

MEMORANDUM

TO: Government Operations and Fiscal Policy Committee

FROM: Justina Ferber, Legislative Analyst

SUBJECT: **Worksession: FY16 Operating Budget
Office of Human Resources (General Fund, Excluding Compensation)**

Those expected for this worksession:

Shawn Stokes, Director, Office of Human Resources (OHR)
Kaye Beckley, Manager, Business Operations and Performance Division, OHR
Jennifer Shovlin, Budget Manager, OHR
Corey Orlosky, Management and Budget Specialist, OMB

Relevant pages from the FY16 Recommended Operating Budget are attached on ©1.

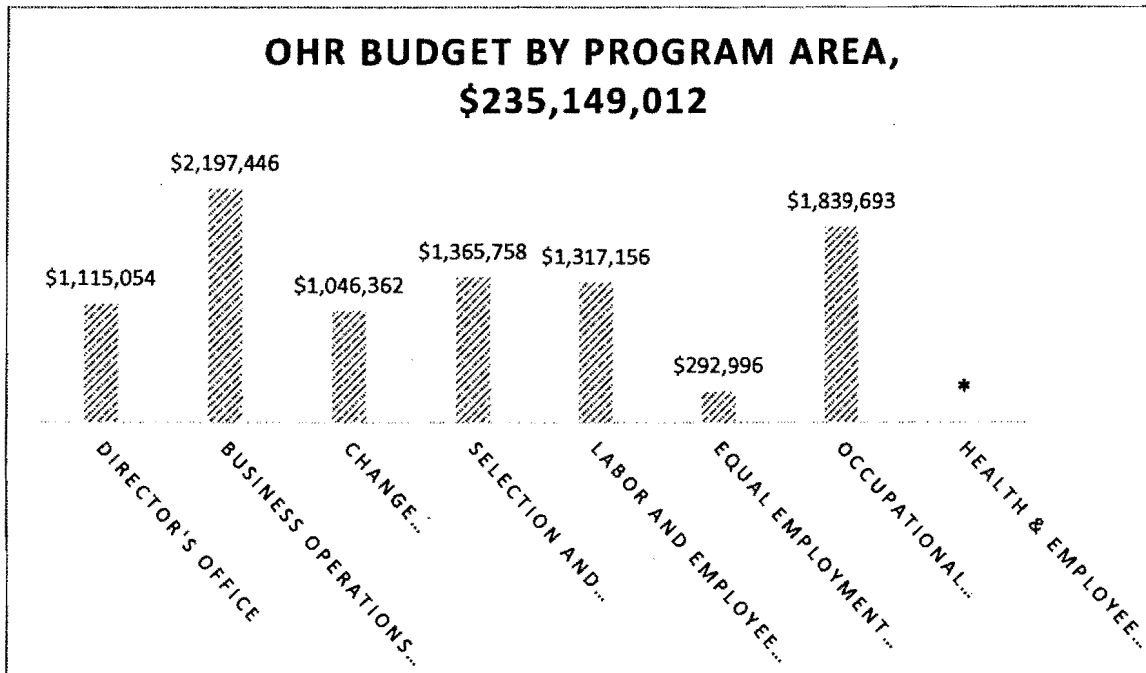
Budget Summary:

- Same services budget except for the \$120,000 eliminated for individual employee classification studies
- Telework continues to be under study
- Employee calls regarding benefits are routed to MC311

Council Staff Recommendation:

- Place funds in two \$60,000 increments on the reconciliation list for individual employee classification studies.
- Recommend OHR continue to monitor and analyze MC311 and Customer Care Center calls to assure employees are receiving prompt responses.
- Approve the OHR recommended FY16 General Fund budget for \$8,088,066 as submitted by the Executive.

Overview



*OHR Health and Employee Wellness Division = \$225,974,547

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 Administrator in a separate packet. The Executive's FY16 recommended budget for the General Fund portion of the OHR budget is \$8,088,066, a 4.0% increase over the approved FY15 budget of \$7,778,639. The FY15 estimated budget is \$8,448,297; the projected overage is ascribed to filling lapsed positions to handle an increased workload and other personnel costs.

