

# Office of Human Resources Management - Fiscal Year 2021 Budget Review Summary

## Proposed FY 2021 Operating Budget

### Expenditures by Fund Type

Fund	FY 2020 Approved	FY 2020 Estimated	FY 2021 Proposed	4/20/2020 CEX Adjustment	FY 2021 Revised Proposed	\$ Change	% Change
General Fund	\$ 9,585,600	\$ 9,538,600	\$ 10,313,700	\$ (917,700)	\$ 9,396,000	\$ (189,600)	-2.0%
<b>Total</b>	<b>\$ 9,585,600</b>	<b>\$ 9,538,600</b>	<b>\$ 10,313,700</b>	<b>\$ (917,700)</b>	<b>\$ 9,396,000</b>	<b>\$ (189,600)</b>	<b>-2.0%</b>

### Authorized Staffing - All Classifications

Fund	FY 2020 Approved	FY 2021 Proposed	4/20/2020 CEX Adjustment	FY 2021 Revised Proposed	Change	% Change
General Fund	69	71	(1)	70	1	1.4%
<b>Total</b>	<b>69</b>	<b>71</b>	<b>(1)</b>	<b>70</b>	<b>1</b>	<b>1.4%</b>

### FY 2021 Proposed Budget – Key Highlights

- Increased Operating Cost: Technology Cost Allocation: \$495,700
- Decreased Cost: Recoveries: (\$778,000)
- Authorized positions increase by two (2) full time positions: Administrative Specialist I (Youth Development Analyst) and Public Service Aide I (Project Hire Apprenticeship Program)
- Vacancies (As of 4/21/20): Nine (9) FT General Fund positions
- Key Programs/Initiatives: Reducing the time to fill vacant positions; administering the Summer Youth Enrichment Program funded through the Non-Departmental budget; operating the County employee Wellness Program; negotiating collective bargaining agreements; administering retiree pension and benefit programs

### County Executive's Recommended Adjustments

- Reduce Compensation: remove funding for anticipated FY 2021 salary adjustments and one new position (Administrative Specialist I); increased attrition; reduced funding for vacant positions (\$727,900).
- Reduce Fringe Benefits: As a result of the above adjustment to compensation (\$189,000).

**Note:** The Executive has also proposed a reduction in the in the Non-Departmental budget funding allocated to the Summer Youth Enrichment Program.

Category	FY 2020 Approved	FY 2020 Estimated	FY 2021 Proposed	4/20/2020 CEX Adjustment	FY 2021 Revised Proposed	\$ Change	% Change
Compensation	\$ 6,969,500	\$ 6,982,800	\$ 7,611,300	\$ (727,800)	\$ 6,883,500	\$ (86,000)	-1.2%
Fringe Benefits	1,777,200	1,780,600	1,986,500	(189,900)	1,796,600	19,400	1.1%
Operating Expenses	3,234,100	3,153,500	3,889,100	-	3,889,100	655,000	20.3%
Sub-Total	\$ 11,980,800	\$ 11,916,900	\$ 13,486,900	\$ (917,700)	\$ 12,569,200	\$ 588,400	4.9%
Recoveries	(2,395,200)	(2,378,300)	(3,173,200)	-	(3,173,200)	(778,000)	32.5%
<b>Total</b>	<b>\$ 9,585,600</b>	<b>\$ 9,538,600</b>	<b>\$ 10,313,700</b>	<b>\$ (917,700)</b>	<b>\$ 9,396,000</b>	<b>\$ (189,600)</b>	<b>-2.0%</b>

### Proposed FY 2021 -FY 2026 Capital Improvement Program

N/A



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

April 29, 2020

### MEMORANDUM

TO: Todd M. Turner, Chair  
Committee of the Whole (COW)

THRU: David H. Van Dyke, County Auditor  
Turkessa M. Green, Deputy County Auditor

