

Office of Human Resources Management - Fiscal Year 2022 Budget Review Summary

Proposed FY 2022 Operating Budget

Expenditures by Fund Type

Fund	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	FY 2022 Proposed	\$ Change	% Change
General Fund	8,837,167	9,396,000	7,934,000	8,682,900	(713,100)	-7.6%
Total	\$ 8,837,167	\$ 9,396,000	\$ 7,934,000	\$ 8,682,900	\$ (713,100)	-7.6%

Authorized Staffing - All Classifications

	FY 2021 Approved	FY 2022 Proposed	Change Amount	Percentage Change
Full-Time	70	70	0	0.0%
Total	70	70	0	0.0%

FY 2022 Proposed Budget – Key Highlights

- The FY 2022 Proposed Budget for the Office of Human Resources Management (OHRM) is \$8,682,900. This is a decrease of \$713,100, or 7.6%, under the FY 2021 Approved Budget. The decrease is primarily due to a decrease in operating costs, fringe benefits, and recovery increases to support anticipated Countywide cost saving measures. The Office's expenditures are funded entirely by the General Fund, other than the Recoveries.
- The FY 2022 Proposed Budget includes authorization for 70 full-time General Fund positions, which is the same number of positions as the FY 2021 approved level.
- FY 2022 General Fund compensation is proposed at \$6,049,400 a decrease of \$834,100, or 12.1% below the FY 2021 approved amount. The decrease in compensation is primarily due to the reallocation of the Public Safety investigators, increased attrition, and salary lapse.
- FY 2022 Fringe Benefits are proposed at \$1,639,300, a decrease of \$157,300, or 8.8%, below the FY 2021 approved level, to align with compensation adjustments.
- Overall, operating expenses are increasing by \$1,124,500, or 28.9%, above the FY 2021 approved level.

Expenditures by Category

Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	FY 2022 Proposed	Change Amount	% Change
Compensation	\$ 6,523,443	\$ 6,883,500	\$ 5,461,100	\$ 6,049,400	\$ (834,100)	-12.1%
Fringe Benefits	1,747,914	1,796,600	1,424,700	1,639,300	\$ (157,300)	-8.8%
Operating Expenses	2,564,377	3,889,100	3,398,600	5,013,600	\$ 1,124,500	28.9%
Recoveries	(1,998,567)	(3,173,200)	(2,350,400)	(4,019,400)	\$ (846,200)	26.7%
Total	\$ 8,837,167	\$ 9,396,000	\$ 7,934,000	\$ 8,682,900	\$ (713,100)	-7.6%

Highlights

- In 2021, the County will employ a practice of posting public safety positions after implementing targeted recruitment strategies, rather than the current practice of “continuous postings.”
- While, the Office adopted a talent acquisition recruiter centric model in 2020, they have seen a slow decrease in the number of vacancies in the County due to the hiring freeze. The Office has supplemented posting positions on the County career site with advertising on industry specific job boards.
- During the summer of 2021, the Office’s Youth@Work/Summer Youth Enrichment Program (SYEP) plans to provide job placement opportunities for a total of 2,946 youth (of which 1,535 are expected to be County-funded positions). The total proposed cost for the 2021 program is \$1.384 million.
- The Office continues to support County agencies by negotiating competitive contracts for unionized employees through collective bargaining. The Office reports that contract negotiations for 10 expired agreements are anticipated to conclude on May 31, 2021.



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

May 6, 2021

MEMORANDUM

TO: Calvin S. Hawkins, II, Chair
Committee of the Whole (COW)

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

FROM: Isabel Williams, Senior Legislative Budget and Policy Analyst *IW*

RE: Office of Human Resources Management (OHRM)
Fiscal Year 2022 Budget Review

Budget Overview

The FY 2022 Proposed Budget for the Office of Human Resources Management (OHRM) is \$8,682,900. This is a decrease of \$713,100, or 7.6%, under the FY 2021 Approved Budget. The decrease is primarily due to a decrease in operating costs, fringe benefits, and recovery increases to support anticipated Countywide cost saving measures. The Office's expenditures are funded entirely by the General Fund, other than the Recoveries.

