

Department of Human Resources



Department Overview

The Department of Human Resources (DHR) supports comprehensive talent management and optimal employment relationships by developing, managing, and supporting initiatives to attract, retain, and develop qualified employees. 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.

The department is committed to strengthening the County's ability to support a diverse workforce that will provide high quality service to Fairfax County's multi-cultural and multi-lingual population. Key to this effort is the maintenance of a robust benefit and awards package, competitive pay structure, and flexible and need-driven developmental opportunities for all levels of employees. Additionally, the department proactively partners with agencies to ensure that they receive the support and consultation needed to navigate through complex human resource issues, particularly in the areas of succession planning, leadership development, and employee relations.

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Department Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
FUNDING			
Expenditures:			
Compensation	\$5,801,768	\$5,919,596	\$5,984,496
Operating Expenses	1,025,996	1,295,959	1,321,928
Total Expenditures	\$6,827,764	\$7,215,555	\$7,306,424
General Fund Revenue	\$42,095	\$42,939	\$42,026
Net Cost/(Savings) to General Fund	\$6,785,669	\$7,172,616	\$7,264,398
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
Positions:			
Regular	76 / 76	77 / 77	75 / 75
Total Positions	76 / 76	77 / 77	75 / 75

Lines of Business Summary

LOB #	LOB Title	FY 2016 Adopted	
		Disbursements	Positions
25	Department and HRIS (Human Resources Information Systems) Management	\$2,082,334	8
26	Employee Services	445,758	6
27	Benefits Administration	644,963	12
28	Payroll Administration	1,043,879	15
29	Employment	1,057,068	12
30	Compensation and Workforce Analysis	1,109,118	8
31	Organizational Development and Training	923,304	14
Total		\$7,306,424	75

Lines of Business

LOB #25:

DEPARTMENT AND HRIS (HUMAN RESOURCES INFORMATION SYSTEMS) MANAGEMENT

Purpose

Agency Management provides overall leadership and direction to the Department of Human Resources service areas to ensure proactive, innovative, and responsive service in support of employees, potential employees and retirees. It administers the Fairfax County Merit System and is responsible for providing advice and leadership in support of the many laws and regulations that govern the workplace including the standards contained in the Personnel Regulations. Central to Agency Management is the Human Resource Information Systems (HRIS) team, which manages the overall information system for the entire workforce of approximately 18,000 including seasonal employees, part-time employees, and many volunteers. The backbone of the employee information system serving these users is FOCUS, which is used to record time worked, process payroll actions, process payroll, manage benefits, and maintain the organization's structure. The HRIS manages other end-user solutions that are integrated with FOCUS, including the automated recruitment solution and the learning management solution (Employee U).

Description

Agency Management has overall responsibility for the work done in the agency. Services are provided directly to customers such as employees, agency managers, members of the Board of Supervisors, commissions, prospective employees, retirees, constituents, and federal and state regulatory agencies. In addition, the administrative functions that are internal to the day-to-day operation of the agency are handled in this business area. The technical staff members of HRIS are functional experts in human resources in addition to having expertise in the technology that is developed and supported in collaboration with the FOCUS Business Support Group (FBSG) and the Department of Information Technology (DIT).

Agency management and HRIS have been the backbone of support for the entire agency, especially in recent years as the level of automation in the agency has increased. The staff in HRIS works collaboratively within the agency to enable and improve efficiencies, provide a more engaging experience for customers, and more closely align internal and external business strategies. Technology continues to transform how, where, and when work gets done, and the ways HR leaders can drive improved business performance.

Examples of recent achievements include functions available in Employee Self Service (ESS) and Manager Self Service (MSS) that make it easy for employees to look up their own information at any time of the day and any day of the week including holidays. All FOCUS users have role-based views of the system that give them content that is relevant and specific to them without needing to filter or search for it. Specifically, employees have a different view through ESS than managers have through MSS, and users who have additional privileges, such as HR managers and payroll contacts, have the information relevant to them. Agency Management and HRIS initiatives have made training information more easily accessible with a dramatic increase in e-learning content that is available 24/7.

