

MEMORANDUM

April 27, 2011

TO: Government Operations and Fiscal Policy Committee

FROM: Justina Ferber, Legislative Analyst 

SUBJECT: **Worksession: FY12 Operating Budget
Office of Human Resources (General Fund, Excluding Compensation)**

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
Lori O'Brien, 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 \$5,896,540, a -3.1% reduction from the approved FY11 budget of \$6,082,800.

	FY10 Actual	FY11 Approved	FY12 CE Recommended	% Change FY11-FY12
Expenditures:				
General Fund	\$7,392,158	\$6,082,800	\$5,896,540	-3.1%
Positions:				
Full-time	80	74	70	-5.4%
Part-time	6	6	6	0.0%
TOTAL Positions	86	80	76	-5.0%
WORKYEARS	45.6	35.7	36.4	2.0%

The County Executive’s recommendation for the FY12 OHR budget is a reduction of \$186,260 from FY11. The reduction is a result of many factors including shifted and eliminated positions and decreases in various operating expenditures and contracts. Restoration of furlough days accounts for the increase of 0.7 workyears.

The budget identifies three items as changes *with service impacts*; the remainder of reductions is identified as changes *with no service impacts*.

Changes with Service Impacts	TOTAL	-\$219,830; -2.0wy
Reduce Management Leadership, Computer & Professional Training		(\$68,000)
Abolish Human Resources Specialist position		(\$73,570); -1.0 wy
Abolish PAA in Police Stress Management		(\$78,260); -1.0 wy
Changes with no Service Impacts	TOTAL	\$33,570; 1.7 wy
Total Increases		\$559,430; 3.6 wy
Total Reductions		(\$525,860); -1.9 wy

The most significant budget change is the addition of \$135,000 for Tuition Assistance for County Police. Other issues discussed in this packet are the Multilingual Certification Program and the Tuition Assistance Program. Budget changes listed below are discussed division by division:

- Director’s Office: Shift Personnel Costs to County Attorney Office
- Business Operations and Performance: Transfer, abolish and shift positions and eliminate data contract
- Change Management, Training, and Organizational Development: Addition of \$135,000 for the FY12 tuition assistance for County Police; reduce Management Leadership Service costs
- Equal Employment Opportunity and Diversity: Abolish Human Resources Specialist position
- Labor and Employee Relations: Increase funding for Labor Relations Manager
- Benefits and Information Management: Increase cost for anticipated claims
- Occupational Medical Services: Shift costs from Fire and Rescue Service for OMS positions

Budget Adjustments: The majority of the adjustments in OHR divisions are tied to a combination of lapse increases or decreases, staff shifts within the department, furlough adjustments, and decreases in the health benefits amounts.

FY12 Expenditure Issues by Division

Director’s Office: Responsible for human resources policy development and planning, administration of human resources programs and customer service.

Adjustments in this division relate to reductions in operating expenditures to decrease expenses.

Director's Office	
FY12 Expenditures \$675,450	FY12 3.8 Workyears
FY11 Expenditures \$730,970	FY11 3.5 Workyears
-\$30,000	Shift Personnel Costs to County Attorney Office [Chargeback for external EEO complaints]
\$3,900	Printing and Mail Adjustment
\$1,250	Help Desk cost increase
-\$1,090	Decrease cost of Verizon T1 replacement
\$29,580; 0.3 wy	Miscellaneous adjustments – restoration of furloughs, benefit changes, staff turnover, reorganization, and budget changes affecting more than one program

Business Operations and Performance: Comprised of the Classification, Compensation, Records Management, and Administration teams to ensure employees are appropriately compensated and records are managed.

Shifts were made in this Division to more accurately reflect work assignments. Lapse for the department has doubled and two-thirds of departmental lapse is budgeted in this division.

Business Operations and Performance	
FY12 Expenditures \$1,217,060	FY12 11.8 Workyears
FY11 Expenditures \$1,509,350	FY11 13.1 Workyears
\$95,840; 1.0 wy	Position transfer from Compensation and Employee Benefits NDA [Not a new position; operating funds were eliminated so the position will shift to Bus Ops]
\$2,100; -0.2 wy	Technical Adjustment - Records Management Position Shift [More accurately reflects work assignments]
-\$68,670; -0.6 wy	Abolish Administrative Specialist III and Reclassify Fiscal Asst and Shift Manager III [More accurately reflects work assignments]
-\$107,000	Decrease cost of contractual services for Unified Data Modular Support of OHR information systems [Eliminated due to installation of ERP system.]
-\$214,560; -1.5 wy	Miscellaneous adjustments – restoration of furloughs, benefit changes, staff turnover, reorganization, and budget changes affecting more than one program

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 major change in this division is the addition of \$135,000 for the FY12 tuition assistance for County Police.