The FY 2021 estimated total General Fund expenditures are \$7,934,000, which is \$1,462,000, or 15.6%, less than the FY 2021 Approved Budget of \$9,396,000.

Budget Comparison - General Fund

Approved Fiscal Year 2021 to Proposed Fiscal Year 2022

Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	% Change - Est vs App	FY 2022 Proposed	\$ Change	% Change
Compensation	\$ 6,523,443	\$ 6,883,500	\$ 5,461,100	-20.7%	\$ 6,049,400	\$ (834,100)	-12.1%
Fringe Benefits	1,747,914	1,796,600	1,424,700	-20.7%	1,639,300	(157,300)	-8.8%
Operating Expenses	2,564,377	3,889,100	3,398,600	-12.6%	5,013,600	1,124,500	28.9%
Sub-Total	\$ 10,835,734	\$ 12,569,200	\$ 10,284,400	-18.2%	\$ 12,702,300	\$ 133,100	1.1%
Recoveries	(1,998,567)	(3,173,200)	(2,350,400)	-25.9%	(4,019,400)	(846,200)	26.7%
Total	\$ 8,837,167	\$ 9,396,000	\$ 7,934,000	-15.6%	\$ 8,682,900	\$ (713,100)	-7.6%

Authorized Staffing Count - General Fund

	FY 2021 Approved	FY 2022 Proposed	Change Amount	Percentage Change
Full-Time	70	70	0	0.0%
Total	70	70	0	0.0%

COVID-19 IMPACT & RESPONSE

- OHRM received approximately \$134,000 from the County’s Coronavirus Relief Fund.
- OHRM developed a virtual Oral Board interview process for public safety agencies.
- OHRM launched a Virtual Onboarding and New Employee Orientation Program (NEOP), and successfully transitioned NEOP from a two-day in-person activity to a three-hour virtual orientation and 100% virtual onboarding document collection by implementing NEOGOV Onboard Portal.
- The Office began record digitization, as well as launched the County’s Learning Management System (LMS) and offered 294 training courses for employees, provided LMS training to more than 250 managers, and trained 5,650 employees through online and instructor-led training sessions. OHRM also began offering Virtual Retirement Counseling Services, which was previously offered in-person.
- The Office plans to offer employment opportunities to 2,946 youth in the summer of 2021. The Office reported that the total proposed cost for the 2021 program is \$1.38 million, which includes virtual and limited face-to-face opportunities to employ youth in County-funded positions. The Office continues to provide comprehensive job readiness training for participants, which includes customer service skills, standards for conduct, punctuality, attendance, and professional attire.

Staffing Changes and Compensation

- FY 2022 General Fund compensation is proposed at \$6,049,40,0 a decrease of \$834,100, or 12.1%, below the FY 2021 approved amount. The decrease in compensation is primarily due to the reallocation of the Public Safety investigators, increased attrition, and salary lapse.
- The FY 2022 Proposed Budget includes authorization for 70 full-time General Fund positions, which is the same number of positions as the FY 2021 approved level.
- As of March 5, 2021, the Office reported thirteen (13) vacant full-time positions. The Office reports that it is actively recruiting for all its vacant positions, and these positions are funded in the FY 2022 budget.

- During FY 2021, OHRM reports that 15 positions are currently assigned to the Office from various other agencies, all of whom are expected to continue their assignment in FY 2022. The total compensation for these positions is approximately \$1.27 million. These employees assist in the management and processing of background investigation case files. A summary of these employees is as follows:

Agency	# of Employees Assigned to OHRM
Police Department	7
Department of Corrections	2
Office of the Sheriff	1
Fire Department	3
Office of Homeland Security	2
TOTAL	15

- The Office reported that its current rate of attrition is 19%. The Office cites the key factor contributing to the current attrition level is retirement.
- The following table provides the Office’s rate of attrition for the last five fiscal years:

Attrition Rate - Historical Trend					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 (YTD)
# of Separations	9	5	3	14	13
# of Authorized Positions	65	68	69	69	70
Rate of Attrition	13.8%	7.4%	4.3%	20.3%	18.6%

Source: Responses to 1st Round Questions provided to A&I during respective budget reviews.