Benefits

Department and HRIS Management provide consistency and direction within the department and for its customers. Services are provided directly to employees, agency managers, members of the Board of Supervisors, commissions, prospective employees, and retirees, in addition to federal and state regulatory agencies. The programs and services provided are fundamental and beneficial to the department's customers.

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Mandates

Due to requirements of the Code of Virginia, the Agency Management and HRIS Division is responsible for retaining all employee records for 50 years after an employee separates from the County.

Trends and Challenges

Despite cyclical funding constraints, the department has been able to successfully upgrade its technology tools. The strategy has been to get the foundational technology tools in place, and then continue to automate with priority given to those areas that will give the largest return on investment based on the importance of the business process and the size of the audience impacted. After successfully completing the first tier of automation, the focus will now shift to automating business processes that are very important but may have a more narrow application.

Future initiatives will focus on promoting employee engagement and higher levels of productivity. One initiative that will be explored is the use of mobile technologies for basic services such as time entry, provided that adequate business controls can be developed to protect personal and confidential data. Automation and training will continue to be leveraged to improve processes and practices that could have a positive impact on employees.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #25: Department and HRIS (Human Resources Information Systems) Management			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$870,358	\$826,442	\$847,429
Operating Expenses	956,745	1,209,274	1,234,905
Total Expenditures	\$1,827,103	\$2,035,716	\$2,082,334
General Fund Revenue	\$0	\$0	\$0
Net Cost/(Savings) to General Fund	\$1,827,103	\$2,035,716	\$2,082,334
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
<u>Positions:</u>			
Regular	12 / 12	10 / 10	8 / 8
Total Positions	12 / 12	10 / 10	8 / 8

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Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of employees trained to use PEAQ	119	49	48	48	48

PEAQ is the online query tool used by agency staff such as payroll contacts, HR managers, and budget contacts. This tool pulls valuable Human Capital Management (HCM) data from FOCUS to allow users to synthesize data in ways that are not readily available in FOCUS. Development of this functionality was a department priority following the implementation of FOCUS. In 2012, when FOCUS data was made available in PEAQ, hundreds of County employees rushed to get PEAQ training in order to take advantage of its intuitive reporting capabilities. The surge in PEAQ training attendance extended into 2013. After 2013, most existing County employees who needed access to PEAQ had already taken the training. In 2014 and 2015, the number of employees going to PEAQ training leveled off as attendees were limited to new employees or existing employees who have moved into finance or HR positions within their agency.

Department of Human Resources

LOB #26:

EMPLOYEE SERVICES

Purpose

Employee Services supports optimizing employee performance; proactively applying disciplinary measures when necessary; ensuring employees accurately understand relevant laws, regulations, procedures and requirements governing employee and management actions; and enhancing employee and supervisory communication – the cornerstone of energized and aligned mission performance.

Description

Primary delegated authority for the work completed by Employee Services is derived from the Personnel Regulations as well as the Fairfax County Code.

On a daily basis, Employee Services staff works closely with key partners and stakeholders including HR managers, business partners in the offices of Human Rights and Equity Programs, Civil Service Commission, County Executive, County workgroups, employee representation groups and agency leaders to ensure that the work environment is productive, equitable and compliant and that employees are motivated, informed and engaged. The broad functional areas of Employee Services include the following:

- Awards: Provides organizational leadership, guidance, program administration, best practice input, and support for multiple awards events.
- Central Information Services: Serves as the initial point of contact for employee and non-employee interactions with the Department of Human Resources including telephone calls, emails and in-person visits.
- Compliance: Provides expert guidance, interpretation, review and legislative monitoring on employment laws, regulations, and guidelines.
- Consulting and Education: Troubleshoots complex employee relations matters with agency HR managers and leaders, collaboratively develops plans to address systemic and chronic employee relations issues, provides expert guidance and recommendations regarding discipline, behavioral issues, terminations, multi-faceted complex workplace issues, grievances and civil service commission hearings.
- Training: Designs, implements and supports a robust online training curriculum and multiple instructor-led training programs.
- Grievance and Civil Service Commission: Decision and process management.
- Disciplinary Actions: Guidance, review and document management.
- Program Administration: Employee Assistance Program, reasonable suspicion testing, medical testing, language stipend program, legislative liaison, document management, and policy and procedure development, guidance, interpretation, and implementation.
- Performance Management: Designs, develops and administers performance management systems including gathering feedback from employees and supervisors on a regular basis to support refinements to the system.