Change Management, Training, and Organizational Development	
FY12 Expenditures \$621,340	FY12 5.0 Workyears
FY11 Expenditures \$659,110	FY11 5.4 Workyears
\$135,000	Add Tuition Assistance – Funds reinstated for Police Tuition Assistance negotiated by FOP
0; 1.0 wy	Technical adjustment – Operating expenses shifted to personnel expenses for the Senior Fellow program; administered by OCP
-\$68,000	Reduce Management Leadership, Computer & Professional Development Training
-\$70,970; -1.0 wy	Abolish Human resources Specialist Position [Vacant position; helped manage Tuition Assistance program]
-\$33,800; -0.4 wy	Miscellaneous adjustments – restoration of furloughs, benefit changes, staff turnover, reorganization, and budget changes affecting more than one program

Tuition Assistance

In FY10 the County Executive suspended the County Tuition Assistance Program (TAP), and no funding was included in the FY11 budget for the TAP. For FY12 the Executive has included \$135,000 for tuition assistance for County Police in the OHR budget.

In January 2011 the GO Committee reviewed proposed Executive Regulation 11-10, Amendments to the Montgomery County Personnel Regulations, Employee Training and Tuition Assistance. The Committee requested that Council staff request comments from employee unions and the Inspector General on the proposed regulation and for Executive staff to reevaluate the proposed regulation. Senior Legislative Attorney Drummer requested comments from the Inspector General and from representatives of the IAFF, MCGEO, and FOP employee unions. Union representatives did not comment because the regulation did not apply to union members. The Inspector General did not comment on the regulation. Another GO Committee meeting will be scheduled to complete the discussion of the proposed regulation.

OHR Director Adler provided a TAP update to the Council on November 2, 2010. The Office of Human Resources management strengthened its internal controls and management oversight of the TAP in the following ways:

- Reviewed all policies, procedures, and forms governing the TAP program which resulted in a number of changes to strengthen the management oversight of the program.
- Established a second level of management review for all applications.
- Created an annual internal review process, including Standard Operating Procedures and checklists for all TAP applications.
- Worked with CountyStat Office to evaluate the TAP.
- Implemented a revised process for obtaining course certificates of completion and grade reports from participants in the County's TAP.

- Held several meetings with the Fraternal Order of Police, Lodge 35 to narrow the issue concerning the County's FY10 suspension of the TAP grievance arbitration filed by the union.
- Supported the Police Department's internal investigation to review timesheets for all police officers who attended TAP training courses in fiscal years 2007, 2008, and 2009.
- Developed an action plan and time line in response to an internal audit of the TAP for FY06-FY10 performed by Cherry, Bekaert & Holland, L.L.P.
- Revised the County's personnel policies and procedures for unrepresented employees based on recommendations from the Office of Inspector General (OIG) Report and the County's Internal Auditor's findings.
- Negotiated changes in the United Food and Commercial Workers Local 1994, Municipal and County Government Employees Organization (MCGEO) collective bargaining agreement, which serves as a template for the other bargaining units, to ensure tighter program controls and accountability. As a result of these changes, the County lifted the suspension of the TAP for members of MCGEO Local 1994 as of December 15, 2009. These changes include:
 - Departmental Director signature on all Tuition Assistance Forms;
 - Itemized bill with all costs broken down to include tuition and all fees required at time of submission of application;
 - All course work must be held in the U.S.A.;
 - No funding of courses which are primarily recreational or utilize a specific faith based method as a primary approach to problem solving or treatment;
 - Approved tuition assistance funds are for tuition only. Compulsory fees such as registration, lab, library, or technology fees are not covered.

Next Steps: The GO Committee will schedule another discussion with OHR on the proposed Executive Regulations.

Council Staff Recommendation: Council staff recommends that the Council not approve any tuition assistance funding until the Executive Regulation is adopted and the Council is satisfied that all investigations are complete and all identified changes requiring revisions to County law, personnel regulations, or collective bargaining agreements have been completed. Also, because of personnel cuts and shifts, the Council needs to be assured there is adequate staffing in OHR to provide oversight for any tuition assistance program. **Council staff recommends that the Committee not approve funding of \$135,000 for County Police tuition assistance.**

Selection and Recruitment: Responsible for attracting, hiring, and promoting the County workforce.

No major changes in this division. There was restoration of funding for a portion of a workyear charged to the ERP and a lapse adjustment.

Selection and Recruitment	
FY12 Expenditures \$1,039,380	FY12 7.4 Workyears
FY11 Expenditures \$942,050	FY11 5.8 Workyears
\$97,330; 1.6 wy	Miscellaneous adjustments – restoration of furloughs, benefit changes, staff turnover, reorganization, and budget changes affecting more than one program

Labor and Employee Relations: Negotiates collective bargaining agreements on behalf of the County Executive and provides early intervention strategies in workplace disputes.