Fringe Benefits

- FY 2022 Fringe Benefits are proposed at \$1,639,300, a decrease of \$157,300, or 8.8%, below the FY 2021 approved level, to align with compensation adjustments.
- A five-year trend analysis of fringe benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimated	FY 2022 Proposed
Fringe Benefit Expenditures	\$ 1,383,798	\$ 1,624,744	\$ 1,747,914	\$ 1,424,700	\$ 1,639,300
As a % of Compensation	24.5%	26.0%	26.8%	26.1%	27.1%
Annual % Change	12.1%	17.4%	7.6%	-18.5%	15.1%

Operating Expenses

- FY 2022 operating expenses are proposed at \$5,013,600 and are comprised of the following major items:
 - General and Administrative Contracts \$4,034,800
 - Office Automation 826,200
 - General Office Supplies 73,600
 - Operating Contracts 25,700
 - Training 24,800

- Overall, operating expenses are increasing by \$1,124,500, or 28.9%, above the FY 2021 Approved Budget. The accompanying table compares the FY 2022 Proposed Budget operating expenditures with the FY 2021 Approved Budget operating expenditures. In four (4) of the categories, the FY 2022 Proposed Budget increases planned spending compared to the FY 2021 Approved Budget. In four (4) categories, the FY 2022 Proposed Budget decreases planned spending. The FY 2022 Proposed Budget remains unchanged for two (2) categories compared to the FY 2021 Approved Budget.

Operating Objects	FY 2021 Budget	FY 2022 Proposed	FY 2021 - FY 2022	
			\$ Change	% Change
General & Administrative Contracts	\$ 2,643,400	\$ 4,034,800	\$ 1,391,400	52.6%
Office Automation	754,300	826,200	71,900	9.5%
Telephone	15,300	18,500	3,200	20.9%
Membership Fees	2,000	5,000	3,000	150.0%
General Office Supplies	73,600	73,600	-	0.0%
Training	24,800	24,800	-	0.0%
Periodicals	1,300	-	(1,300)	-100.0%
Printing	10,100	3,100	(7,000)	-69.3%
Mileage Reimbursement	13,800	1,900	(11,900)	-86.2%
Operating Contracts	350,500	25,700	(324,800)	-92.7%
TOTAL	\$ 3,889,100	\$ 5,013,600	\$ 1,124,500	28.9%

- The most significant change is in General and Administrative Contracts, an increase of \$1,391,400, or 52.6%, over FY 2021 primarily due to the reallocation of public safety investigators from compensation.

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 2022 total \$4,019,400, an increase of \$846,200, or 26.7%, above the FY 2021 budgeted level, due to a percentage increase on salaries recovered and the Office’s plans to fill more vacant positions.

- A breakdown of FY 2022 Proposed recoveries is as follows:
 - Life and Health \$2,364,700
 - Pension Funds 1,518,200
 - Risk Management 136,500

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 2026 Target	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimated	FY 2022 Projected
110	152	158	143	128

- 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 2022, the Office does expect to see an increase in the “Time to Fill” time frame and will continue reviewing methods to reduce the length of time to fill vacancies.
- While, the Office adopted a talent acquisition recruiter centric model in 2020, they have seen a slow decrease in the number of vacancies in the County due to the County hiring freeze. The Office has supplemented posting positions on the County career site with advertising on industry specific job boards.
- In 2021, the County will employ a practice of posting public safety positions after implementing targeted recruitment strategies, rather than the current practice of “continuous postings.”

Summer Youth Enrichment Program

- During the summer of 2021, the Office’s Youth@Work/Summer Youth Enrichment Program (SYEP) plans to provide job placement opportunities for a total of 2,946 youth (of which 1,535 are expected to be County-funded positions). The total proposed cost for the 2021 program is \$1.38 million.
- The pandemic impacted the ability for the program to grow in FY 2021, resulting in a decrease in the number of youth placed in positions through the SYEP. See below for a comparison of the number of youth employed and cost of the program over the last several years.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimated	FY 2022 Projected
Total Expenditures	\$ 2,539,313	\$ 2,914,438	\$ 6,324,741	\$ 1,109,096	\$ 1,111,100
Youth placed in County-funded positions	1,166	1,381	3,043	1,357	1,000
County youth placed in summer work experiences through SYEP	3,132	3,681	6,943	2,300	2,300

Source: FY 2022 Proposed Budget Book Page 219.