FROM: Josh Hamlin, Senior Legislative Budget and Policy Analyst

RE: Office of Human Resources Management (OHRM)  
Fiscal Year 2021 Budget Review

### Budget Overview

The FY 2021 Proposed Budget for the Office of Human Resources Management (OHRM) is \$10,313,700. This is an increase of \$728,100, or 7.6%, above the FY 2020 Approved Budget. The increase is primarily due to an increase in technology cost allocation as a result of new methodology to support anticipated Countywide costs, along with mandated salary requirements an increase in the fringe benefit rate. These increases are partially offset by an increase in anticipated recoveries. The Office's expenditures are funded entirely by the General Fund, other than the Recoveries.

The FY 2020 estimated total General Fund expenditures are \$9,538,600, which is \$47,000 below the FY 2020 budgeted level.

### Budget Comparison - General Fund

Approved Fiscal Year 2020 to Proposed Fiscal Year 2021

Category	FY 2019 Actual	FY 2020 Approved	FY 2020 Estimated	% Change - Est vs App	FY 2021 Proposed	\$ Change	% Change
Compensation	\$ 6,242,783	\$ 6,969,500	\$ 6,982,800	0.2%	\$ 7,611,300	\$ 641,800	9.2%
Fringe Benefits	1,624,744	1,777,200	1,780,600	0.2%	1,986,500	209,300	11.8%
Operating Expenses	1,426,327	3,234,100	3,153,500	-2.5%	3,889,100	655,000	20.3%
Sub-Total	\$ 9,293,854	\$ 11,980,800	\$ 11,916,900	-0.5%	\$ 13,486,900	\$ 1,506,100	12.6%
Recoveries	(1,996,419)	(2,395,200)	(2,378,300)	-0.7%	(3,173,200)	(778,000)	32.5%
<b>Total</b>	<b>\$ 7,297,435</b>	<b>\$ 9,585,600</b>	<b>\$ 9,538,600</b>	<b>-0.5%</b>	<b>\$ 10,313,700</b>	<b>\$ 728,100</b>	<b>7.6%</b>

**Authorized Staffing Count - General Fund**

	<b>FY 2020 Approved</b>	<b>FY 2021 Proposed</b>	<b>Change Amount</b>	<b>Percentage Change</b>
Full-Time	69	71	2	2.9%
<b>Total</b>	<b>69</b>	<b>71</b>	<b>2</b>	<b>2.9%</b>

**Staffing Changes and Compensation**

- FY 2021 General Fund compensation is proposed at \$7,611,300 an increase of \$641,800, or 9.2% above the FY 2020 approved amount. The increase in compensation is primarily due to anticipated cost-of-living adjustments and merit increases for eligible employees and the addition of two (2) new positions.
- The Proposed FY 2021 staffing level adds two (2) new positions: Administrative Specialist I (Youth Development Analyst) and Public Service Aide I (Project HIRE Apprenticeship Program).
- As of April 21, 2020, the Office reported nine (9) vacant full-time positions. The Office reported that it is actively recruiting for all its vacant positions.
- Nineteen (19) positions are currently assigned to the Office from various other agencies, all of whom are expected to continue their assignment in FY 2021. The total compensation for these positions is approximately \$1.325 million. These employees assist in the management and processing of background investigation case files. A summary of these employees is as follows:

<b>Agency</b>	<b># of Employees Assigned to OHRM</b>
Police Department	11
Department of Corrections	2
Office of the Sheriff	1
Fire Department	3
Office of Homeland Security	2
<b>TOTAL</b>	<b>19</b>

- The Office reported that its rate of attrition in FY 2020 to date is 20%.
- The following table provides the Office’s rate of attrition for the last five fiscal years:

<b>Attrition Rate - Historical Trend</b>					
	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020 (YTD)</b>
# of Separations	2	9	5	3	14
# of Authorized Positions	65	65	68	69	69
Rate of Attrition	3.1%	13.8%	7.4%	4.3%	20.3%

*Source: Responses to First Round Questions provided to A&I during respective budget reviews.*

**Fringe Benefits**

- FY 2021 Fringe Benefits are proposed at \$1,986,500, an increase of \$209,300, or 11.8%, above the FY 2020 approved level, to align with compensation adjustments and a change in the fringe benefit rate.
- A five-year trend analysis of fringe benefit expenditures is included below.

