planning Contract Support	698,250	0.00
Increase Cost: Funds for Occupational Medical Services Occupational Health Management System	21,750	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.	-1,695,955	-3.50
FY16 Approved	225,974,547	14.60

Occupational Medical Services

The Occupational Medical Services Team (OMS) provides multi-disciplinary occupational medical services such as work-related medical and safety hazard assessments to promote the health, wellness, and productivity of the County workforce. OMS also administers the County's drug and alcohol and centralized Family and Medical Leave programs.

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.

FY16 Approved Changes	Expenditures	FTEs
FY15 Approved	0	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.	1,839,693	3.50
FY16 Approved	1,839,693	3.50

BUDGET SUMMARY

	Actual FY14	Budget FY15	Estimated FY15	Approved FY16	% Chg Bud/App
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	4,153,916	3,786,238	4,453,346	4,142,359	9.4%
Employee Benefits	1,260,091	1,236,791	1,314,952	1,295,294	4.7%
County General Fund Personnel Costs	5,414,007	5,023,029	5,768,298	5,437,653	8.3%
Operating Expenses	2,525,847	2,755,610	2,679,999	2,650,413	-3.8%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	7,939,854	7,778,639	8,448,297	8,088,066	4.0%
PERSONNEL					
Full-Time	68	70	70	64	-8.6%
Part-Time	6	6	6	6	—
FTEs	46.25	45.60	45.60	46.05	1.0%
EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND					
EXPENDITURES					
Salaries and Wages	1,474,751	1,658,928	1,850,092	1,992,500	20.1%
Employee Benefits	353,376	491,873	437,528	525,977	6.9%
Employee Health Benefit Self Insurance Fund Pers. Costs	1,828,127	2,150,801	2,287,620	2,518,477	17.1%
Operating Expenses	192,711,118	202,102,168	205,403,273	224,542,469	11.1%
Capital Outlay	0	0	0	0	—
Employee Health Benefit Self Insurance Fund Exp.	194,539,245	204,252,969	207,690,893	227,060,946	11.2%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	20.25	20.85	20.85	21.25	1.9%
REVENUES					
Investment Income	24,890	0	45,770	100,900	—
Medicaid/Medicare Reimbursement	1,352,301	0	0	0	—
Miscellaneous Revenues	4,394,083	0	0	0	—
Self Insurance Employee Health Income	185,157,570	194,269,903	198,125,045	220,264,291	13.4%
Other Charges/Fees	2,179,451	0	0	0	—
Employee Health Benefit Self Insurance Fund Revenues	193,108,295	194,269,903	198,170,815	220,365,191	13.4%
DEPARTMENT TOTALS					
Total Expenditures	202,479,099	212,031,608	216,139,190	235,149,012	10.9%
Total Full-Time Positions	68	70	70	64	-8.6%
Total Part-Time Positions	6	6	6	6	—
Total FTEs	66.50	66.45	66.45	67.30	1.3%
Total Revenues	193,108,295	194,269,903	198,170,815	220,365,191	13.4%

FY16 APPROVED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY15 ORIGINAL APPROPRIATION	7,778,639	45.60
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Annualization of FY15 Personnel Costs [Business Operations and Performance]	306,435	0.45
Increase Cost: FY16 Compensation Adjustment	75,594	0.00
Increase Cost: Funds for Occupational Medical Services Occupational Health Management System [OHR Health and Employee Wellness Division]	21,750	0.00
Increase Cost: Retirement Adjustment	19,092	0.00
Increase Cost: Group Insurance Adjustment	13,503	0.00
Decrease Cost: Printing and Mail [Director's Office]	-6,947	0.00
Decrease Cost: Elimination of One-Time Funding for Individual Classification Studies for MCGEO and Non-Represented Employees [Business Operations and Performance]	-120,000	0.00
FY16 APPROVED:	8,088,066	46.05
EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND		
FY15 ORIGINAL APPROPRIATION	204,252,969	20.85
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Health Insurance Claims Costs [OHR Health and Employee Wellness Division]	21,693,321	0.00
Increase Cost: Enterprise Resource Planning Contract Support [OHR Health and Employee Wellness Division]	698,250	0.00
Increase Cost: Annualization of FY15 Personnel Costs	301,000	0.40
Increase Cost: FY16 Compensation Adjustment	61,788	0.00
Increase Cost: Contract services and software	48,730	0.00
Increase Cost: Group Insurance Adjustment	6,024	0.00
Decrease Cost: Retirement Adjustment	-1,136	0.00
FY16 APPROVED:	227,060,946	21.25

PROGRAM SUMMARY

Program Name	FY15 Approved		FY16 Approved	
	Expenditures	FTEs	Expenditures	FTEs
Director's Office	1,093,517	6.40	1,115,054	6.40
Business Operations and Performance	1,776,325	16.50	2,197,446	17.40
Change Management, Training, and Organizational Development	1,027,610	5.05	1,046,362	5.00
Selection and Recruitment	1,259,855	10.40	1,365,758	10.40
Labor and Employee Relations	1,617,120	10.00	1,317,156	8.00
Equal Employment Opportunity and Diversity	0	0.00	292,996	2.00
OHR Health and Employee Wellness Division	205,257,181	18.10	225,974,547	14.60
Occupational Medical Services	0	0.00	1,839,693	3.50
Total	212,031,608	66.45	235,149,012	67.30

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY15		FY16	
		Total\$	FTEs	Total\$	FTEs
COUNTY GENERAL FUND					
CIP	CIP	870,657	6.95	0	0.00
Fire and Rescue Service	Fire	1,293,260	0.00	1,315,010	0.00
NDA - Mont. County Employee Retirement Plans	Employee Retirement System	91,995	0.65	216,896	0.70
NDA - Mont. County Employee Retirement Plans	Retirement Savings Plan	29,191	0.25	34,750	0.30
NDA - Mont. County Employee Retirement Plans	RSP-Disability Benefits LTD2	0	0.00	16,318	0.00
Police	County General Fund	266,081	2.00	277,967	2.00
Total		2,551,184	9.85	1,860,941	3.00

FUTURE FISCAL IMPACTS

Title	APPR. FY16	FY17	FY18	(\$000's) FY19	FY20	FY21
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY16 Approved No inflation or compensation change is included in outyear projections.	8,088	8,088	8,088	8,088	8,088	8,088
Labor Contracts These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits.	0	28	28	28	28	28
Subtotal Expenditures	8,088	8,116	8,116	8,116	8,116	8,116
EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND						
Expenditures						
FY16 Approved No inflation or compensation change is included in outyear projections.	227,061	227,061	227,061	227,061	227,061	227,061
Labor Contracts These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits.	0	9	9	9	9	9
Subtotal Expenditures	227,061	227,070	227,070	227,070	227,070	227,070