The major change is restoration in funding for labor relations to provide full funding of a position lapsed in FY11. One position was shifted to Labor and Employee Relations.

Labor and Employee Relations	
FY12 Expenditures \$1,130,530	FY12 7.0 Workyears
FY11 Expenditures \$910,970	FY11 5.4 Workyears
\$34,260; 0.3 wy	Restore funding for Labor Relations Manager [Full funding of position lapsed in FY11]
\$185,400; 1.3 wy	Miscellaneous adjustments – restoration of furloughs, benefit changes, staff turnover, reorganization, and budget changes affecting more than one program

Equal Employment Opportunity and Diversity: Investigates complaints of harassment and discrimination by and against employees and conducts mandatory and requested EEO training.

The major change in this division is the abolishment of a Human Resources Specialist position.

Equal Employment Opportunity and Diversity:	
FY12 Expenditures \$241,030	FY12 2.0 Workyears
FY11 Expenditures \$386,810	FY11 3.0 Workyears
-\$73,570; -1.0 wy	Abolish Human Resources Specialist position [Vacant position abolished; will result in slower resolution of complaints due to less positions to process complaints]
-\$72,210; 0 wy	Miscellaneous adjustments – restoration of furloughs, benefit changes, staff turnover, reorganization, and budget changes affecting more than one program

Benefits and Information Management: Manages the County group insurance and retirement benefit programs and OHR's technology efforts.

The major change in this budget is the increase in costs for claims and carrier administration.

Benefits and Information Management	
FY12 Expenditures \$192,144,650	FY12 9.8 Workyears
FY11 Expenditures \$186,936,180	FY11 8.6 Workyears
\$5,178,520	Increase cost in claims and carrier [Actuary predicts health claims will go up]
\$19,580; 0.4 wy	Restore cost of furloughs charged against the health benefit funds
\$10,370; 0.8 wy	Miscellaneous adjustments – restoration of furloughs, benefit changes, staff turnover, reorganization, and budget changes affecting more than one program

Occupational Medical Services: Provides multi-disciplinary occupational medical services, including health promotion, work-related medical and safety hazard assessments, and employee disability management.

The major changes in Occupational Medical Services relate to a shift in costs from Fire and Rescue Service for Occupational Medical Services positions.

Occupational Medical Services	
FY12 Expenditures \$1,430,960	FY12 2.3 Workyears
FY11 Expenditures \$1,397,270	FY11 2.4 Workyears
\$121,300; 0.6 wy	Shift costs from Fire and Rescue Service for Occupational Medical Services positions [More accurately reflects work assignments]
-\$58,470; -0.5 wy	Decrease costs due to OMS restructuring [Making do with less]
-\$78,260; -1.0 wy	Abolish PAA position from Police Stress management [Making do with less]
\$49,120; 0.8 wy	Miscellaneous adjustments – restoration of furloughs, benefit changes, staff turnover, reorganization, and budget changes affecting more than one program

Chargebacks

The recommended OHR operating budget does not include a total of \$3,145,780 and 12.1 workyears that are charged to other accounts. The funding and workyears that are charged back are included in the respective receiving departments' budgets.

The following chart is an updated version of the budget chart on ©6-7.

FY12 CE Recommended Chargebacks

Chargebacks	Total Funds Fy11	Work years	Total Funds FY12	Work years
CIP	\$1,057,550	8.4	\$988,450	7.6
Fire and Rescue Service	\$1,502,310	1.2	\$1,283,610	0.5
Motor Pool	\$71,320	0.1	\$61,930	0.1
Health and Human Services	\$74,720	0.1	\$64,880	0.1
Liquor Control	\$56,040	0.1	\$48,660	0.1
NDA – Comp & Emp Ben	0	0	\$98,490	1.0
Bethesda Parking District	\$4,340	0	\$3,770	0.0
Montg. Hills Parking District	\$80	0	\$70	0.0
Silver Spring Parking District	\$5,070	0	\$4,400	0.0
Wheaton Parking District	\$700	0	\$610	0.0
Permitting Services	\$8,490	0	\$7,380	0.0
Police	\$243,040	2	\$242,910	2.0
Recreation	\$49,250	0.1	\$42,760	0.0
Solid Waste Collection	\$250	0	\$230	0.0
Solid Waste Disposal	\$2,040	0	\$1,760	0.0
Mass Transit	\$336,250	0.5	\$291,960	0.7
Vacuum Leaf Collection	\$1,100	0	\$960	0.0
Bethesda Urban District	\$60	0	\$50	0.0
Silver Spring Urban District	\$2,050	0	\$1,790	0.0
Wheaton Urban District	\$1,280	0	\$1,110	0.0
Total:	\$3,415,940	12.5	\$3,145,780	12.1

Multilingual Pay Differential

During the FY11 review of the OHR budget the Council discussed the multilingual pay differential and Multilingual Certification Program and recommended OHR staff consider restructuring the multilingual pay program to assure that employees actually provide multilingual services in the course of their employment. The multilingual pay differential is a bargained benefit and the amount of the differential varies by bargaining group.