<b>Fringe Benefits Historical Trend</b>					
	<b>FY 2017 Actual</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Estimated</b>	<b>FY 2021 Proposed</b>
Fringe Benefit Expenditures	\$ 1,233,936	\$ 1,383,798	\$ 1,624,744	\$ 1,780,600	\$ 1,986,500
As a % of Compensation	25.7%	24.5%	26.0%	25.5%	26.1%
Annual % Change	-6.3%	12.1%	17.4%	9.6%	11.6%

**Operating Expenses**

- FY 2021 operating expenses are proposed at \$3,889,100 and are comprised of the following major items:
  - General and Administrative Contracts   \$2,643,400
  - Office Automation   \$754,300
  - Operating Contracts   \$350,500
  - General Office Supplies   \$73,600
  - Training   \$24,800
- Overall, operating expenses are increasing by \$655,000, or 20.3%, above the FY 2020 approved level. The accompanying table compares the FY 2021 Proposed Budget operating expenditures with the FY 2020 Approved Budget operating expenditures. In five (5) of the categories, the FY 2021 Proposed Budget increases planned spending compared to the FY 2020 budget. In two (2) categories, the FY 2021 Proposed Budget decreases planned spending. The FY 2021 Proposed Budget remains unchanged for three (3) categories compared to the FY 2020 budget.

Operating Objects	FY 2020 Budget	FY 2021 Proposed	FY 2020 - FY 2021	
			\$ Change	% Change
General & Administrative Contracts	\$ 2,381,300	\$ 2,643,400	\$ 262,100	11.0%
Operating Contracts	467,800	350,500	(117,300)	-25.1%
Office Automation	258,600	754,300	495,700	191.7%
Mileage Reimbursement	9,200	13,800	4,600	50.0%
Training	13,900	24,800	10,900	78.4%
Telephone	16,800	15,300	(1,500)	-8.9%
Printing	10,100	10,100	-	0.0%
Membership Fees	2,000	2,000	-	0.0%
Periodicals	1,300	1,300	-	0.0%
General Office Supplies	73,100	73,600	500	0.7%
<b>TOTAL</b>	<b>\$ 3,234,100</b>	<b>\$ 3,889,100</b>	<b>\$ 655,000</b>	<b>20.3%</b>

- The most significant change is in Office Automation, an increase of \$495,700 or 191.7% over FY 2020, primarily due to changes in the technology allocation charge.

### Recoveries

- The Office receives recoveries from other funds for employee salaries and administrative functions related to health benefit and pension plans offered to current employees and retirees.
- Projected recoveries for FY 2021 total \$3,173,200, an increase of \$778,000, or 32.5%, above the FY 2020 budgeted level, due to salary, fringe benefit, and operating adjustments.
- A breakdown of FY 2021 proposed recoveries is as follows:
  - Pension Funds \$1,253,900
  - Life and Health 1,607,900
  - Risk Management 311,400

### Highlights

#### *Recruitment and Hiring*

- The Office strives to provide County agencies with qualified applicants to fill vacancies in a timely manner. A primary goal is to reduce the number of days required to fill a vacant position. (see table below).

