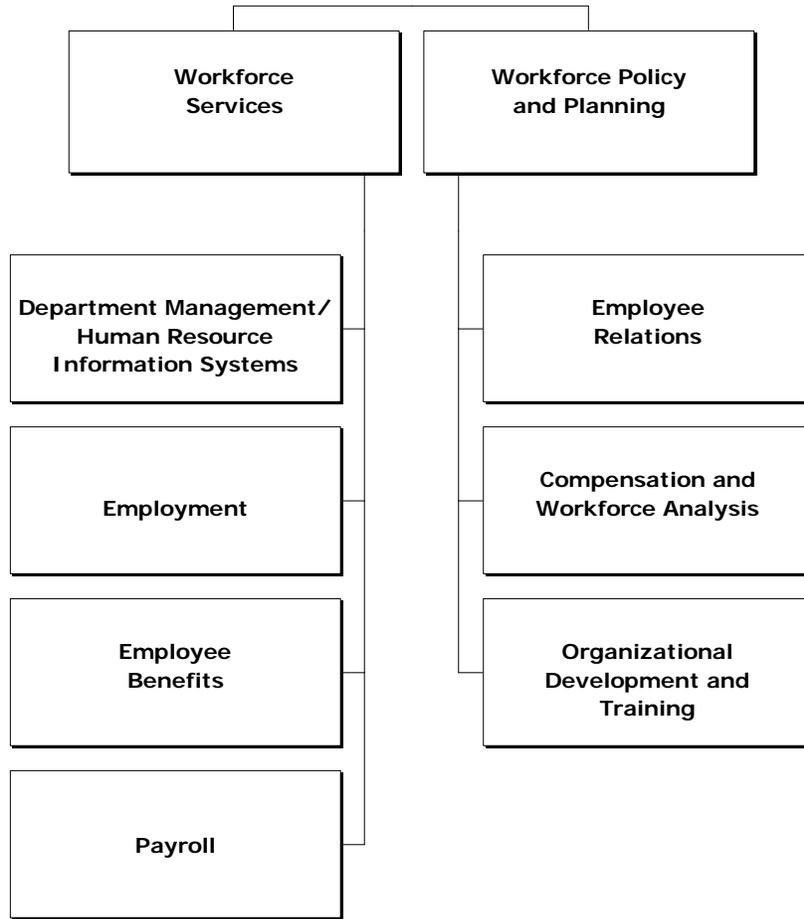


Department of Human Resources



Mission

Work in partnership with and in support of the department's diverse customer base. Demonstrate excellence and leadership by providing proactive, innovative and efficient human resources solutions to ensure a high performance workforce.

| AGENCY DASHBOARD | | | |
|--|----------------------------|----------------------------|----------------------------|
| Key Data | FY 2010 | FY 2011 | FY 2012 |
| 1. Number of Resumes Reviewed per Employment Analyst | 10,492 | 19,988 | 21,201 |
| 2. Average Centralized Training Expenditure per Employee | \$49.18 | \$57.84 | \$97.27 |
| 3. Largest Number of Active Employees on the Payroll | 13,475 | 14,462 | 14,673 |
| 4. Total Number of Management and Leadership Training Courses and Develop Programs Offered Centrally | 100 | 116 | 194 |
| 5. Fringe Benefits as a Percentage of Total Salaries | 29.4% | 35.0% | 38.1% |
| 6. Number of Merit Staff Eligible to Retire | <u>12/31/2012</u> 1,738 | <u>12/31/2013</u> 2,211 | <u>12/31/2014</u> 2,631 |

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Focus

The Department of Human Resources (DHR) operates in conjunction with its strategic partners, customers, and stakeholders to support comprehensive talent management and optimal employment relationships. This value-add is achieved by developing, managing, and supporting initiatives to attract, retain, and develop qualified employees to support the vision, goals, and objectives of the Fairfax County Government. DHR operates in a team-based structure with service areas of expertise to ensure focus and commitment, including Department Management, Information Systems, HR Central (customer support), Employment, Benefits, Payroll, Employee Relations, Compensation and Workforce Analysis, and Organizational Development and Training. Collectively, initiatives and functions support and sustain a productive, accountable, and engaged workforce, and a positive and equitable work environment.