	<i>FY14 Actual</i>	<i>FY15 Approved</i>	<i>FY16 Recommended</i>	<i>% Change FY15 - FY16</i>
<i>Expenditures by fund</i>				
General Fund	\$7,939,854	\$7,778,639	\$8,088,066	4.0%
Insurance Fund	\$194,539,245	\$204,252,969	\$227,060,946	11.2%
<i>Expenditures by type</i>				
Personnel Cost GF	\$5,414,007	\$5,023,029	\$5,437,653	8.3%
Operating Exp. GF	\$2,525,847	\$2,755,610	\$2,650,413	-3.8%
<i>Total Expend. GF</i>				
<i>GF Positions</i>				
Full-Time	68	70	64	-8.6%
Part-Time	6	6	6	0
<i>GF FTEs</i>	46.25	45.60	46.05	1.0%
<i>Insurance Fund FTEs</i>	20.25	20.85	21.25	1.9%

FY16 Budget Discussion by Program

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

Changes in this division relate to increased compensation and benefits, minor departmental adjustments and decreased printing costs.

Director's Office	
FY15 Expenditures \$1,093,517	FY15 6.40 FTEs
FY16 Expenditures \$1,115,054	FY16 6.40 FTEs
- \$6,947	Decrease Printing and Mail Cost
\$28,484;	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

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

Increases in operating expenses for this Division are for compensation, benefits and minor staffing adjustments. Funding has been eliminated for individual classification studies for MCGEO and non-represented employees.

Business Operations and Performance	
FY15 Expenditures \$1,776,325	FY15 16.50 FTEs
FY16 Expenditures \$2,197,446	FY16 17.40 FTEs
\$306,435; 0.45 FTEs	Annualization of Personnel Costs
-\$120,000	Eliminate One-Time Funding for Individual Classification studies for MCGEO and Non-Represented Employees
\$234,686; 0.45 FTEs	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

Classification Studies: In FY15 OHR budgeted \$120,000 to perform 50 individual position studies for MCGEO employees and 20 individual position studies for non-represented employees. Also in FY15 additional funds were included for five occupational class studies for MCGEO. Classification studies are conducted by OHR staff or contractors. Individual classification studies cost approximately \$1,800 each. For FY16 OHR has eliminated funding for individual classification studies and will not accept individual study requests from MCGEO or non-represented employees during June 2015 (requests are accepted once per year in June), essentially eliminating any individual studies for a year. There is \$80,000 included in the budget to conduct occupational classification studies for FY16 in accordance with the MCGEO collective bargaining agreement.

OHR eliminated the \$120,000 for classification studies from its budget to assist in meeting the 3% target reduction plan for FY16. This is clearly unfair to employees who have been working beyond

grade classification specifications or who were not included in studies accepted in June 2014 for the FY15 study year.

One of Montgomery County's Governmental Management Policies addresses Employee Compensation. The policy states: "The County will seek to provide total compensation (pay plus employee benefits) that is comparable to jobs in the private sector; comparable among similar jobs in the several County departments and agencies; and comparable between employees in collective bargaining units and those outside such units."

Council Staff Recommendation: In order to adhere to the above policy and to be fair to employees, it is recommended that OHR allow employees to apply in June 2015 for reclassification studies in FY16. To maintain the same level of studies for employees, the Committee should place \$120,000 on the reconciliation list for these classification studies.

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.

Changes in this division relate to compensation and benefits and minor adjustments.

Change Management, Training, and Organizational Development	
FY15 Expenditures \$1,027,610	FY15 5.05 FTEs
FY16 Expenditure \$1,046,362	FY16 5.00 FTEs
\$18,752; -0.05 FTE	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

Tuition Assistance: Operating funds of \$435,000 are budgeted for employee tuition assistance for FY16; the same as budgeted for FY15.

Tuition Assistance FY15

\$135,000 FOP

\$150,000 MCGEO

\$150,000 Non-represented, Volunteer Firefighters, IAFF

\$435,000 Total

Tuition assistance program data is currently available on DataMontgomery (<https://data.montgomerycountymd.gov/>).