FY 2025 Target	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimated	FY 2021 Projected
90	177	152	114	100

- In FY 2020, the Office convened a “Time to Fill” workgroup to map the existing process for filling vacancies, and generate ideas for future improvements. For FY 2021, the Office will continue to review available technology enhancements to reduce manual, paper-based processing during the position approval, recruitment, and onboarding phases of the hiring process.
- The Office has adopted a talent acquisition recruiter centric model, which puts the OHRM Talent Acquisition Consultant at the center and allows them to drive the hiring process by engaging internal and external customers, while leveraging applicant tracking technology. This model is

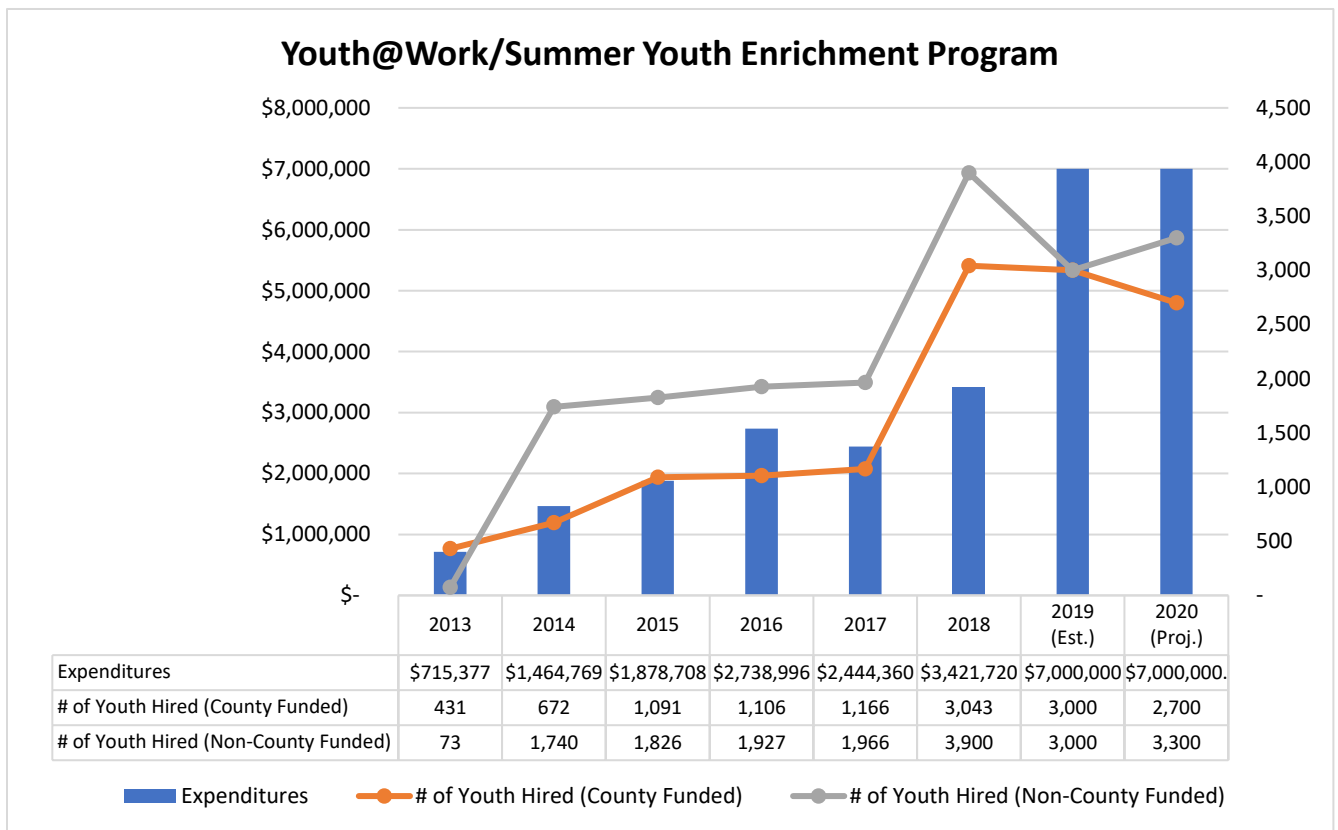
expected to enhance customer service and drive accountability, with success ultimately measured by the time and cost to fill positions, the quality of hires, hiring volume, and hiring manager satisfaction.