All work completed by the Employee Services supports the recruitment and retention of engaged and high performing employees who are the front line service providers to constituents. Additionally, this group supports achievement of the Fairfax County Employee Vision as well as countywide adherence to the Fairfax County Standards of Conduct and Code of Ethics. Employee Services results are achieved through excellent customer service skills, broad human resources content knowledge, and strong subject matter expertise in the areas of employment law/regulations, employee relations, performance management, employee rewards, motivation and recognition.

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Benefits

The efforts of Employee Services directly benefit employees by providing efficient, effective and timely access to human resources information and operational support. The recognition derived from the countywide awards program increases employees' motivation. Employee Services also provides employees with a clear understanding of and accountability to the established standards for employee behavior and performance based on the performance management systems and reinforcement of the County's Standards of Conduct and Code of Ethics.

Benefits to the organization include seamless change migrations to new HR policies based on collaborative work with employee group representatives, easier identification of high performing and high potential employees for succession management through the performance management system, and an enhanced organizational employment brand image and lower recruitment costs from the retention of a strong and satisfied employee base. Employee Services minimizes the organizational disruption and lost productivity associated with grievances and Civil Service proceedings by proactively addressing problems prior to the filing of grievances and by providing organizational support when a grievance is filed. Compliance efforts ensure clean audits and avoid penalties.

Mandates

Compliance with applicable laws, rules, regulations and procedural requirements is a primary focus for employee relations specialists in Employee Services. While compliance work is done in concert with partners such as the Offices of Human Rights and Equity Programs, County Attorney, County Executive, and Civil Service Commission and stakeholders such as County senior management and employee group representatives, Employee Services is viewed as the authoritative resource for employees countywide. Compliance monitoring and management is critical to the organization. However, compliance to pass audits and avoid fines is just part of the value added. Compliance, when woven into the fabric of the organization, promulgates a constructive and accountable organizational culture with high performing employees. Employee Services staff provides leadership and guidance to promote the understanding and implementation of human resources management practices stemming from federal, state and local laws, statutory guidelines and regulations, and organizational memoranda.

Within the County, Employee Services staff has primary responsibility for managing County human resources regulatory and procedural compliance documents and processes. Employee Services staff serves as the agency's legislative liaison and authors changes to Fairfax County Government Personnel Regulations and procedural memoranda. Staff works with the Civil Service Commission, Personnel and Reorganization Committee, Board of Supervisors and employee group representatives to capture broad-based input, complete public hearings and implement approved policy and procedure changes.

Trends and Challenges

Human resources trends linked to the Employee Services Line of Business include the following:

- Automating for work simplification and data/records management;
- Creating and sustaining productive stakeholder relationships with employee representation groups to promote collaborative problem solving and direction setting;
- Continuing to champion and reinforce inclusion strategies beyond traditional diversity factors;
- Continuing to refine performance management systems and processes;
- Providing leading edge consultation and guidance on emerging issues that affect organizational culture and employee behavior, such as social responsibility, volunteerism, and work/life balance;
- Shifting from a traditional cradle-to-grave employment approach to a "performance-centric" model; and

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- Increasing and harnessing employee engagement to improve performance levels and maximize employee discretionary energy.

Some of the challenges that Employee Services faces include the following:

- Implementing automation solutions using staff already allocated to performing daily operations;
- Shifting focus to address employee relations concerns and emerging issues proactively, flexibly and preemptively rather than operating in a reactionary mode;
- Taking action to increase employee engagement levels without getting mired in employee engagement surveys and processes;
- Sustaining outcome-oriented relationships with employee representation groups; and
- Seeking ways to integrate employee priorities like social responsibility, volunteerism and work/life balance into the employment brand image.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #26: Employee Services			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$0	\$0	\$445,758
Total Expenditures	\$0	\$0	\$445,758
General Fund Revenue	\$0	\$0	\$0
Net Cost/(Savings) to General Fund	\$0	\$0	\$445,758
POSITIONS			
<i>Authorized Positions/Full-Time Equivalents (FTEs)</i>			
<u>Positions:</u>			
Regular	0 / 0	0 / 0	6 / 6
Total Positions	0 / 0	0 / 0	6 / 6