Selection and Recruitment: Responsible for recruiting and hiring of permanent and temporary employees and orientation for new employees. The Disability Employment Initiative is included in this division.

Changes in this division relate to increased compensation and benefits and minor departmental adjustments.

Selection and Recruitment	
FY15 Expenditures \$1,259,855	FY15 10.40 FTEs
FY16 Expenditures \$1,365,758	FY16 10.40 FTEs
\$105,903	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

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

The decrease in operating expenses and FTEs for this division relates to the shifting of two employees to create the Equal Employment Opportunity and Diversity Division.

Labor and Employee Relations	
FY15 Expenditures \$1,617,120	FY15 10 FTEs
FY16 Expenditures \$1,317,156	FY16 8.0 FTEs
-\$299,964; -2.0 FTE	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

Telework: During FY14 budget deliberations, the Committee received an update on the County's telework program and was advised that OHR would be working with County unions in a Labor/Management Relations Committee. OHR advises that the joint committee has submitted a policy paper to the County Executive outlining the telework program. The policy paper is currently under review by the Executive branch. Once agreement is reached on a telework program, a pilot program will be implemented; hopefully in early 2016.

The Council introduced and enacted Bill 12-14, Personnel – Telecommuting – Amendments, which would require the County Executive to adopt a regulation to identify the circumstances under which a County employee may telework and establish procedures that a County employee must follow to obtain permission to telework. The Bill was signed into law May 1, 2014. No regulations has been promulgated and no appropriation has been requested to implement the telecommuting legislation.

Equal Employment Opportunity and Diversity: Provides assistance, guidance, and training to employees and managers concerning equal employment and diversity management. The team investigates complaints of harassment and discrimination by and against employees.

The increase in operating expenses for this division relates to the shifting of two employees to create the Equal Employment Opportunity and Diversity Division.

Equal Employment Opportunity and Diversity	
FY15 Expenditures \$0	FY15 0 FTEs
FY16 Expenditures \$292,996	FY16 2.0 FTEs
\$292,996; 2.0 FTEs	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

Health and Employee Welfare: Manages the County group insurance and retirement benefit programs.

Changes in operating expenses for this Division are due to increases in claim costs, compensation, benefits and staffing adjustments. Decreases in operating expenses and FTEs for this division relate to the shifting of 3.5 FTEs to create the Occupational Medical Services Division.

Health and Employee Welfare	
FY15 Expenditures \$205,257,181	FY15 18.10 FTEs
FY16 Expenditures \$255,974,547	FY16 14.60 FTEs
\$21,693,321;	Increase for Health Insurance Claims Costs
\$698,250;	Increase for Enterprise Resource Planning Contract Support
\$21,750;	Funds for Occupational Medical Health Management System
-\$1,695,955; -3.50 FTE	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

An update with the GO/HHS Committees on Employee Wellness will be scheduled for late summer or early fall. Funding of \$40,000 budgeted in FY15 for a cross-agency wellness study will be carried over to FY16 so the study can be completed.

MC311: The Council has received correspondence and phone calls from employees asking why they must go through MC311 to ask questions about their benefits instead of talking to someone in OHR. In May 2014 MC311 started taking OHR's health insurance calls. Any calls MC311 cannot answer are immediately routed via a Service Request to the OHR Health Insurance Customer Care Center. The 2014 Internal Customer Satisfaction Survey identified the theme that employees do not want to have to go through MC311 for answers to questions, and there was a lack of returned messages and calls. Excerpts from the Survey are attached at ©8.

In follow-up to the Survey, OHR advised they were addressing existing concerns and negative perceptions regarding use of the MC311 system; these include assessing whether they need a Benefits Specialist to be situated within the Call Center, perceptions of decreased levels of customer service, and concerns about employees feeling they need to provide personal information to a Customer Service Representative. Information from MC311 finds that about 70% of employee/retiree calls are for general information and handled by MC311. The remaining calls require a Service Request to OHR.

Council staff recommends that OHR continue to monitor and analyze MC311 and Customer Care Center calls to assure employees are receiving prompt responses.