The department leverages technology to optimize delivery of human resources services countywide. The most significant accomplishment during this period is the implementation of the Human Capital Management (HCM) module of FOCUS, the County's new enterprise resource planning system that replaced multiple legacy systems, including the HR component that was installed in 1990. This highly successful implementation enabled the County to fully leverage its integrated enterprise resource planning system. FOCUS delivers enhanced financial, procurement, and human capital management data and tools. Human capital enhancements include streamlined paperless time and attendance reporting, modernized data delivery systems, elimination of duplicate data entry, and improved processing accuracy, transparency, and security. With FOCUS, the County has enhanced decision-making capabilities, enriched reporting functionality, and boosted system flexibility to allow the system to evolve with changing business needs. Successful implementation required full-time dedication of twenty-five percent of human resources staff to the project team for a sustained period. Work completed by this team included system design, development and testing; developing and delivering training to all County employees; facilitating a smooth go-live experience; and leading and administering a post go-live stabilization program. Concurrent with the FOCUS rollout, human resources business processes were streamlined and standardized to further enhance service delivery and policy compliance.

Major benefits administration program changes were also implemented. Benefits enrollment and enrollment changes were streamlined through the use of an employee self-service feature in FOCUS. Substantive benefits plan design changes were also adopted. A new benefits vendor providing group term life insurance and long-term disability plans was selected and introduced, adding valuable options for employees and cost savings for the County. A new and more cost effective prescription drug plan was also rolled out. Additionally, mandated healthcare reform measures were prepared and implemented, including issuance of revised W-2 statements, capping of flexible spending accounts in accordance with new limits, and expanding coverage of certain women's healthcare services and prescriptions to comply with new requirements.

Future Challenges

DHR will continue to provide functional services and support to employees and retirees under the direction of a formally chartered Departmental Leadership Team. Department management monitors human resources legal trends and industry best practices that impact the County and its workforce. This environmental scanning fuels development of effective strategies and tactics, and gives rise to productive change that strengthens and leverages the County's high performance workforce. During FY 2013 and FY 2014, the department will complete a restructure to align staff with FOCUS emphasis areas. The reorganization will contribute to streamlining transactional duties, enhancing timeliness of service delivery, identifying cost reduction opportunities, leveraging the new talent management model, and promoting seamless service delivery.

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Key challenges in FY 2014 and beyond include:

- **Healthcare Management:** Federal healthcare reform continues to shape the County's medical programs and design components, and increases the scope of reporting and administrative requirements to ensure full compliance. Work begun in FY 2013 to establish a new major healthcare vendor relationship will continue into FY 2014, with a goal of implementing programs and plan options that meet the evolving needs of the County's employee demographic while maintaining a prudent fiscal position.
- **FOCUS Enhancements and Expansion:** Developing and implementing post-stabilization system upgrades and enhancements will continue throughout FY 2014. Such changes refine the core system and expand capability and performance. Additionally, the third phase of the FOCUS project will be implemented, which will add online recruiting, selection, and employee onboarding capabilities to FOCUS. Automating the performance management process is also under review. These initiatives are a collaborative effort between DHR staff and members of the FOCUS Business Support Group.

The Department of Human Resources supports the following County Vision Elements:

 -  **Connecting People and Places**
 -  **Practicing Environmental Stewardship**
 -  **Exercising Corporate Stewardship**
- **STRIVE Implementation:** In FY 2014, significant HR staff resources will be committed to implementing the STRIVE program – an integrated model designed to enhance succession planning and management, implement the new performance management system, and optimize the County's total compensation package. This program will create leadership bench strength, cultivate robust recruitment pipelines for key positions, and promote a stable and sustainable talent base. This program will include refining and retooling existing activities and programs and introducing new development initiatives that are designed to accelerate leadership readiness. In addition, the current evaluation system will be streamlined to emphasize employee development and promote dialogue between employees and supervisors.

The department will continue to leverage productivity by collaborating with commissions, boards, agency human resource staff, and an array of employee representation groups to achieve mutual goals and objectives, strengthen the County's culture of inclusion, and ensure that employees feel valued. This approach is grounded in transparent personnel regulations and is supported by a consultative business model. This approach enables DHR to better support the unique requirements of individual departments in an increasingly complex environment. This outward engagement also ensures the department's strategic and tactical work remains customer-focused and practical.