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Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of customer calls managed through the employee services central call staff	NA	22,246	26,297	26,800	27,500
Number of countywide awards given	NA	1,620	1,820	2,004	2,250
Number of employee relations consultations	NA	703	613	675	750

The Department is currently expanding the scope of the questions fielded by central call staff to allow professional and paraprofessional staff to perform other duties and address more complex matters. The increase in calls represents the shift to a more desirable staffing use plan. This approach reflects the agency's ongoing commitment to manage process and workflows efficiently and effectively, and is necessary as budget reductions have decreased staffing in the professional ranks.

The number of countywide awards given has trended upward in response to increased managerial attention to incentivizing and rewarding employees through the award program. This is increasingly important given limitations on direct and indirect compensation. Factors contributing to these increases include the promotion and education of staff regarding award options, the importance of awards and recognition, the increased visibility and prestige of awards, the simplification and streamlining of all aspects of the awards process, and potentially increasing the number and types of awards to support and align with strategic objectives.

A downward trend is seen in the number of employee relations consultations. This is, in part, due to agency HR Managers gaining relevant knowledge, skills and abilities and some employees now seeking guidance through employee group representatives. Key interests in increasing the number of Employee Relations consultations include ensuring consistent and accurate information dissemination, minimizing confusion and lack of trust arising when employees receive differing input, and the need to ensure staff provides consultative support to the topic areas most needed by customers and demanded by the organization. Factors contributing to enhanced performance include honing staff understanding of the customers' needs, clarifying roles and responsibilities with agency HR managers to minimize duplicative effort, and promoting services with employees to increase their awareness of this organization-provided support and information network.

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LOB #27:

BENEFITS ADMINISTRATION

Purpose

The County provides health care, income security and retirement benefits to successfully compete for talent and retain a capable workforce.

Description

The Employee Benefits Division provides overall management for the County's employee benefits programs, which include medical, dental, vision, group term life, long-term disability insurance, dependent care and medical spending accounts, deferred compensation, benefits continuation (COBRA), Leave Without Pay (LWOP) and the Family and Medical Leave Act (FMLA). The Division also manages the Health Benefits Fund, drafts competitive bid requirements, analyzes bids, selects carriers, manages vendor contracts, and educates and communicates with employees, retirees and various employee groups on benefit plan features and changes in federal regulations. This effort is performed by the employees within the Benefits Division and through vendors and HR generalists throughout the County. The staff also leverages and encourages employee self-service through FOCUS and vendor web sites. County plans cover 25,000 employees, retirees and their dependents. It should be noted that retirement benefits are managed by the Retirement Administration Agency, and are discussed in the Employee Benefits narrative.

Benefits

The County continues to face the challenge of providing comprehensive benefits coverage to employees and retirees in a difficult budget and regulatory environment. Recent changes in health plans are based on compliance with the required provisions of the Affordable Care Act and take into account the current health care environment and specific County experience. These dynamics will be incorporated into the County's long-term benefits strategy which is based on the following:

- Offering competitive health care benefits that allow the County to attract and retain employees;
- Providing employees and retirees with meaningful choices of benefits so they can select a plan that best meets their individual needs;
- Improving the value the County, its employees and its retirees receive for the money spent on medical care; and
- Enhancing employee and retiree focus on wellness.

The County offers its employees and retirees several health insurance alternatives, with the intent of offering options that are both comprehensive and cost effective. A self-insured open access plan (OAP) features a national network of providers with four levels of coverage. One level of coverage has a co-pay structure for office visits and other services, two levels of coverage include co-insurance and modest deductibles, and one level offers a consumer-directed health plan with a health savings account that is partially funded by the County. In addition, a fully-insured health maintenance organization (HMO) is available, featuring care centers located in communities throughout the area with a co-pay structure for office visits and other services. The County sets premiums and manages plan design in order for the plans to cover claims, administrative expenses, and reserve requirements.