Occupational Medical Services: The Occupational Medical Services Team provides multi-disciplinary occupational medical services and administers the County's drug and alcohol and Family and Medical Leave programs.

Changes in this division relate to the shifting of 3.5 FTEs from the Health and Employee Welfare division.

Occupational Medical	
FY15 Expenditures \$0	FY15 0 FTEs
FY16 Expenditures \$1,839,693	FY16 3.5 FTEs
\$1,839,693; 3.5 FTEs	Multi-program adjustments including compensation and benefit changes, staffing changes and other budget changes

OTHER ISSUES

Personnel Regulations: The County Executive has submitted revisions to the Montgomery County Personnel Regulations Council for review. The GO Committee will begin its review of the revised regulations this summer.

COUNCIL STAFF RECOMMENDATIONS

- Place funds in two \$60,000 increments on the reconciliation list for individual employee classification studies.
- Recommend OHR continue to monitor and analyze MC311 and Customer Care Center calls to assure employees are receiving prompt responses.
- Approve the OHR recommended FY16 general fund budget for \$8,088,066 as submitted by the Executive.

This Packet Contains:

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FY16 Recommended Budget: Office of Human Resources
Excerpts from 2014 Internal Customer Satisfaction Survey

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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 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 recommended 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 Recommended 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 CE Recommended	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 Recommended 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 CE Recommended	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 Recommended 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 CE Recommended	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 Recommended 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 CE Recommended	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 Recommended 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 CE Recommended	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 Recommended 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 CE Recommended	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 Recommended 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 CE Recommended	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 Recommended 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 CE Recommended	1,839,693	3.50

BUDGET SUMMARY

	Actual FY14	Budget FY15	Estimated FY15	Recommended FY16	% Chg Bud/Rec
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 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY15 ORIGINAL APPROPRIATION	7,778,639	45.60
Other Adjustments (with no service impacts)		
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 RECOMMENDED:	8,088,066	46.05
EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND		
FY15 ORIGINAL APPROPRIATION	204,252,969	20.85
Other Adjustments (with no service impacts)		
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 RECOMMENDED:	227,060,946	21.25

PROGRAM SUMMARY

Program Name	FY15 Approved		FY16 Recommended	
	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	CE REC. FY16	FY17	FY18	(S000's) FY19	FY20	FY21
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY16 Recommended	8,088	8,088	8,088	8,088	8,088	8,088
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	28	28	28	28	28
These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits.						
Subtotal Expenditures	8,088	8,116	8,116	8,116	8,116	8,116
EMPLOYEE HEALTH BENEFIT SELF INSURANCE FUND						
Expenditures						
FY16 Recommended	227,061	227,061	227,061	227,061	227,061	227,061
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	9	9	9	9	9
These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits.						
Subtotal Expenditures	227,061	227,070	227,070	227,070	227,070	227,070