- In CY 2018-2019, OHRM and the Office of Management and Budget developed and implemented the ePRB workflow process to automate how position creations and allocations are requested through the Position Review Board (PRB). As of December 2019, it is mandatory that requests to fill existing vacancies must go through the automated ePRB workflow, providing a seamless, streamlined process for managing and tracking County positions. The ePRB process presents an opportunity to improve the County's time-to-fill metrics, reduces paper-tracking burden, and increases transparency.
- The Office is currently working with NEOGOV, which has historically been used solely as an application acceptance repository, to maximize the functionality of the system by reviewing system usage and processes, identifying opportunities for optimization, and taking a deep dive analysis based on benchmarks and best practices. Additionally, the Office is in the exploratory phase creating an employee onboarding process through automation.
- The Office also has continued to focus on creating strategic recruitment strategies with the public safety agencies, with the goal of attracting the most talented applicants and increasing the diversity of the applicant pool to ensure the face of the County's public safety agencies mirror the County's population. With its move to a talent acquisition recruiter centric model, the Office has recently suspended the monthly public safety recruitment meetings as they were previously held, and is working collaboratively with HR Liaisons and Hiring Managers across all agencies, including public safety agencies. The Office's work with the public safety agencies continues to focus on casting a wide net to recruit talent, and will include community information sessions to better inform prospective applicants of all aspects of related to position in the public safety arena. A key function of these sessions will be to inform candidates of the required qualifications for vacant positions, and address requirements that typically eliminate candidates from consideration, *i.e.*, deception. Addressing this concern earlier in the process should positively impact the number of candidates who ultimately get to the background check stage of the hiring process, as well as the number of positions filled.

#### *Summer Youth Enrichment Program*

- During the summer of 2019, the Office's Youth@Work/Summer Youth Enrichment Program (SYEP) provided job placement opportunities for a total of 6,943 youth (of which 3,043 were placed in County-funded positions). The total cost incurred for the 2019 program was \$7.0 million.
- The Office plans to offer employment opportunities to approximately 6,000 youth in the summer of 2020. County funds allocated in FY 2021 in the Non-Departmental budget for this program are \$7.0 million, which includes orientation/training, supplies and copies for orientation material, and funding to employ approximately 2,700 youth in County-funded positions. The Office continues to partner with the Prince George's Community College to provide comprehensive job readiness training for participants, which includes customer service skills, standards for conduct, punctuality, attendance, and professional attire. In years prior to 2020, 3,317 youth completed the job readiness training. As of February 5, 2020, 2,315 youth have registered for the training in program year 2020.

- The Office will continue to partner with other public and private organizations to provide employment opportunities to the County’s youth, in addition to the summer job opportunities provided within County Government. In 2020, the Office has implemented strategies aimed at increasing participation of youth aged 18-22 and Latino youth.
- As shown in the graph below, the program has seen an increase in participation from 504 youth (431 in County funded positions / 73 in non-County funded positions) in 2013 to a projected 6,000 youth in (2,700 County-funded / 3,300 non-County funded) in the summer of 2020.



#### *Employee Satisfaction/Training*

- The County’s Wellness Program encourages County employees and retirees to improve their overall health through health and wellness-related activities and education, with the hope that this will eventually reduce overall health benefit costs. The Office relaunched the Wellness Program in FY 2020, and developed a long-term plan for the Program, with strategies to:
  - include retirees and eligible dependents in wellness initiatives;
  - develop objectives and statistical measures to quantify return on investment;
  - enable participants to receive a portion of the savings to the health benefit plans; and
  - increase overall participation and engagement in wellness offerings.

In FY 2021, the Office plans to focus on innovative approaches to engage employees and their dependents in wellness activities.