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 general department 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
MCGEO	\$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

*There was a recently bargained new Expert Level multi-lingual pay differential for members of the FOP. 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. The Executive's FY12 Recommended Operating Budget includes \$847,252 for multilingual pay differential across nine different departments. In FY11 the budgeted differential was \$995,330 which is a 15% decrease from FY11 to FY12. The following table lists the recommended funding totals for each department.

FY12 Recommended Budget for Multilingual Pay Differential by Department

	Multilingual Pay
Department of Health & Human Services	\$295,353
Department of Police	\$297,157
Department of Technology Services	\$169,439
Department of Correction & Rehabilitation	\$5,033
Department of Public Libraries	\$49,506
Department of Recreation*	\$16,557
County Executive's Office*	\$11,626
Commission for Women*	\$0
Community Use of Public Facilities	\$2,581
Total	\$847,252

*The Commission for Women will shift to the Office of Community Engagement in FY12. Nothing is budgeted for multilingual pay in the Regional Service Centers, Commission for Women, or the Human Rights Commission, all to be consolidated into the Office of Community Engagement. Programs in the Recreation Department and County Executive's Office will also shift to Community Engagement; any multilingual pay that will be shifted is included in those two departments above.

OHR agreed to evaluate the County's multilingual pay differential program to assure that employees are compensated for their language skills and that County funds are used judiciously. OHR Director Adler provided a November 2, 2010 memo (©10-11) to the Committee on the Multilingual Certification Program. The memo noted that department directors were asked to review a list of their current employees and positions approved to receive multilingual pay and to review all employees who transferred from positions requiring use of a second language to see if they should remain on the certified employee language database. The latest memo from Mr. Adler dated April 8 (©8-9) notes that effective May 1, 2011, the County Multilingual Certification Program will limit new entrants (employees identified by departments as requiring the use of translation skills during the performance of their duties) to testing and certification to the following languages: Spanish, Vietnamese, Korean, French, Chinese, Amharic and Sign Language.

Council Staff Recommendation on OHR Budget

- With the exception of the County Police tuition assistance of \$135,000, Council staff recommends approval of the remainder of the OHR recommended FY12 budget as submitted by the Executive.

<u>This Packet Contains:</u>	<u>Circle #</u>
FY12 Recommended Budget: Office of Human Resources	1
April 8, 2011, Memo from OHR Director to Department Directors	8
November 2, 2010, Memo from OHR Director to MFP Committee	10

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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 FY12 Operating Budget for the Office of Human Resources is \$198,500,400, an increase of \$5,027,790 or 2.6 percent from the FY11 Approved Budget of \$193,472,610. Personnel Costs comprise 2.7 percent of the budget for 70 full-time positions and six part-time positions for 49.1 workyears. Operating Expenses account for the remaining 97.3 percent of the FY12 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**

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 FY11 estimates incorporate the effect of the FY11 savings plan. FY12 and FY13 targets assume the recommended FY12 budget and FY13 funding for comparable service levels.

Measure	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Multi-Program Measures					
Average customer satisfaction rating on the yearly internal customer survey of County managers ¹	2.60	2.62	2.65	2.65	2.70
Percentage of grievances resolved before reaching third party neutral	93	87	90	90	90

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

ACCOMPLISHMENTS AND INITIATIVES

- ❖ **Implemented the Human Capital Management Enterprise System**

PROGRAM CONTACTS

Contact Jennifer Shovlin 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

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.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	730,970	3.5
Increase Cost: Printing and Mail Adjustment	3,900	0.0
Increase Cost: Help Desk - Desk Side Support	1,250	0.0
Decrease Cost: Verizon Point to Point T1 Replacement	-1,090	0.0
Shift: Personnel Costs for Charges to the Office of the County Attorney	-30,000	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-29,580	0.3
FY12 CE Recommended	675,450	3.8

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.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	1,509,350	13.1
Shift: Position Transfer from Compensation and Employee Benefits NDA	95,840	1.0
Technical Adj: Records Management Position Shift	2,100	-0.2
Decrease Cost: Abolish Administrative Specialist III, Reclassify Fiscal Assistant, and Shift Manager III	-68,670	-0.6
Decrease Cost: Contractual Services for Unified Data Modular (UDM) Support for Human Resources Information Systems	-107,000	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-214,560	-1.5
FY12 CE Recommended	1,217,060	11.8

