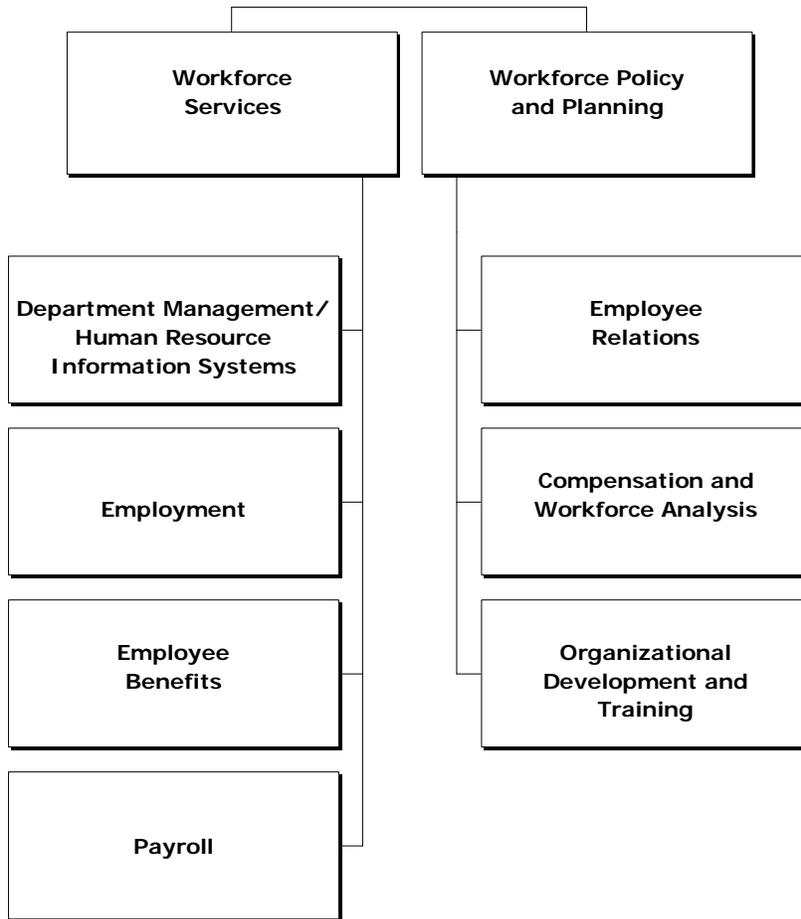


Department of Human Resources



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 2012	FY 2013	FY 2014
1. Number of Resumes Reviewed per Employment Analyst	21,201	22,821	20,589
2. Average Centralized Training Expenditure per Employee	\$97.27	\$67.67	\$96.06
3. Largest Number of Active Employees on the Payroll	14,673	13,118	13,189
4. Total Number of Management and Leadership Training Courses and Development Programs Offered Centrally	194	175	325
5. Fringe Benefits as a Percentage of Total Salaries	38.1%	38.3%	38.6%
6. Number of Merit Staff Eligible to Retire	<u>12/31/2014</u> 2,143	<u>12/31/2015</u> 2,249	<u>12/31/2016</u> 2,627

Department of Human Resources

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. Following the highly successful implementation of the Human Capital Management (HCM) module of FOCUS, the County's enterprise resource planning system that replaced multiple legacy systems in July 2012, DHR has continued to refine processes to leverage the system and help users manage 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. Concurrent with the FOCUS rollout, human resources business processes were streamlined and standardized to further enhance service delivery and policy compliance. Recognizing the need for better reporting, DHR provided an innovative solution for its customers by creating a vast array of management reports in PEAQ (Point and Click Enterprise Ad-Hoc Query). This reporting tool enables departments to easily create the management reports needed in an expeditious and cost-effective manner.

The department began to implement the suite of Talent Management modules in FY 2014. The Talent Management modules include Applicant Management, Onboarding, Performance Management, Employee Management and Learning Management. These integrated modules will maximize operational efficiencies by consolidating independent talent management business processes, streamlining work functions by increasing self service capabilities, eliminating the antiquated work-around systems used to provide functionality, increasing capabilities for real-time data analysis and providing greater flexibility in transparency and reporting capabilities. Key integration points between the FOCUS system and the Talent Management system will enhance business functionality and operational efficiencies for DHR and its customers.

Current and Future Challenges

Minimal change punctuates the 2015 benefits plan year, a welcome contrast to 2014, which was headlined by vendor consolidation for all three self-insured health plans. Keeping plan design intact for 2015 will help employees understand the differences among the plans so they are better equipped to make the choice that best meets their needs. Communications and employee meetings during open enrollment will focus on these aspects. Additionally, communications will continue to focus on increasing participation in the incentive awards program "Motivate Me", helping employees defray the cost of premium increases while providing the data needed to more effectively target plan design and LiveWell initiatives.