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Over the next few years, the County will employ several strategies to continue to provide high-quality health coverage for employees while containing costs in light of the health care reform measures on the horizon. Staff will continue the open dialogue with employees on plan design changes necessary for effective cost containment through Benefits Focus Group meetings. Some of these changes may include adjustments to deductibles, co-pays, and out-of-pocket maximums or removing high-cost pharmacies from the network. Staff will also continue to examine the County's plans to determine if the offerings provide adequate choice with regard to both coverage and cost, while being mindful of the potential significant costs associated with the Cadillac tax in future years. Options include the replacement of existing plans with additional alternatives which more strongly encourage consumerism and an examination of the viability of private exchanges which are becoming more prevalent in the marketplace.

Staff has pursued a number of innovative strategies to educate participants about optimal plan selection, including an instructional video for the new drug plan for Medicare-eligible retirees, as well as an interactive video for employees with an emphasis on picking the best plan. These videos are third-party hosted and can be accessed by plan participants on laptops, tablets, and smart phones. Additionally, staff will continue to build on the success of the LiveWell programs by increasing participation in MotivateMe incentives, building awareness of healthy behaviors webinars, and instituting employee challenges and events that encourage group participation.

Beginning in early 2016, the County must comply with the reporting requirements of the Individual Responsibility and Employer Shared Responsibility Rules, also known as the Employer Mandate. As part of this mandate, the County must submit detailed information on employees and dependents to the IRS regarding their County coverage, so eligibility for federal subsidies can be determined if any County employees apply for coverage under one of the Health Exchanges. Also, the County must furnish statements to employees showing the information sent to the IRS.

The Health Care Excise Tax (commonly referred to as the "Cadillac tax") will be implemented beginning in 2020, and the County will need to take further steps over the next few years to prepare for it. While no material impact from the Cadillac tax is expected until 2021 or later, deliberate decisions must be made in the coming years to minimize its impact on the County. The introduction of a consumer-directed health plan with a health savings account is one step toward mitigating the excise tax impact, as it will help employees understand the value of being better health care consumers. Staff will continue to monitor the potential impact of the Cadillac tax and will provide updates to the Board as additional information becomes available.

Mandates

The administration and compliance of benefits are subject to the federal and state regulations of regulatory bodies such as the Internal Revenue Service, Department of Labor, and Centers for Medicare and Medicaid Services. In addition, health care is mandated under the Patient Protection and Affordable Care Act (PPACA). PPACA requires that all permanent employees working 30 hours a week or more are offered minimum essential coverage.

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Trends and Challenges

A Consumer-Directed Health Plan (CDHP) and a Health Savings Account (HSA) were introduced for the 2016 plan year as an additional health insurance option for employees. Several wellness initiatives are also being developed that are aimed at helping County employees become and stay healthy. Both of these efforts will help slow increases in healthcare costs and lead to better health outcomes.

The passage of the Patient Protection and Affordable Care Act has led to a shift in reporting and compliance regulations. The Benefits Division is monitoring the industry landscape to ensure proper compliance and best practices as the law continues to go into effect.

Health care and drug costs are increasing at unsustainable rates both nationally and locally. The Benefits Division continually endeavors to motivate and educate employees and retirees to make better health-related choices.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #27: Benefits Administration			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$954,188	\$959,563	\$644,963
Operating Expenses	67,308	56,991	0
Total Expenditures	\$1,021,496	\$1,016,554	\$644,963
General Fund Revenue	\$0	\$0	\$0
Net Cost/(Savings) to General Fund	\$1,021,496	\$1,016,554	\$644,963
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
<u>Positions:</u>			
Regular	15 / 15	16 / 16	12 / 12
Total Positions	15 / 15	16 / 16	12 / 12

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Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Deferred Compensation participation rate	49.8%	51.2%	56.3%	58.0%	59.5%
Healthcare plan costs per employee	\$11,676	\$12,963	\$13,768	\$14,452	\$15,600
MotivateMe participation	NA	772	907	1,050	1,200

The Deferred Compensation participation rate has been growing steadily. This is a positive trend indicating that more employees are taking advantage of the long-term financial benefits of deferred compensation. At an estimated participation rate of 58 percent for FY 2016, Fairfax County is well above the industry average of 48 percent. The recent increase is largely attributable to the implementation of the auto-enrollment feature for new hires effective June 2014. All new hires automatically begin contributing 1 percent of their earnings into a deferred compensation account unless they opt out. The participation rate is expected to continue to grow as more new employees are hired under the auto-enrollment provision.