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 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 FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Customer satisfaction with training: Percentage who found training helpful to job	86	89	86	86	86
Customer satisfaction with training: Percentage who found training helpful to professional development	87	89	87	87	87

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	659,110	5.4
Increase Cost: Tuition Assistance - Fraternal Order of Police	135,000	0.0
Technical Adj: Operating Expenses to Personnel Expenses for the Senior Fellow Program	0	1.0
Reduce: Management Leadership, Computer, and Professional Development Training	-68,000	0.0
Decrease Cost: Abolish Human Resources Specialist Position	-70,970	-1.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-33,800	-0.4
FY12 CE Recommended	621,340	5.0

Selection and Recruitment

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 reductions-in-force, and designs and administers public safety promotional

examinations and other employment tests.

Program Performance Measures	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Average number of days to fill a vacant County position	48	46	47	47	47
Average satisfaction of departments with pools of candidates for positions, based on a survey of hiring managers ¹	4.3	4.3	4.3	4.3	4.3

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

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	942,050	5.8
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	97,330	1.6
FY12 CE Recommended	1,039,380	7.4

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 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.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	910,870	5.4
Restore: Funding for Labor Relations Manager	34,260	0.3
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	185,400	1.3
FY12 CE Recommended	1,130,530	7.0

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 the 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.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	386,810	3.0
Reduce: Abolish Human Resources Specialist Position	-73,570	-1.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-72,210	0.0
FY12 CE Recommended	241,030	2.0

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 team also manages the Disability Retirement Program. The Information Technology team provides management and oversight to the Department's information technology initiatives.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	186,936,180	8.6
Increase Cost: Increase in Anticipated Claims, Carrier Administration, and In-house Administration Costs	5,178,520	0.0
Increase Cost: Restore Personnel Costs - Furloughs	19,580	0.4
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	10,370	0.8
FY12 CE Recommended	192,144,650	9.8

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-à-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 medical services component of the Fire and Rescue Service's Wellness Initiative.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	1,397,270	2.4
Shift: Costs from Fire and Rescue Service for Occupational Medical Services Positions	121,300	0.6
Decrease Cost: OMS Restructuring	-58,470	-0.5
Reduce: Police Stress Management - Abolish Principal Administrative Aide Position	-78,260	-1.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	49,120	0.8
FY12 CE Recommended	1,430,960	2.3

BUDGET SUMMARY

	Actual FY10	Budget FY11	Estimated FY11	Recommended FY12	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	4,035,175	3,230,420	3,247,940	3,232,310	0.1%
Employee Benefits	1,201,668	862,760	899,720	814,130	-5.6%
County General Fund Personnel Costs	5,236,843	4,093,180	4,147,660	4,046,440	-1.1%
Operating Expenses	2,155,315	1,989,620	1,874,310	1,850,100	-7.0%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	7,392,158	6,082,800	6,021,970	5,896,540	-3.1%
PERSONNEL					
Full-Time	80	74	74	70	-5.4%
Part-Time	6	6	6	6	—
Workyears	45.6	35.7	35.7	36.4	2.0%
REVENUES					
Federal Financial Participation (FFP)	500	0	0	0	—
County General Fund Revenues	500	0	0	0	—
EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND					
EXPENDITURES					
Salaries and Wages	707,511	949,630	949,600	1,058,450	11.5%
Employee Benefits	225,784	290,340	210,570	254,700	-12.3%
Employee Health Benefit Self Insurance Fund Pers. Costs	933,295	1,239,970	1,160,170	1,313,150	5.9%
Operating Expenses	117,416,520	186,149,840	174,095,790	191,290,710	2.8%
Capital Outlay	0	0	0	0	—
Employee Health Benefit Self Insurance Fund Exp.	118,349,815	187,389,810	175,255,960	192,603,860	2.8%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	11.8	11.5	11.5	12.7	10.4%
REVENUES					
Self Insurance Employee Health Income	166,399,923	186,494,920	177,238,770	191,358,920	2.6%
Investment Income	48,130	141,710	12,280	38,530	-72.8%
Employee Health Benefit Self Insurance Fund Revenues	66,448,053	186,636,630	177,251,050	191,397,450	2.6%
DEPARTMENT TOTALS					
Total Expenditures	125,741,973	193,472,610	181,277,930	198,500,400	2.6%
Total Full-Time Positions	80	74	74	70	-5.4%
Total Part-Time Positions	6	6	6	6	—
Total Workyears	57.4	47.2	47.2	49.1	4.0%
Total Revenues	166,448,553	186,636,630	177,251,050	191,397,450	2.6%

