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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 FY13 Operating Budget for the Office of Human Resources is \$202,043,681, an increase of \$4,479,561 or 2.3 percent from the FY12 Approved Budget of \$197,564,120. Personnel Costs comprise 3.1 percent of the budget for 67 full-time positions and six part-time positions for 59.45 FTEs. Operating Expenses account for the remaining 96.9 percent of the FY13 budget.

The Office of Human Resources Budget is comprised of a General Fund component of \$6,894,273 and a Employee Health Benefit Self Insurance Fund component of \$195,149,408.

### **County Government Reorganization**

The County will transfer the program administration of the County's retirement plans from the Office of Human Resources to the Board of Investment Trustees. The transfer of duties will strengthen internal controls and create a more holistic, efficient, and streamlined approach to the County's retirement plans that includes investments and administration.

## 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 FY12 estimates reflect funding based on the FY12 approved budget. The FY13 and FY14 figures are performance targets based on the FY13 recommended budget and funding for comparable service levels in FY14.

Measure	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
<b>Multi-Program Measures</b>					
Average customer satisfaction rating on the yearly internal customer survey of County managers <sup>1</sup>	2.62	2.65	2.65	2.70	2.70
Percentage of grievances resolved before reaching third party neutral	87	90	90	90	90

<sup>1</sup> The satisfaction scale ranges from low (1) to high (4).

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ **Continued process improvements by implementing customer focused on-line tools for employees and retirees to use during open enrollment.**
- ❖ **Implemented the new online Open Enrollment system, which is part of the new Oracle Advanced Benefits system.**
- ❖ **OHR Benefits went live with two Enterprise Resource Planning systems effective January 1, 2011.**
- ❖ **OHR earned the 2011 "Partnering for Maximum Performance: Interagency Training Team" NACo Achievement Award for its efforts as a member of the Interagency Training Team.**
- ❖ **Successfully phased out Peopleclick and implemented the new iRecruitment applicant tracking system.**
- ❖ **Incorporated the new Hiring Preference for individuals with disabilities, veterans with disabilities, and veterans without disabilities into the hiring process.**

- ❖ **Successfully administered another fiscal year Reduction-In-Force.**
- ❖ **Revised the Personnel Regulations to include Customized Employment Public Interns to allow them to be considered for "employees only" positions.**
- ❖ **In 2011, Montgomery County Government earned the Alliance for Workplace Excellence Health & Wellness Trailblazer and Workplace Excellence Awards.**
- ❖ **OHR is coordinating the work of several front-line employees in the Department of Environmental Protection to develop draft proposals on new, innovative ideas, concepts and strategies for the cost effective delivery of services to customers.**
- ❖ **Productivity Improvements**
  - **Appointed four Disability Review Panel doctors to meet legislated changes as a productivity improvement.**
  - **OHR is leading four Rewarding Excellence/gain sharing teams from the Department of General Services and Department of Transportation, which are on track to produce a total cost savings of \$189,000 per year.**

## PROGRAM CONTACTS

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

## PROGRAM DESCRIPTIONS

### Director's Office

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

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>675,450</b>	<b>3.80</b>
Shift: Help Desk - Desk Side Support to the Desktop Computer Modernization NDA	-1,250	0.00
Decrease Cost: Printing and Mail Adjustment	-4,190	0.00
Decrease Cost: Temporary/Clerical Services, Cellular/Wireless, and Computer Equipment	-9,931	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	15,988	0.30
<b>FY13 CE Recommended</b>	<b>676,067</b>	<b>4.10</b>

### 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.

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>1,317,060</b>	<b>11.80</b>
Add: Financial Disclosure Function from Ethics Commission to Human Resources	55,190	1.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	72,448	1.55
<b>FY13 CE Recommended</b>	<b>1,444,698</b>	<b>14.35</b>

### **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.

<b>Program Performance Measures</b>	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Estimated FY12</b>	<b>Target FY13</b>	<b>Target FY14</b>
Customer satisfaction with training: Percentage who found training helpful to job	89	86	86	86	86
Customer satisfaction with training: Percentage who found training helpful to professional development	89	87	87	87	87