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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 2016, the department will complete a restructure to align staff with FOCUS and Talent Management emphasis areas. The reorganization will contribute to streamlining transactional duties, enhancing timeliness of service delivery, identifying potential cost reduction opportunities, leveraging the new talent management model, and promoting seamless service delivery.

Key challenges in FY 2016 and beyond include:

- **Health Care Management:** The Affordable Care Act (ACA) continues to provide challenges with the most noteworthy being the 40 percent excise tax slated to take effect in 2018. The strategies to avoid this tax will include plan design changes, increasing participant awareness of medical costs, continued implementation of features that impact utilization and a strong focus on wellness initiatives to help employees develop and maintain healthier behaviors.

- **FOCUS Enhancements and Talent Management:** Implementing FOCUS system upgrades and enhancements will continue throughout FY 2016. Such changes refine the core system and expand capability and performance. Additionally, the remaining Talent Management modules will be implemented, which include Onboarding, Performance Management, and Employee Management. The Talent Management modules will enable the department to become more responsive, strategic and customer centric. These initiatives are a collaborative effort between DHR staff and the FOCUS Business Support Group in the Department of Management and Budget.

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

-  **Connecting People and Places**
-  **Practicing Environmental Stewardship**
-  **Exercising Corporate Stewardship**

- **Employee Development:** Significant DHR staff resources will be committed to implementing an enhanced succession planning and management program and the updated performance management system. These efforts will support leadership bench strength, promote a stable and sustainable talent base, and accelerate leadership readiness. With the recent implementation of the revised evaluation system, DHR staff will continue to work with departments to support the coaching and development skills needed for the program's success.

- **Compensation Plan:** The revisions to the general employee, legal, and director pay scales resulting from the Compensation Workgroup recommendations will require major adjustments to the current pay plans. Implementation will require varying levels of pay adjustments depending upon the location of an employee's pay in the pay scale beginning with 3 percent if pay is at or close to the minimum of the pay scale and decreasing in percentage until an employee's pay hits the maximum of the pay scale. The goals of the new pay plans are to ensure that the County has an equitable compensation system for all employees and that they advance through the pay scale within 25 years. This initiative will require a collaborative effort between DHR staff and the FOCUS Business Support Group in the Department of Management and Budget.

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The department will continue to leverage productivity by collaborating with senior management, 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.

Budget and Staff Resources

Category	FY 2014 Actual	FY 2015 Adopted	FY 2015 Revised	FY 2016 Advertised	FY 2016 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$5,801,768	\$6,000,326	\$5,930,326	\$5,968,894	\$5,984,496
Operating Expenses	1,025,996	1,324,028	1,440,246	1,321,928	1,321,928
Capital Equipment	0	0	0	0	0
Total Expenditures	\$6,827,764	\$7,324,354	\$7,370,572	\$7,290,822	\$7,306,424
Income:					
Professional Dues Deduction	\$42,095	\$42,026	\$42,026	\$42,026	\$42,026
Total Income	\$42,095	\$42,026	\$42,026	\$42,026	\$42,026
NET COST TO THE COUNTY	\$6,785,669	\$7,282,328	\$7,328,546	\$7,248,796	\$7,264,398
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	76 / 76	76 / 76	77 / 77	74 / 74	75 / 75

FY 2016 Funding Adjustments

The following funding adjustments from the FY 2015 Adopted Budget Plan are necessary to support the FY 2016 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 28, 2015.

- ◆ **Employee Compensation** **\$194,170**
 An increase of \$194,170 in Personnel Services includes \$66,005 for a 1.10 percent market rate adjustment (MRA) for all employees and \$128,165 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2015.

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◆ **Reductions**

(\$212,100)

A decrease of \$212,100 and 2/2.0 FTE positions reflects reductions utilized to balance the FY 2016 budget. The following table provides details on the specific reductions:

Title	Impact	Posn	FTE	Reduction
Eliminate a Human Resources Analyst II Position and Manage Position Vacancies	This reduction will eliminate 1/1.0 FTE Human Resources Analyst II position, one of ten Human Resources Analyst II positions in the Department of Human Resources, and will require the department to manage position vacancies to generate savings. This reduction will diminish the department's capacity to provide detailed, personalized counseling to employees and retirees on benefit plan selection.	1	1.0	\$110,000
Eliminate a Business Analyst III Position	This reduction will eliminate 1/1.0 FTE Business Analyst III position in the Benefits Division. Though this is the only Business Analyst position in the benefits division, this position can be eliminated without disruption to programs or services as a result of efficiencies gained through the implementation of the County's enterprise resource planning system (FOCUS), business process improvements, and benefit plan consolidation.	1	1.0	\$100,000
Reduce Printing and Copying Supplies	This reduction is associated with a countywide policy decision being implemented to reduce the volume of printing and copying documents over a multi-year period. This was a common and recurring theme brought forward by employees as part of the Mission Savings process in Fall 2014. Agencies are being directed to review internal printing policies and reduce the use of individual desktop printers by utilizing the Multi-Functional Devices (MFDs) available throughout County buildings. In addition, agencies are being directed to reduce paper and toner consumption by only printing documents when necessary and by printing materials double-sided whenever possible.	0	0.0	\$2,100