Excerpts

Montgomery County: 2014 Internal Customer Satisfaction Survey

January 14, 2015

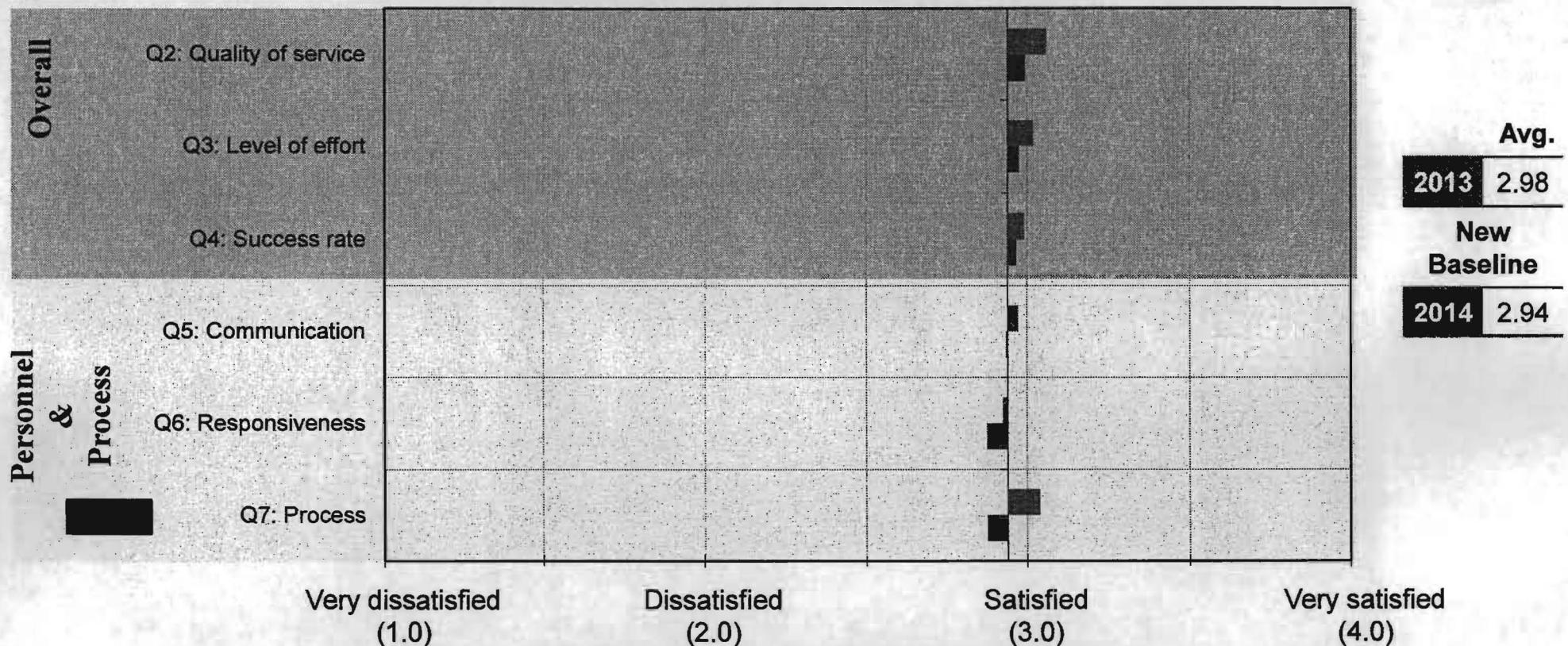
Summary of Findings

- **15 out of 19 service areas** saw no change in scores for the 6 questions that were asked in 2013 and 2014
- **DGS- Capital Development Needs** saw a statistically significant improvement in the area of level of effort.
- The following service areas saw statistically significant declines:
 - **County Attorney:** Level of Effort, Process
 - – **OHR – Benefits:** Process
 - **Technology Services:** Quality of Service, Level of Effort, Communication, Process
- There were 510 comments: 11% (54) were neutral/suggestive, 55% (283) were negative, and 34% (173) were positive



Departmental Analysis: Human Resources – Benefits (1/2)

2014 Average = 2.94



The Benefits Team in OHR saw a decline for process between 2013 and 2014. Benefits received its lowest scores in responsiveness and process in 2014.



Department showed statistically significant increase from 2013

Department showed statistically significant decline from 2013

Departmental Analysis: HR-Benefits (2/2)

- **35 individual comments**

- 80% negative
- 14% positive
- 6% neutral/suggestive

- **Themes**

- Employees do not want to have to go through 311 for answers
- Lack of returned messages or calls

<u>Rated By</u>	<u>Overall Score (out of 4)</u>
DEP	3.8
OHR	3.7
CEX	3.4
CEC (CFW, OCP, RSC, UD)	3.4
OMB	3.2
MCFRS	3.2
DLC	3.1
DTS	3.1
OCA	3.1
DHCA	3.0
MCPD	3.0
FIN	3.0
REC	3.0
DPS	3.0
LIB	2.9
DOCR	2.9
HHS	2.7
DOT	2.7
DGS	2.7
CC (County Council)	2.4
Average Rating	2.9