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>621,340</b>	<b>5.00</b>
Add: Senior Fellows	50,000	1.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	24,714	0.05
<b>FY13 CE Recommended</b>	<b>696,054</b>	<b>6.55</b>

### **Selection and Recruitment**

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

<b>Program Performance Measures</b>	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Estimated FY12</b>	<b>Target FY13</b>	<b>Target FY14</b>
Average number of days to fill a vacant County position	46	47	47	47	47
Average satisfaction of departments with pools of candidates for positions, based on a survey of hiring managers <sup>1</sup>	4.3	4.3	4.3	4.3	4.3

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

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>1,039,380</b>	<b>7.40</b>
Shift: Position Transfer from Public Information Office/MC311 to the Office of Human Resources	51,480	1.00
Decrease Cost: Employee Services - Contract Reduction	-60,000	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	68,082	1.00
<b>FY13 CE Recommended</b>	<b>1,098,942</b>	<b>9.40</b>

### **Labor and Employee Relations**

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

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

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

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>1,371,560</b>	<b>9.00</b>
Decrease Cost: Mediation and/or Arbitration Services	-30,000	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	172,258	1.00
<b>FY13 CE Recommended</b>	<b>1,513,818</b>	<b>10.00</b>

### **Benefits and Information Technology**

The Benefits and Information Management program is comprised of Employee Benefits, Information Technology, Occupational Medical Services and Stress Management teams.

The Employee Benefits team manages the County's group insurance benefit programs. In addition to maintaining operations associated with benefit eligibility and retirement, 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.

The Information Technology team provides management and oversight to the Department's information technology initiatives.

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

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

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>192,539,330</b>	<b>12.10</b>
Increase Cost: Operating Expense adjustments including Claims and Administration	3,457,231	0.00
Shift: Remove Occupational Medical Services Chargeback to Departments	559,289	1.50
Add: Contract Administration Administrative Specialist	61,957	0.80
Decrease Cost: Printing and Mail Adjustment	-5,560	0.00
Decrease Cost: OMS Charges	-5,660	0.00
Shift: Transfer of One MCTime HR Specialist Position to Finance	-53,393	-0.45
Increase Cost: Annualization of FY12 Operating Expenses	-139,435	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	200,343	1.10
<b>FY13 CE Recommended</b>	<b>196,614,102</b>	<b>15.05</b>

## BUDGET SUMMARY

	Actual FY11	Budget FY12	Estimated FY12	Recommended FY13	% Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	3,261,435	3,232,310	3,441,325	3,532,283	9.3%
Employee Benefits	986,420	814,130	982,181	1,090,391	33.9%
<b>County General Fund Personnel Costs</b>	<b>4,247,855</b>	<b>4,046,440</b>	<b>4,423,506</b>	<b>4,622,674</b>	<b>14.2%</b>
Operating Expenses	1,574,163	1,950,100	1,636,513	2,271,599	16.5%
Capital Outlay	0	0	0	0	—
<b>County General Fund Expenditures</b>	<b>5,822,018</b>	<b>5,996,540</b>	<b>6,060,019</b>	<b>6,894,273</b>	<b>15.0%</b>
<b>PERSONNEL</b>					
Full-Time	74	70	70	67	-4.3%
Part-Time	6	6	6	6	—
FTEs	35.70	36.40	36.40	44.30	21.7%
<b>EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	763,794	1,058,450	1,004,840	1,239,670	17.1%
Employee Benefits	222,103	254,700	236,017	343,072	34.7%
<b>Employee Health Benefit Self Insurance Fund Pers. Costs</b>	<b>985,897</b>	<b>1,313,150</b>	<b>1,240,857</b>	<b>1,582,742</b>	<b>20.5%</b>
Operating Expenses	118,362,902	190,254,430	177,449,713	193,566,666	1.7%
Capital Outlay	0	0	0	0	—
<b>Employee Health Benefit Self Insurance Fund Exp.</b>	<b>119,348,799</b>	<b>191,567,580</b>	<b>178,690,570</b>	<b>195,149,408</b>	<b>1.9%</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	11.50	12.70	12.70	15.15	19.3%
<b>REVENUES</b>					
Investment Income	7,820	38,320	13,410	24,400	-36.3%
Miscellaneous Revenues	514,475	0	0	0	—
Self Insurance Employee Health Income	126,297,765	190,368,690	180,950,720	190,203,450	-0.1%
Other Charges/Fees	1,686,964	0	0	0	—
Other Intergovernmental	743,759	0	0	0	—
<b>Employee Health Benefit Self Insurance Fund Revenues</b>	<b>129,250,783</b>	<b>190,407,010</b>	<b>180,964,130</b>	<b>190,227,850</b>	<b>-0.1%</b>
<b>DEPARTMENT TOTALS</b>					
<b>Total Expenditures</b>	<b>125,170,817</b>	<b>197,564,120</b>	<b>184,750,589</b>	<b>202,043,681</b>	<b>2.3%</b>
<b>Total Full-Time Positions</b>	<b>74</b>	<b>70</b>	<b>70</b>	<b>67</b>	<b>-4.3%</b>
<b>Total Part-Time Positions</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>—</b>
<b>Total FTEs</b>	<b>47.20</b>	<b>49.10</b>	<b>49.10</b>	<b>59.45</b>	<b>21.1%</b>
<b>Total Revenues</b>	<b>129,250,783</b>	<b>190,407,010</b>	<b>180,964,130</b>	<b>190,227,850</b>	<b>-0.1%</b>