Department of Human Resources

Changes to FY 2015 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2015 Revised Budget Plan since passage of the FY 2015 Adopted Budget Plan. Included are all adjustments made as part of the FY 2014 Carryover Review, FY 2015 Third Quarter Review, and all other approved changes through April 30, 2015.

- ◆ **Carryover Adjustments**

As part of the FY 2014 Carryover Review, the Board of Supervisors approved encumbered funding of \$116,218 in Operating Expenses.

\$116,218
- ◆ **Third Quarter Adjustments**

As part of the FY 2015 Third Quarter Review, the Board of Supervisors approved a reduction of \$70,000 to generate one-time savings primarily to make a down payment on the recommended changes to the County's reserve policies.

(\$70,000)
- ◆ **Position Adjustment**

During FY 2015, the County Executive approved the redirection of 1/1.0 FTE position to the Department of Human Resources due to workload requirements. The fiscal impact of this adjustment will be included as part of the FY 2017 budget process.

\$0

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 2014 Actual	FY 2015 Adopted	FY 2015 Revised	FY 2016 Advertised	FY 2016 Adopted
EXPENDITURES					
Total Expenditures	\$5,012,460	\$5,195,255	\$5,234,436	\$5,101,035	\$5,111,328
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	52 / 52	52 / 52	53 / 53	50 / 50	51 / 51

Department of Human Resources

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

TOTAL POSITIONS

51 Positions (-2) / 51.0 FTE (-2.0)

(-) Denotes Abolished Positions due to Budget Reductions

Workforce Policy and 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 2014 Actual	FY 2015 Adopted	FY 2015 Revised	FY 2016 Advertised	FY 2016 Adopted
EXPENDITURES					
Total Expenditures	\$1,815,304	\$2,129,099	\$2,136,136	\$2,189,787	\$2,195,096
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	24 / 24	24 / 24	24 / 24	24 / 24	24 / 24

<u>Organizational Development and Training</u>	<u>Compensation and Workforce Analysis</u>
1 Management Analyst IV	1 Human Resources Analyst IV
2 Senior HR Consultants	1 Senior HR Consultant
2 Business Analysts III	5 Human Resources Analysts III
3 Training Specialists III	2 Human Resources Analysts II
3 Business Analysts II	1 Administrative Assistant V
1 Training Specialist I	
2 Administrative Assistants V	

TOTAL POSITIONS

24 Positions / 24.0 FTE

Department of Human Resources

Key Performance Measures

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2012 Actual	FY 2013 Actual	FY 2014 Estimate/Actual	FY 2015	FY 2016
Department of Human Resources					
Percent of employees who complete their probationary period	89.85%	85.00%	80.00%/85.91%	85.00%	85.00%
Average gap between Fairfax County's pay range mid-points and comparable range mid-points in the market for core classes	15%	5%	5%/5%	5%	5%
Percent of employees that indicated DHR-sponsored training was beneficial in performing their jobs	96%	95%	96%/97%	96%	96%

A complete list of performance measures can be viewed at www.fairfaxcounty.gov/dmb/fy2016/adopted/pm/11.pdf

Performance Measurement Results

As the Department of Human Resources reflects on achievements in FY 2014 and preliminary performance indicators for FY 2015, there were notable successes given the successful implementation of two Talent Management modules, Applicant Tracking and Learning Management. As the department looks ahead to challenges in FY 2016 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 Talent Management modules. These modules will increase effectiveness and accountability of managers by implementing online manager tools to ensure the best workforce and performance management practices.

In FY 2014, the percent of employees who completed their probationary period increased from 85 to 86 percent. There have been several staff 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.

Annual surveys from local area governments and other sources provide guidance that the County continues to maintain a competitive market position. During FY 2014 and FY 2015, compensation and classification staff benchmarked all County job classifications, supported the FOCUS system replacement project, and participated in the employee compensation plan design project.

While the department continues to work to maintain employee satisfaction in the variety and quality of benefit programs, annual customer satisfaction surveys have not been completed in several years due to budget and staffing constraints linked to the Compensation and Talent Management projects.

In FY 2014, 97 percent of training attendees indicated that DHR-sponsored training was beneficial in performing their jobs. This percentage is anticipated to remain high in future years 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 and the Talent Management system.