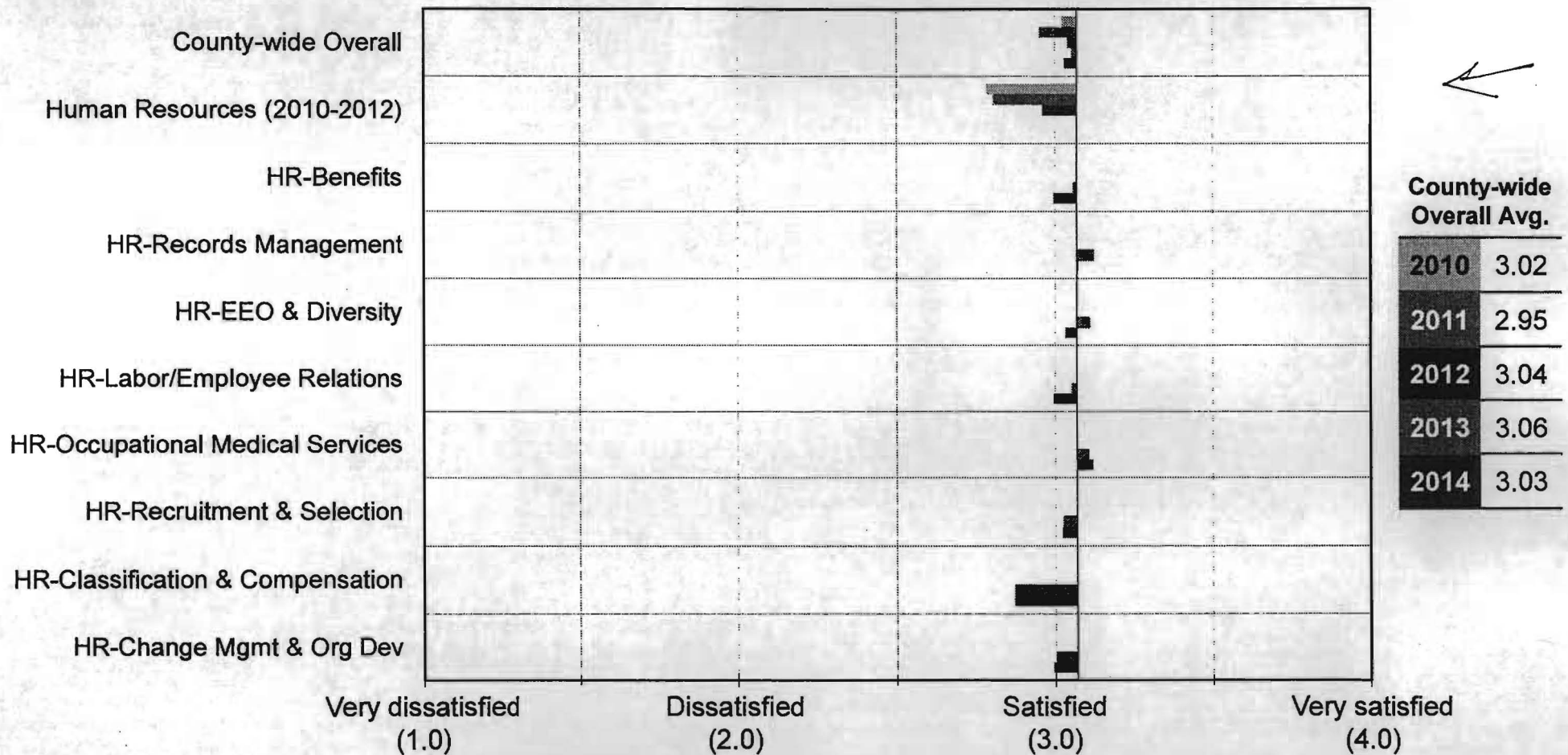
*Excludes the following depts. due to 3 or less respondents:
BOE, CUPF, DED, ECM, HRC, IGR, MCERP, OCP,
OEMHS, PIO



Quantitative Data Analysis: Quality of Service (2/2)

Rate your satisfaction with the overall quality of service received by the following Departments.