Department of Human Resources

Budget and Staff Resources

| Category | FY 2012 Actual | FY 2013 Adopted | FY 2013 Revised | FY 2014 Advertised | FY 2014 Adopted |
|--|--------------------|--------------------|--------------------|-----------------------|--------------------|
| FUNDING | | | | | |
| Expenditures: | | | | | |
| Personnel Services | \$6,508,807 | \$6,189,680 | \$6,539,680 | \$5,865,997 | \$5,865,997 |
| Operating Expenses | 1,175,173 | 1,329,528 | 1,364,669 | 1,324,028 | 1,324,028 |
| Capital Equipment | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | \$7,683,980 | \$7,519,208 | \$7,904,349 | \$7,190,025 | \$7,190,025 |
| Income: | | | | | |
| Professional Dues Deduction | \$40,184 | \$41,240 | \$41,240 | \$41,240 | \$41,240 |
| Total Income | \$40,184 | \$41,240 | \$41,240 | \$41,240 | \$41,240 |
| NET COST TO THE COUNTY | \$7,643,796 | \$7,477,968 | \$7,863,109 | \$7,148,785 | \$7,148,785 |
| AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE) | | | | | |
| Regular | 84 / 84 | 84 / 84 | 85 / 85 | 76 / 76 | 76 / 76 |

FY 2014 Funding Adjustments

The following funding adjustments from the FY 2013 Adopted Budget Plan are necessary to support the FY 2014 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the budget on April 30, 2013.

- ◆ **Employee Compensation** **\$75,530**
 An increase of \$75,530 in Personnel Services reflects the full year impact of the FY 2013 2.5 percent performance-based scale and salary increase, effective January 2013, for non-uniformed employees. It should be noted that no funding is included for additional employee compensation for this department in FY 2014.
- ◆ **Funding for Position Support** **\$400,000**
 An increase of \$400,000 in Personnel Services reflects support for fundamental operations of the department, including payroll, employment and benefits administration. This increase incorporates funding into the baseline budget and is consistent with adjustments made in previous quarterly reviews.
- ◆ **Transfer of FOCUS Business Support Group** **(\$594,171)**
 A decrease of \$594,171 is associated with the transfer of 7/7.0 FTE positions, currently deployed to the FOCUS Business Support Group, to the Department of Management and Budget. This transfer, as well as similar adjustments in the Department of Purchasing and Supply Management and Department of Finance, will centralize functional support for the County's FOCUS system in the Department of Management and Budget.
- ◆ **Transfer of Communications Position** **(\$125,542)**
 A decrease of \$125,542 is associated with the transfer of 1/1.0 FTE Human Resource Analyst IV position to the Office of Public Affairs in order to properly reflect responsibilities associated with external and internal communications requirements.

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- ◆ **Reductions** (\$85,000)
 A decrease of \$85,000 and 1/1.0 FTE position reflects the following reduction utilized to balance the FY 2014 budget:

| Title | Impact | Posn | FTE | Reduction |
|---|---|------|------|-----------|
| Eliminate 1/1.0 FTE Vacant Management Analyst II Position | This reduction in the Benefits Division will eliminate 1/1.0 FTE vacant Management Analyst II position, reducing the number of professionals available to provide in-house analysis and service for employees. This is one of two Management Analyst II positions in the Benefits Division. With the implementation of FOCUS, some efficiencies have been realized in the way that work is processed in the division. However, there is a looming workload in this division driven primarily by the need to go through an extensive Request For Proposal (RFP) process for several of the major benefits programs, most notably the County's health plans. There is also a significant amount of work anticipated to comply with health care reform legislation. Eliminating this position will require reliance on an external vendor for analysis related to these two major activities, in addition to the routine processing and servicing of the benefits plans. The division's ability to operate without this position will be reliant in part on the ability to leverage health vendor communications and tools as a result of the RFP for the County's self-insured health plans. This reduction is a result of efficiencies generated from the implementation of FOCUS. | 1 | 1.00 | \$85,000 |

Changes to FY 2013 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2013 Revised Budget Plan since passage of the FY 2013 Adopted Budget Plan. Included are all adjustments made as part of the FY 2012 Carryover Review, FY 2013 Third Quarter Review, and all other approved changes through April 23, 2013.

- ◆ **Carryover Adjustments** \$35,141
 As part of the *FY 2012 Carryover Review*, the Board of Supervisors approved encumbered funding of \$35,141 in Operating Expenses.

- ◆ **Third Quarter Adjustments** \$350,000
 As part of the *FY 2013 Third Quarter Review*, the Board of Supervisors approved an increase of \$350,000 in Personnel Services to support fundamental operations of the department including payroll, employment, and benefits administration.

- ◆ **Position Adjustment** \$0
 An increase of 1/1.0 FTE position reflects a position redirected by the County Executive to support the management of the County's benefit programs.

Department of Human Resources

Cost Centers

There are two cost centers for the Department of Human Resources, Workforce Services and Workforce Policy and Planning. These two cost centers work together to fulfill the mission of the department and carry out the key initiatives for the fiscal year.