FY12 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY11 ORIGINAL APPROPRIATION	6,082,800	35.7
Changes (with service impacts)		
Reduce: Management Leadership, Computer, and Professional Development Training [Change Management, Training, and Organizational Development]	-68,000	0.0
Reduce: Abolish Human Resources Specialist Position [Equal Employment Opportunity and Diversity]	-73,570	-1.0
Reduce: Police Stress Management - Abolish Principal Administrative Aide Position [Occupational Medical Services]	-78,260	-1.0
Other Adjustments (with no service impacts)		
Increase Cost: Tuition Assistance - Fraternal Order of Police [Change Management, Training, and Organizational Development]	135,000	0.0
Shift: Costs from Fire and Rescue Service for Occupational Medical Services Positions [Occupational Medical Services]	121,300	0.6
Increase Cost: Restore Personnel Costs - Furloughs	98,650	1.3
Shift: Position Transfer from Compensation and Employee Benefits NDA [Business Operations and Performance]	95,840	1.0
Shift: Full Funding for 2 Positions Allocated to ERP CIP	59,990	0.6

	Expenditures	WYs
Restore: Funding for Labor Relations Manager [Labor and Employee Relations]	34,260	0.3
Increase Cost: Annualization of FY11 Personnel Costs	7,140	0.0
Increase Cost: Printing and Mail Adjustment [Director's Office]	3,900	0.0
Technical Adj: Records Management Position Shift [Business Operations and Performance]	2,100	-0.2
Increase Cost: Help Desk - Desk Side Support [Director's Office]	1,250	0.0
Technical Adj: Operating Expenses to Personnel Expenses for the Senior Fellow Program [Change Management, Training, and Organizational Development]	0	1.0
Decrease Cost: Verizon Point to Point T1 Replacement [Director's Office]	-1,090	0.0
Decrease Cost: Reduce OE to Meet Reduction Requirement and Reallocate Funds to Personnel Costs	-4,860	1.0
Shift: ERP Job Functions to Self Insurance Fund	-7,140	-0.2
Shift: Personnel Costs for Charges to the Office of the County Attorney [Director's Office]	-30,000	0.0
Decrease Cost: Retirement Adjustment	-46,440	0.0
Decrease Cost: OMS Restructuring [Occupational Medical Services]	-58,470	-0.5
Decrease Cost: Reallocate IT Positions and Shift Functions from General Fund to the Health Benefits Insurance and Retirement Funds	-65,480	-0.6
Decrease Cost: Group Insurance Adjustment	-65,740	0.0
Decrease Cost: Abolish Administrative Specialist III, Reclassify Fiscal Assistant, and Shift Manager III [Business Operations and Performance]	-68,670	-0.6
Decrease Cost: Abolish Human Resources Specialist Position [Change Management, Training, and Organizational Development]	-70,970	-1.0
Decrease Cost: Contractual Services for Unified Data Modular (UDM) Support for Human Resources Information Systems [Business Operations and Performance]	-107,000	0.0
FY12 RECOMMENDED:	5,896,540	36.4
EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND		
FY11 ORIGINAL APPROPRIATION	187,389,810	11.5
Other Adjustments (with no service impacts)		
Increase Cost: Increase in Anticipated Claims, Carrier Administration, and In-house Administration Costs [Benefits and Information Management]	5,178,520	0.0
Technical Adj: Net Personnel Funding Shifts into Health Fund and Other Miscellaneous Changes	48,340	0.8
Increase Cost: Restore Personnel Costs - Furloughs [Benefits and Information Management]	19,580	0.4
Decrease Cost: Retirement Adjustment	-12,100	0.0
Decrease Cost: Group Insurance Adjustment	-20,290	0.0
FY12 RECOMMENDED:	192,603,860	12.7

PROGRAM SUMMARY

Program Name	FY11 Approved		FY12 Recommended	
	Expenditures	WYs	Expenditures	WYs
Director's Office	730,970	3.5	675,450	3.8
Business Operations and Performance	1,509,350	13.1	1,217,060	11.8
Change Management, Training, and Organizational Development	659,110	5.4	621,340	5.0
Selection and Recruitment	942,050	5.8	1,039,380	7.4
Labor and Employee Relations	910,870	5.4	1,130,530	7.0
Equal Employment Opportunity and Diversity	386,810	3.0	241,030	2.0
Benefits and Information Management	186,936,180	8.6	192,144,650	9.8
Occupational Medical Services	1,397,270	2.4	1,430,960	2.3
Total	193,472,610	47.2	198,500,400	49.1