The cumulative impact of annual healthcare costs is reflected in the increase in total plan costs per employee per year (PEPY). Plan costs of \$9,731 PEPY in calendar year 2010 rose to \$13,416 by July 2015, representing a 37.9 percent increase for the period. Costs are increasing due to a myriad of reasons including the high rate of normal medical inflation, the reduced rate of prescription drugs coming off patent, the continued use of new Hepatitis C drugs, and the introduction of highly effective but very expensive cholesterol drugs recently approved by the FDA. Costs are partially held in check by plan design changes that affect utilization. These cost increases are not sustainable in the long-term, and therefore efforts to contain healthcare costs include plan design changes that impact utilization, the addition of a Consumer-Directed Health Plan and efforts to grow participation in LiveWell.

The LiveWell program is a relatively new initiative aimed at helping County employees become and stay healthy. Two primary aspects of the LiveWell program are MotivateMe and online Health Assessments. Participation in both MotivateMe and online Health Assessments has increased steadily by 17.5 percent and 21.0 percent, respectively, from calendar year 2014 through July 2015. These numbers are at the higher end of the expected range of engagement. Efforts will continue to promote the program through creative marketing in order to raise awareness and drive up participation.

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LOB #28:

PAYROLL ADMINISTRATION

Purpose

The Payroll Division is responsible for ensuring timely and accurate biweekly payments to more than 16,000 County employees in compliance with applicable Federal, State and County laws and regulations. In addition to processing the payroll, the Payroll Division is responsible for posting documents and payments to the finance module within the FOCUS system and ensuring timely payment of federal and state taxes. This division provides HR and Payroll support to payroll contacts and HR managers in each of the County agencies. As official custodian of County personnel and payroll records, the Payroll Division is responsible for maintaining employee records, responding to subpoenas and verifications of employment, and assisting internal and external customers.

Description

Integral to the successful processing of payroll is accurate time and attendance recording, as well as biweekly payroll actions to update leave, tax and direct deposit records for County employees. Payroll staff, working with partners in the agencies, provides consultation, reports and audit support to ensure compliance with appropriate laws and regulations. Staff also responds to unemployment insurance claims and wage garnishments for child support, bankruptcies and tax levies. Accuracy and clear, timely communication are critical to compliance and strong customer service.

Another key responsibility of the Payroll Division is the production of W-2's for all County employees, a number in excess of 20,000 annually. All tax reporting is done in-house, including quarterly and annual reporting to the IRS, Social Security Administration and several state governments.

With a workforce that varies from 14,000 to more than 16,000 over the course of the year, payroll activity is voluminous as employees are hired, transferred, promoted, and terminated across more than forty-five agencies. Payroll staff ensures that the biweekly control audits and reports to the IRS, Virginia Employment Commission (VEC) and other entities are completed on time and accurately.

To support efficient payroll operation, collaboration with agency payroll contacts is a top priority. The Payroll Division provides its partners with regular updates and training to promote consistent, accurate application of payroll policies and procedures.

Benefits

The Payroll Division ensures that County employees are compensated correctly for hours worked and leave taken. This compensation must comply with applicable federal, state and County requirements. Incorrect or untimely payments to employees can affect an employee's livelihood. Employees have come to expect and trust that their "pay is right" and that positively impacts employee morale.

The Payroll Division monitors the deadlines established by federal and state governments for the submission of tax payments. Failure to meet these deadlines would result in late filing penalties. In addition, comprehensive payroll reports and queries have been developed that assist in capturing time reporting data which prevents incorrect payments to employees. Payroll staff proactively identifies issues and changes in tax law to ensure timely compliance with minimal disruption.

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Mandates

The Fair Labor Standards Act (FLSA) regulates minimum wage rates, overtime pay, child labor, and equal pay for employees covered by the law. The Payroll Division verifies compliance based on the employee's work period. For example, staff ensures that 7-day work period non-exempt employees are paid one and a half times salary for hours over 40.