## FY13 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
<b>FY12 ORIGINAL APPROPRIATION</b>	<b>5,996,540</b>	<b>36.40</b>
<b>Changes (with service impacts)</b>		
Add: Financial Disclosure Function from Ethics Commission to Human Resources [Business Operations and Performance]	55,190	1.00
Add: Senior Fellows [Change Management, Training, and Organizational Development]	50,000	1.50
<b>Other Adjustments (with no service impacts)</b>		
Shift: Remove Occupational Medical Services Chargeback to Departments [Benefits and Information Technology]	559,289	1.50
Increase Cost: Retirement Adjustment	105,619	0.00
Increase Cost: Group Insurance Adjustment	94,558	0.00
Increase Cost: Lump Sum Wage Adjustment	90,640	0.00
Shift: Position Transfer from Public Information Office/MC311 to the Office of Human Resources [Selection and Recruitment]	51,480	1.00
Increase Cost: Longevity Adjustment	1,988	0.00
Shift: Transfer and Reallocate Retirement Fund functions within Office of Human Resources and Board of Investment Trustees	0	-0.10

	Expenditures	FTEs
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	3.00
Shift: Help Desk - Desk Side Support to the Desktop Computer Modernization NDA [Director's Office]	-1,250	0.00
Decrease Cost: Printing and Mail Adjustment [Director's Office]	-4,190	0.00
Decrease Cost: OMS Charges [Benefits and Information Technology]	-5,660	0.00
Decrease Cost: Temporary/Clerical Services, Cellular/Wireless, and Computer Equipment [Director's Office]	-9,931	0.00
Decrease Cost: Mediation and/or Arbitration Services [Labor and Employee Relations]	-30,000	0.00
Decrease Cost: Employee Services - Contract Reduction [Selection and Recruitment]	-60,000	0.00
<b>FY13 RECOMMENDED:</b>	<b>6,894,273</b>	<b>44.30</b>
<b>EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND</b>		
<b>FY12 ORIGINAL APPROPRIATION</b>	<b>191,567,580</b>	<b>12.70</b>
<b>Changes (with service impacts)</b>		
Add: Contract Administration Administrative Specialist [Benefits and Information Technology]	61,957	0.80
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: Operating Expense adjustments including Claims and Administration [Benefits and Information Technology]	3,457,231	0.00
Shift: Transfer and Reallocate Retirement Fund Functions within OHR and BIT	225,227	2.15
Increase Cost: Group Insurance Adjustment	27,745	0.00
Increase Cost: Lump Sum Wage Adjustment	22,823	0.00
Increase Cost: Retirement Adjustment	18,589	0.00
Technical Adj: Decrease FTEs due to rounding	0	-0.05
Decrease Cost: Printing and Mail Adjustment [Benefits and Information Technology]	-5,560	0.00
Increase Cost: Annualization of FY12 Personnel Costs	-33,356	0.00
Shift: Transfer of One MCTime HR Specialist Position to Finance [Benefits and Information Technology]	-53,393	-0.45
Increase Cost: Annualization of FY12 Operating Expenses [Benefits and Information Technology]	-139,435	0.00
<b>FY13 RECOMMENDED:</b>	<b>195,149,408</b>	<b>15.15</b>