Workforce Services

The Workforce Services cost center includes department management and management of the department's information systems, as well as divisions that support the recruitment of the County workforce, management of benefit programs, and payroll processing and accounting.

| Category | FY 2012 Actual | FY 2013 Adopted | FY 2013 Revised | FY 2014 Advertised | FY 2014 Adopted |
|---------------------|-------------------|--------------------|--------------------|-----------------------|--------------------|
| EXPENDITURES | | | | | |
| Total Expenditures | \$5,673,334 | \$5,253,820 | \$5,631,945 | \$5,106,641 | \$5,106,641 |

| AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE) | | | | | |
|--|---------|---------|---------|---------|---------|
| Regular | 57 / 57 | 57 / 57 | 60 / 60 | 54 / 54 | 54 / 54 |

| <u>Department</u> | <u>Employment Division</u> | <u>Payroll Division</u> |
|---|-----------------------------------|---------------------------------|
| 1 Management/HRIS | 1 Human Resource Analyst IV | 1 Human Resource Analyst IV |
| 1 Human Resources Director | 4 Human Resource Analysts III | 1 Human Resource Analyst III |
| 1 Asst. Human Resources Dir. | 1 Management Analyst III | 1 Management Analyst III |
| 1 Info. Tech Program Manager I | 4 Human Resource Analysts II | 1 Accountant III |
| 0 Business Analysts IV (-2T) | 1 Communications Specialist I | 2 Human Resource Analysts II |
| 1 Resource Development and Training Manager | 1 Administrative Assistant IV | 1 Human Resource Analyst I |
| 1 Programmer Analyst III | | 4 Administrative Associates |
| 0 Business Analysts III (-1T) | <u>Employee Benefits Division</u> | 1 Administrative Assistant V |
| 1 Network/Telecom. Analyst II | 1 Human Resource Analyst IV | 1 Administrative Assistant IV |
| 3 Human Resource Analysts III (-1T) | 1 Senior HR Consultant | 2 Administrative Assistants III |
| 1 Management Analyst II | 3 Human Resource Analysts III | |
| 1 Communications Specialist II | 1 Business Analyst III (-1T) | |
| 1 Administrative Assistant IV | 1 Human Resource Analyst II | |
| | 1 Management Analyst II (-1) | |
| | 1 Administrative Associate | |
| | 5 Administrative Assistants V | |
| | 1 Administrative Assistant IV | |

TOTAL POSITIONS (-) Denotes Abolished Position due to Budget Reductions
 54 Positions (-1, -5T) / 54.0 FTE (-1.0, -5.0T) (T) Denotes Transferred Position

Workforce Policy & Planning

The Workforce Policy and Planning cost center includes divisions that facilitate individual and organizational change and development initiatives, and provide consultation services to County agencies on workforce planning and compensation matters.

| Category | FY 2012 Actual | FY 2013 Adopted | FY 2013 Revised | FY 2014 Advertised | FY 2014 Adopted |
|---------------------|-------------------|--------------------|--------------------|-----------------------|--------------------|
| EXPENDITURES | | | | | |
| Total Expenditures | \$2,010,646 | \$2,265,388 | \$2,272,404 | \$2,083,384 | \$2,083,384 |

| AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE) | | | | | |
|--|---------|---------|---------|---------|---------|
| Regular | 27 / 27 | 27 / 27 | 25 / 25 | 22 / 22 | 22 / 22 |

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| <u>Organizational Development and Training</u> | <u>Compensation and Workforce Analysis</u> |
|--|--|
| 1 Human Resource Analyst IV (-1T) | 1 Human Resource Analyst IV |
| 1 Senior HR Consultant | 1 Senior HR Consultant |
| 4 Training Specialists III | 4 Human Resource Analysts III |
| 2 Business Analysts III (-1T) | 2 Human Resource Analysts II |
| 2 Business Analysts II (-1T) | 1 Management Analyst I |
| 2 Training Specialists I | 1 Administrative Assistant IV |
| TOTAL POSITIONS | |
| 22 Positions (-3T) / 22.0 FTE (-3.0T) | |