- The Office reported that to date, 880 youth have completed job readiness training for the upcoming summer program, compared to 1,445 last year, and 1,086 for the summer of 2019.
- 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, and those strategies are still a priority. To date, the Office reports 524 Latino/Hispanic applicants for the upcoming summer program, compared to 719 during the previous year.

Employee Satisfaction/Training

- In FY 2022, the Office plans to focus on innovative approaches to engage employees and their dependents in wellness activities. The Office reports 2,958 participants, to date this year, in the relaunched Wellness Program. The Office reported 889 participants in FY 2020, and 1,197 participants in FY 2019.
- The stated focus of OHRM for FY 2022 is to maximize HR technology, deploy new approaches to talent sourcing, and to promote employee engagement. The Office reported that it is actively working on the following initiatives, to support this effort:
 - ❖ The Office reported that it launched the Learning Management System (LMS) and offered 294 training courses for employees, provided LMS training to more than 250 managers, and trained 5,650 employees through online and instructor-led training sessions. However, OHRM recently changed direction from LMS to the NEOGOV Learn system, a centralized learning management system that has been procured to replace the current County LMS by June 2021.
 - ❖ The Office reported that one of its key accomplishments was the launch and implementation of the NEOGOV Onboard Portal. The NEOGOV Onboard system was partially implemented in March 2020 to support the virtual onboarding of County employees. However, OHRM is currently working on completing system configuration to automate onboarding through integration with SAP to automatically transfer employee data from SAP into NEOGOV. The anticipated completion of this is June 2021.
 - ❖ The NEOGOV Perform system is an online performance management system that OHRM has procured to streamline the County performance management process. As a pilot, OHRM anticipates completion and rollout of the system by June 2021 to all General Schedule employees.

Labor Relations/Cost Management

- Fringe benefit costs for the public safety agencies. (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 2022 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.

Public Safety Agency	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimated	FY 2022 Proposed
Police Department	57.1%	56.8%	60.4%	57.9%	58.3%
Fire/EMS Department	70.1%	69.9%	71.5%	72.0%	71.9%
Office of the Sheriff	61.0%	58.9%	65.9%	63.6%	65.5%
Department of Corrections	46.0%	47.9%	50.7%	47.4%	49.5%

- During FY 2021, the Office continued contracting services for a Medical Review Officer and has extended the contract through the end of FY 2022, with proposed funding in the amount of \$60,000. The position aids the Office with managing disability leave costs by facilitating the timely return of employees to work. The County experienced a decrease in disability leave usage and costs during the last calendar year, though the overall trend shows increased usage over time, as shown in the chart below.

	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	Change Amount (CY19 to CY20)
Number of Employees	289	214	371	401	337	(64)
Hours Used	35,070	17,152	30,623	51,682	40,068	(11,614)
Amount Paid	\$ 1,252,058	\$ 568,617	\$ 1,080,815	\$ 1,921,105	\$ 1,497,468	\$ (423,637)

- The Office is using existing staff and CPS-HR Consulting to systematically update the County’s classification specifications. In FY 2020, the Office reported that it performed 11 classification studies, and in FY 2021 the Office reported that three (3) studies are pending. Classifications studied included paralegal positions, electricians and HVAC technicians, and attorneys, among others.
- The Office continues to support County agencies by negotiating competitive contracts for unionized employees through collective bargaining. The Office reports that contract negotiations for 10 expired agreements are anticipated to conclude on May 31, 2021.

Critical Issues: FY 2023-2025

- The Office identified the following critical issues facing it over the next three (3) years. These issues include:
 - Launching a new performance management system. OHRM anticipates completion by June of 2021, at which point it is scheduled to be released to employees as a pilot;
 - Implementing a document management solution that can serve as a centralized repository of all employee records;

- Conducting analysis of the current policies and procedures and create a timeline for policy revisions;
- Continuing to work on their Employee Assistance Program (EAP), Inova to launch a countywide mental health awareness training; and
- Extending benefits offerings and streamlining the process and improve access.