## PROGRAM SUMMARY

Program Name	FY12 Approved		FY13 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Director's Office	675,450	3.80	676,067	4.10
Business Operations and Performance	1,317,060	11.80	1,444,698	14.35
Change Management, Training, and Organizational Development	621,340	5.00	696,054	6.55
Selection and Recruitment	1,039,380	7.40	1,098,942	9.40
Labor and Employee Relations	1,371,560	9.00	1,513,818	10.00
Benefits and Information Technology	192,539,330	12.10	196,614,102	15.05
<b>Total</b>	<b>197,564,120</b>	<b>49.10</b>	<b>202,043,681</b>	<b>59.45</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY12		FY13	
		Total\$	FTEs	Total\$	FTEs
<b>COUNTY GENERAL FUND</b>					
CIP	CIP	962,160	7.85	1,003,199	7.85
Fire and Rescue Service	Fire	1,283,610	0.50	1,293,260	0.00
Fleet Management Services	Motor Pool Internal Service Fund	61,930	0.10	0	0.00
Health and Human Services	County General Fund	64,880	0.10	0	0.00
Liquor Control	Liquor Control	48,660	0.10	0	0.00
Parking District Services	Bethesda Parking District	3,770	0.00	0	0.00
Parking District Services	Montgomery Hills Parking District	70	0.00	0	0.00
Parking District Services	Silver Spring Parking District	4,400	0.00	0	0.00
Parking District Services	Wheaton Parking District	610	0.00	0	0.00
Permitting Services	Permitting Services	7,380	0.02	0	0.00
Police	County General Fund	242,911	2.00	240,574	2.00
Recreation	Recreation	42,760	0.01	0	0.00
Solid Waste Services	Solid Waste Collection	230	0.00	0	0.00
Solid Waste Services	Solid Waste Disposal	1,760	0.01	0	0.00
Transit Services	Mass Transit	291,960	0.30	0	0.00
Transportation	Vacuum Leaf Collection	960	0.00	0	0.00

Charged Department	Charged Fund	FY12		FY13	
		Total\$	FTEs	Total\$	FTEs
Urban Districts	Bethesda Urban District	50	0.01	0	0.00
Urban Districts	Silver Spring Urban District	1,790	0.00	0	0.00
Urban Districts	Wheaton Urban District	1,110	0.04	0	0.00
<b>Total</b>		<b>3,021,001</b>	<b>11.04</b>	<b>2,537,033</b>	<b>9.85</b>

## FUTURE FISCAL IMPACTS

Title	CE REC.		(\$000's)			
	FY13	FY14	FY15	FY16	FY17	FY18
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>COUNTY GENERAL FUND</b>						
<b>Expenditures</b>						
<b>FY13 Recommended</b>	<b>6,894</b>	<b>6,894</b>	<b>6,894</b>	<b>6,894</b>	<b>6,894</b>	<b>6,894</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Lump Sum Wage Adjustment</b>	<b>0</b>	<b>-91</b>	<b>-91</b>	<b>-91</b>	<b>-91</b>	<b>-91</b>
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
<b>Subtotal Expenditures</b>	<b>6,894</b>	<b>6,804</b>	<b>6,804</b>	<b>6,804</b>	<b>6,804</b>	<b>6,804</b>
<b>EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND</b>						
<b>Expenditures</b>						
<b>FY13 Recommended</b>	<b>195,149</b>	<b>195,149</b>	<b>195,149</b>	<b>195,149</b>	<b>195,149</b>	<b>195,149</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Lump Sum Wage Adjustment</b>	<b>0</b>	<b>-23</b>	<b>-23</b>	<b>-23</b>	<b>-23</b>	<b>-23</b>
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
<b>Subtotal Expenditures</b>	<b>195,149</b>	<b>195,127</b>	<b>195,127</b>	<b>195,127</b>	<b>195,127</b>	<b>195,127</b>