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY11		FY12	
		Total\$	WYs	Total\$	WYs
COUNTY GENERAL FUND					
CIP	CIP	1,057,550	8.4	988,450	7.6
Fire and Rescue Service	Fire	1,502,310	1.2	1,399,040	1.4
Fleet Management Services	Motor Pool Internal Service Fund	71,320	0.1	72,800	0.2
Health and Human Services	County General Fund	74,720	0.1	76,270	0.2
Liquor Control	Liquor Control	56,040	0.1	50,270	0.1
NDA - Comp. and Employee Benefits Adj.	County General Fund	0	0.0	98,490	1.0
Parking District Services	Bethesda Parking District	4,340	0.0	4,430	0.0
Parking District Services	Montgomery Hills Parking District	80	0.0	80	0.0

Charged Department	Charged Fund	FY11		FY12	
		Total\$	WYs	Total\$	WYs
Parking District Services	Silver Spring Parking District	5,070	0.0	5,170	0.0
Parking District Services	Wheaton Parking District	700	0.0	720	0.0
Permitting Services	Permitting Services	8,490	0.0	10,400	0.0
Police	County General Fund	243,040	2.0	242,910	2.0
Recreation	Recreation	49,250	0.1	3,470	0.0
Solid Waste Services	Solid Waste Collection	250	0.0	250	0.0
Solid Waste Services	Solid Waste Disposal	2,040	0.0	2,040	0.0
Transit Services	Mass Transit	336,250	0.5	343,200	0.7
Transportation	Vacuum Leaf Collection	1,100	0.0	1,130	0.0
Urban Districts	Bethesda Urban District	60	0.0	970	0.0
Urban Districts	Silver Spring Urban District	2,050	0.0	34,660	0.1
Urban Districts	Wheaton Urban District	1,280	0.0	21,570	0.0
Total		3,415,940	12.5	3,356,320	13.3

FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY12	FY13	FY14	FY15	FY16	FY17
(S000's)						
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY12 Recommended	5,897	5,897	5,897	5,897	5,897	5,897
No inflation or compensation change is included in outyear projections.						
Subtotal Expenditures	5,897	5,897	5,897	5,897	5,897	5,897
EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND						
Expenditures						
FY12 Recommended	192,604	192,604	192,604	192,604	192,604	192,604
No inflation or compensation change is included in outyear projections.						
Subtotal Expenditures	192,604	192,604	192,604	192,604	192,604	192,604



OFFICE OF HUMAN RESOURCES

Isiah Leggett
County Executive

Joseph Adler
Director

MEMORANDUM

April 8, 2011

TO: Executive Branch Department and Agency Directors

FROM: Joseph Adler, Director
Office of Human Resources 

SUBJECT: Languages Eligible for Certification for the Multilingual Certification Program

Effective May 1, 2011, the county Multilingual Certification Program will limit the testing and certification of employees identified by departments as requiring the use of translation skills during the performance of their duties to the following languages:
Spanish, Vietnamese, Korean, French, Chinese, Amharic, and Sign Language.

County Departments¹ are to follow the current procedures to recommend an employee to be certified for a position that will require one of the above listed languages:

- determine the languages other than English that is needed to serve customers effectively, depending on the population served;
- identify the specific position that must be filled by an employee who can communicate either orally, and/or in writing, in the identified language or languages; and,
- decide, for each position, at which proficiency level the employee will be required to use the additional language skills – *basic* or *advanced*. *Basic* proficiency requires *oral* communication skills in a second language to perform the work assignments of the positions. *Advanced* proficiency requires *oral and written* communication skills in a second language as part of the work assignments.

The department director must complete a language certification form requesting the certification Examination. (see web page to selected the appropriate form at <http://www.montgomerycountymd.gov/content/ohr/ResourceLibrary/ResourceSearch.cfm>)

¹ Police Department will follow different procedures.

Memo on Multilingual Pay to Directors
April 8, 2011
Page 2 of 2

The form will identify the second language needed by the department, the level of proficiency needed, and the name of the employee whose language skills need to be certified. The form should be submitted to Joe Heiney-Gonzalez in OHR, EOB, 7th floor.

In cases where Departments encounter special circumstances requiring a language skill not covered by the above stated languages, the Department Director will submit a written request to the OHR Director providing the circumstances that require the use of a language skill other than the languages listed above.