2009 Average = 3.07*

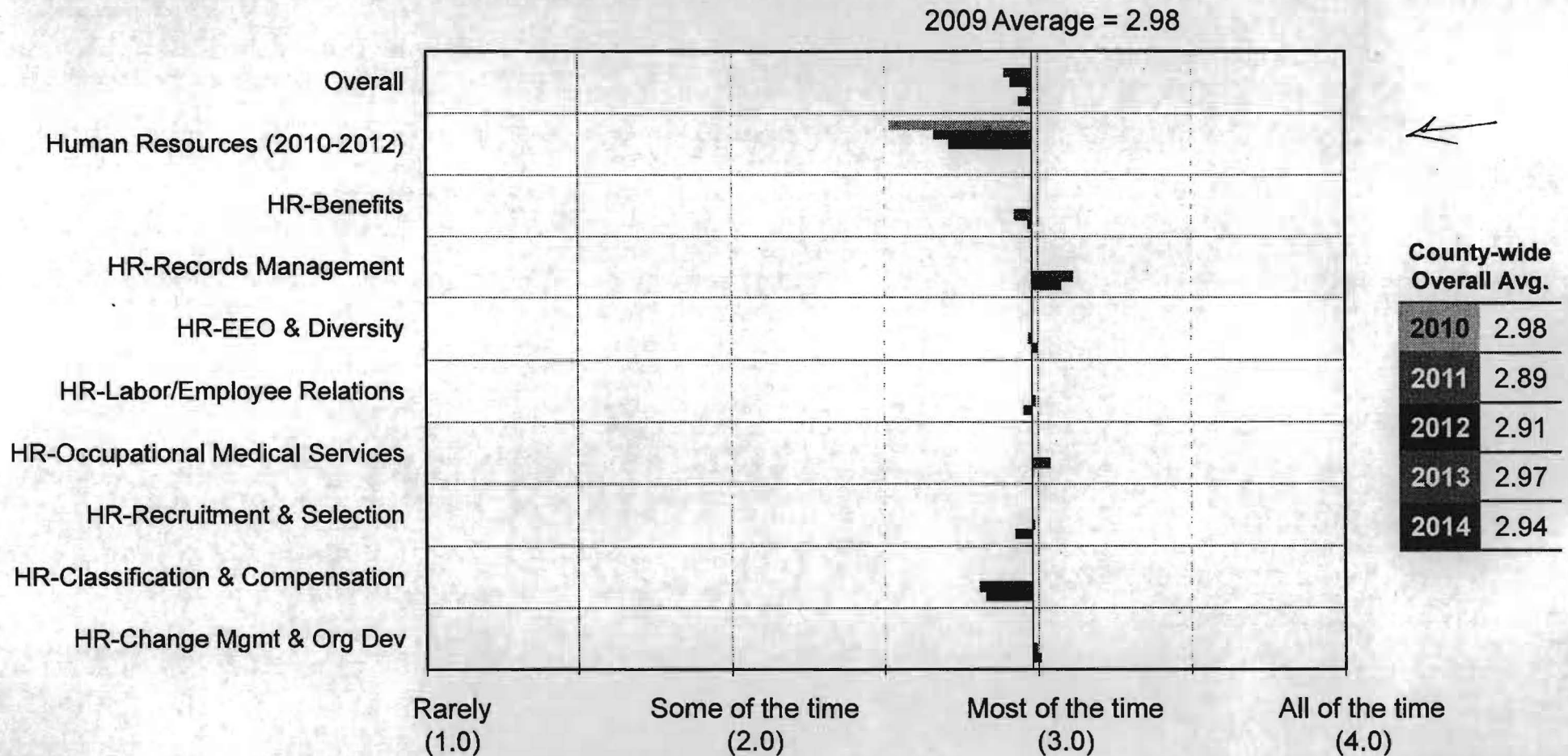


Department showed statistically significant increase from 2013

Department showed statistically significant decline from 2013

Quantitative Data Analysis: Responsiveness (2/2)

Rate how often you were satisfied with the responsiveness of the Department staff.



Department showed statistically significant increase from 2013

Department showed statistically significant decline from 2013

Quantitative Data Analysis: Process (2/2)

Rate your overall satisfaction with the process(es) the Department uses to address your needs or requirements.