(T) Denotes Transferred Position

Key Performance Measures

| Indicator | Prior Year Actuals | | | Current Estimate | Future Estimate |
|--|--------------------|----------------|-------------------------|------------------|-----------------|
| | FY 2010 Actual | FY 2011 Actual | FY 2012 Estimate/Actual | FY 2013 | FY 2014 |
| Department of Human Resources | | | | | |
| Percent of employees who complete their probationary period | 79.41% | 88.54% | 78.00% / 89.85% | 80.00% | 80.00% |
| Average gap between Fairfax County's pay range mid-points and comparable range mid-points in the market for core classes | NA | NA | 15% / 15% | 5% | 5% |
| Employee satisfaction with the variety and quality of benefit programs offered | NA | NA | 91% / NA | 91% | 91% |
| Percent of employees that indicated DHR-sponsored training was beneficial in performing their jobs | 95% | 96% | 95% / 96% | 96% | 96% |

A complete list of performance measures can be viewed at www.fairfaxcounty.gov/dmb/fy2014/adopted/pm/11.pdf

Performance Measurement Results

As the Department of Human Resources reflects on achievements in FY 2012 and preliminary performance indicators for FY 2013, there were notable successes given the staffing emphasis on successfully implementing the second phase of the FOCUS legacy system replacement project. As the department looks ahead to challenges in FY 2014 and beyond, staff will be further tested to meet the expectations of a sophisticated and diverse workforce, balance heightened service delivery demands alongside execution of strategic initiatives, and support implementation of the next phase of the rollout of FOCUS Human Capital Management components.

In FY 2012, the percent of employees who completed their probationary period increased from 88.54 to 89.85 percent. This outcome was positively impacted by strategic recruitment efforts, which positioned the County to acquire key talent from today's highly competitive labor pool. There was an increase of 40.1 percent in best-qualified applicants in FY 2012, primarily due to sustained high levels of unemployment nationwide. This can also be attributed to staff recruitment initiatives, including increases in the number of targeted recruitment efforts with profession-specific media, increased job fair attendance, and enhanced outreach recruitment by County agencies. The number of resumes reviewed per recruitment analyst increased 6.1 percent between FY 2011 and FY 2012. This increase is largely due to reduced numbers of recruiting staff supporting this function while colleagues were deployed to the FOCUS project. This efficiency indicator is anticipated to remain high throughout FY 2013, with metrics

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returning to FY 2010 levels at the conclusion of the third phase of the FOCUS project. Due to budget and staffing constraints linked to the FOCUS project, the department will not complete annual customer satisfaction surveys in FY 2013.

The number of benefits enrollments increased by nearly 8 percent between FY 2011 and FY 2012. This is attributable to benefits plan redesigns that closely aligned program offerings with employee requirements and deferred compensation program enrollment drives. The slight reduction in benefit enrollments per full-time equivalent position is due to staff redeployments and attrition in the benefits division. This efficiency indicator will further diminish in FY 2013 due to additional planned staffing reallocations. Due to budget constraints, the FOCUS legacy system replacement project, and healthcare reform, the department did not complete the annual benefit satisfaction survey of its employees in FY 2012 and will be unable to complete the survey in FY 2013.

The County's compensation plan has not been reviewed comprehensively since FY 2009 due to budget constraints. However, annual surveys from local area governments and other sources provide guidance that the County continues to maintain a competitive market position with its compensation plan. During FY 2013, compensation and classification staff will benchmark 50 percent of County job classifications, and will continue to support FOCUS data and workflow transition work.

In FY 2012, 96 percent of training attendees indicated that DHR-sponsored training was beneficial in performing their jobs. This percentage is anticipated to remain constant for FY 2013 as DHR continues to support training and development initiatives associated with the County competency-based model and provide ongoing corporate systems training in support of FOCUS.

While it was anticipated that 12,000 employees would attend DHR training events in FY 2012, this was based on a projected increase in the number of employees attending FOCUS instructor-led classes. However, based on final role mapping and curriculum design for the new system, 9,886 were required to attend DHR training events. Of these, 3,596 training completions were associated with FOCUS. It is important to note that there were 52,188 eLearning (online training) completions associated with FOCUS system implementation, bringing the combined total trained by the Organizational Development and Training Division to 62,074 during FY 2012.

It should also be noted that there was a reduced number of desktop training completions during FY 2012 to accommodate the room requirements for FOCUS training. Based on remaining FOCUS training requirements, it is anticipated that desktop training will return to its pre-FOCUS level in FY 2014.

In FY 2012, the cost of training per employee was \$215, which was slightly less than the \$219 that was projected. If the eLearning completions are factored in, cost of training per employee was only \$34. These cost-efficiencies are gained by leveraging an automated performance support tool as well as using in-house instructional designers to deploy online training modules, which reduces per participant costs and yields a faster return on investment when compared to traditional instructor-led programs.