Thank you for your cooperation in this matter.

cc: Human Resources Liaisons
Fariba Kassiri, ACAO
Lily Qi, Office of Community Partnerships
Bruce Adams, Office of Community Partnerships
OHR Managers



OFFICE OF HUMAN RESOURCES

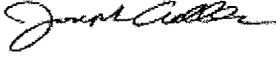
Isiah Leggett
County Executive

Joseph Adler
Director

MEMORANDUM

November 2, 2010

TO: Duchy Trachtenberg, Chairman
Management and Fiscal Policy Committee

FROM: Joseph Adler, Director 
Office of Human Resources

SUBJECT: Multilingual Certification Program Recommendations

The Office of Human Resources believes that the multilingual program serves a useful purpose by enabling County residents with limited English proficiency to access County services and it benefits employees by paying a supplement for performing this service. Given the continuing bleak County fiscal picture, however, there is a need to look at program modifications to reduce expenditures but at the same time still be able to serve the populations who need our services and have limited proficiency in English. On October 19, 2010, a memorandum (Attachment A) was sent to all Executive Branch departments and offices and asked them to do the following:

- A. Department Directors were asked to review a list of their current employees and positions approved to receive multilingual pay and to forward the information to OHR. This process will assist OHR in verifying department positions that require use of multilingual skills.
- B. Departments were asked to review all employees who transferred from positions requiring use of second language to see if they should remain on the certified employee language database.

Montgomery County Personnel Regulations call for a periodic recertification of employees receiving multilingual pay. OHR will conduct a pilot program of a sample of current employees receiving multilingual pay differential to determine the viability of recertifying every employee receiving the differential. Employees who have received multilingual certification five or more years will be tested as part of the pilot recertification program. OHR is working with language

professors from the University of Maryland to assist in the recertifying test creation, validation, administration, and evaluation for the pilot program.

Each language test is approximately 30 minutes and the advanced languages test takes two hours to administer. To recertify 665 employees would take a considerable time commitment on the part of OHR staff, and may take some financial resources in terms of developing valid and reliable language testing assessments. OHR estimates it would take between \$300 to \$600 per employee to re-certify an existing employee in the certified employee multilingual database as part of a re-certification process (with an outside language testing company if there is no individual qualified in Montgomery County Government to administer the language assessment). OHR believes that a Pilot Recertification Assessment Program will enable it to determine how to best move forward with recertification of certified multilingual staff in the future.

We are also considering limiting new entrants into the program by testing only for the top six non- English languages spoken in the County: **Spanish, Chinese, French, Korean, Vietnamese, and Amharic.** County department directors have been asked if this limitation would impose hardships on their ability to provide services to the County's immigrant population, and based upon their response we will move forward. We look forward to participating in discussions relating to the Multilingual Certification Program. As noted previously, additional changes would require revisions to personnel regulations or collective bargaining agreements.

If you have any questions or need additional information, please contact me at 240-777-5010.

Attachment



OFFICE OF HUMAN RESOURCES

Isiah Leggett
County Executive

Joseph Adler
Director

MEMORANDUM

October 19, 2010

TO: Executive Branch Department and Office Directors

FROM: Joseph Adler, Director
Office of Human Resources

SUBJECT: Multilingual Pay Administrative Requirements

Under the Montgomery County Personnel Regulations (MCPR) 10-9 (c)(2), department directors should periodically review the list of employees approved for multilingual pay differential and determine if a change in programs, organizational structure or client characteristics indicate that the language skill may no longer be needed. MCPR 10-9 (c) further requires County managers to, "Review the status of employees who transferred from positions requiring multilingual pay to other positions where the skill may not be needed."

Please review the attached roster of department or office's employees or positions approved to receive multilingual pay and indicate the following:

- Task 1.** Verify that the individual staff name and job title/position are correct.
- Task 2.** Indicate "Yes or No" if the listed position requires the stated multilingual skill.
- Task 3.** Indicate "Yes or No" if the department requires the listed language skill for the position.
- Task 4.** Indicate "Yes or No" if the language certification level is accurate for the position duties.
NOTE: There are two types of certification requirements for the Multilingual Certification Program:
 - i. **Basic** (oral communication, reading comprehension, and interpreting skills)
 - ii. **Advanced** (oral communication, reading comprehension, interpreting skills *and* written communication)

As of FY 11, OHR has certified employees in over 30 non-English languages, at the request of individual departments and offices. We are considering imposing a moratorium on additional entrants into the program, with the exception of the top six languages spoken by non-English proficient residents in Montgomery County: Spanish, Chinese, French, Korean, Vietnamese and Amharic. Please indicate on the attached roster if this modification will pose a hardship or burden in terms of resident's accessing County government services (current employees would not be affected by this change).

Your response will ensure compliance with the requirements stated in the MCPR 10-9 (c) and will also assist in ensuring that this important customer service initiative is continuing to meet the needs of County residents.

Please return your completed checklist to the Office of Human Resources, attention Joe Heiney-Gonzalez, by COB Monday, November 8, 2010.

Attachment: Department Roster of Multilingual Certified Personnel

cc: Timothy L. Firestine, CAO
Fariba Kassiri, ACAO
Kathleen Boucher, ACAO
Diane Schwartz-Jones, ACAO
Tom Street, ACAO
Patrick Lacefield, PIO
Human Resources Liaisons
LEP Department Liaisons