- The Office reported that one of its key accomplishments in FY 2020 was the launch of the SuccessFactors Learning Management System (LMS), which automates training registration and course transcripts, and offers increased educational and training offerings. Also, in FY 2020, the Office rebranded their training program as the Career Enrichment Center (CEC), and the Office plans to offer a wider array of instructor-led and online employee professional development opportunities in FY 2021.
- In FY 2020, the Office hired two (2) Training and Organizational Development Specialists to oversee the review and reconfiguration of the existing LMS system and Performance Management and Goals Management (PMGM) modules. The team began reconfiguration of the LMS to provide a more user-friendly interface and updated instructions for employees, managers, and Agency Training Coordinators. The next phase, which will continue into FY 2021, involves review of the PMGM module as part of the Office’s effort to develop a comprehensive and coherent performance management program.

*Labor Relations/Cost Management*

- The Office continues to support County agencies by negotiating competitive contracts for unionized employees through collective bargaining. All of the County’s collective bargaining groups have contracts effective July 1, 2018 through June 30, 2020. Ten (10) labor union contracts are scheduled for renegotiation of two-year agreements in FY 2020. The County’s Labor Code requires contracts to be negotiated by March 1.
- Fringe benefit costs for the public safety agencies are relatively high, mainly due to pension costs, escalating health care costs, and risk management, as reported by the Office. (See the chart below for a five-year comparison of fringe rates for the public safety agencies.) Given the historical increase in fringe benefit costs over the years, one of the Office’s top priorities in FY 2021 is to continue reviewing and administering the retiree pension and benefit programs, with strategic focus on identifying reforms that improve the sustainability of County funds.

<b>Public Safety Agency</b>	<b>FY 2017 Actual</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Estimated</b>	<b>FY 2020 Proposed</b>
Police Department	56.3%	57.1%	56.8%	58.2%	57.9%
Fire/EMS Department	71.5%	70.1%	69.9%	72.8%	73.9%
Office of the Sheriff	59.7%	61.0%	58.9%	62.2%	62.4%
Department of Corrections	45.6%	46.0%	47.9%	48.4%	48.3%

- During FY 2020, the Office continued contracting services for a Medical Review Officer and has extended the contract through the end of FY 2021, with proposed funding in the amount of \$70,000. The position aids the Office with managing disability leave costs by facilitating the timely return of employees to work. The County experienced an increase in disability leave usage and costs during the last calendar year, as shown in the chart below.



	<b>CY 2016</b>	<b>CY 2017</b>	<b>CY 2018</b>	<b>CY 2019</b>	<b>Change Amount (CY18 to CY19)</b>
Number of Employees	289	214	371	401	30
Hours Used	35,070	17,152	30,623	51,682	21,059
Amount Paid	\$ 1,252,058	\$ 568,617	\$ 1,080,815	\$ 1,921,105	840,290

- The Office is using existing staff and CPS-HR Consulting to systematically update the County’s classification specifications. In FY 2019 and FY 2020, the Office reported that it performed thirteen (13) classification studies: five (5) in FY 2019 and eight (8) in FY 2020. Classifications studied included accounting positions, budget aides, electricians and HVAC technicians and attorneys, among others.

*Critical Issues: FY 2021-2023*

- The Office identified the following critical issues facing it over the next three years. These issues include:
  - the review and evaluation of the County’s Salary Plan and Policy to comply with the Equal Pay Act;
  - the improvement of business processes (automate, standardize, and integrate) through an enhanced Human Resources Information System Architecture;
  - ensuring that HR policies and procedures are documented and communicated in a timely and comprehensible manner, and that implementation is monitored;
  - the recruitment, hiring, motivation, and retention of the best and brightest employees to carry out our mission, and building a work environment that is diverse and sensitive to County employees and the citizens they serve;
  - the development of a comprehensive and coherent performance management program that supports current and emerging goals and reflects the diversity of the citizens the County government serves; and
  - the selection of health benefit plan options which enhance, or align with, the current marketplace options to meet the healthcare needs of employees, retirees, and their eligible dependents at an affordable cost.