The Immigration Reform and Control Act (ICRA) prohibits employers from hiring persons who are not authorized to work in the U.S. and from discriminating against those who are authorized to work based on their national origin or citizenship. The Payroll Division audits I-9 forms submitted by agency payroll contacts to ensure compliance. The division tracks and monitors documentation submitted with a work authorization expiration date.

The Uniformed Services Employment Reemployment Rights Act (USERRA) protects civilian job rights and benefits for veterans and members of Reserve components. The Payroll Division is responsible for processing military pay differential for activated reservists whose military pay is less than their County pay.

The Fairfax County Personnel Regulations and the Fairfax County Personnel Payroll Administration Policies and Procedures apply to positions and persons in competitive service. The Payroll Division ensures compliance with pay, time reporting, leave programs and personnel administration as it relates to these regulations and procedures.

The Library of Virginia determines the record retention requirements and record destruction schedules for Virginia that the Payroll Division must follow.

The Family and Medical Leave Act (FMLA) guarantees 12 weeks of unpaid leave to most employees to care for newborn or newly adopted children or to deal with a serious illness or injury suffered by the employee or an ailing child, spouse, or parent of the employee. The Payroll Division assists agency departments with the proper reporting of time for employees on FML.

The Virginia Workers' Compensation Act provides guidance related to compensation for injured employees. The Payroll Division assists agencies with the proper reporting of time for employees on injury leave. In addition, the Payroll Division is responsible for adjusting workers' compensation-eligible wages for proper tax reporting.

The Virginia Government Data Collection and Dissemination Practices Act provides guidance on the collection, maintenance, dissemination and use of personal information. As custodian of employee personnel records, the Payroll Division must ensure that the correct guidelines are followed.

The Payroll Division ensures compliance with the tax reporting deadlines, appropriate wage reporting, and appropriate taxation of wages earned as specified in Publication 15, Employer's Tax Guide, of the Internal Revenue Service.

Trends and Challenges

A major trend for the Payroll Division is the provision of payroll training to division staff, payroll contacts and other County employees in order to increase efficiency and proficiency in personnel administration and payroll processing. The division is also working to develop more effective reports so that customers are better able to manage payroll data. Staying abreast of ever-changing payroll laws is a significant challenge. An example is the impending change to Department of Labor regulations regarding overtime eligibility.

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Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #28: Payroll Administration			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$1,121,402	\$1,141,610	\$1,043,879
Total Expenditures	\$1,121,402	\$1,141,610	\$1,043,879
General Fund Revenue	\$42,095	\$42,939	\$42,026
Net Cost/(Savings) to General Fund	\$1,079,307	\$1,098,671	\$1,001,853
POSITIONS			
<i>Authorized Positions/Full-Time Equivalents (FTEs)</i>			
<u>Positions:</u>			
Regular	15 / 15	15 / 15	15 / 15
Total Positions	15 / 15	15 / 15	15 / 15

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of W-2 forms produced, printed and mailed	18,375	20,815	21,148	22,735	24,235
Total rehires and new hire actions processed	3,875	3,769	4,332	4,568	4,888

W-2 forms are processed in house. Over the last three years, the number produced has increased to reflect the growing number of hires and rehires as well as an increase in the number of categories of individuals that are required to receive a W-2. Payroll Division efficiency has increased and W-2 forms continue to be distributed to employees prior to the required deadline. This is done in coordination with the print shop and the mail room. The number of W-2 forms processed is expected to continue to rise due to turnover from retirements.

Payroll staff is responsible for auditing and approving all new hire and rehire actions. Each year, the number of actions has increased and the staff of four has been able to effectively process the actions within the required biweekly deadlines. It is anticipated that the number of actions performed in FY 2017 will exceed prior year totals. This is driven primarily by an increase in the number of retirements and related new hire actions as well as the presidential election in November 2016. Recent IRS requirements mandate that individuals serving as election workers (estimated number for fall 2016 is 3,400) be paid through the County's payroll system, following the same employment verification requirements as other new hires. Payroll staff has had to become more efficient through use of technology, streamlined processes, and clear communication with agency counterparts to continue processing the high volume of actions with the same level of resources.

Department of Human Resources

LOB #29:

EMPLOYMENT

Purpose

The Employment Division provides countywide support to all departments and employees in talent acquisition by providing the tools, strategies, and proven methodologies needed to attract top performers to the County.

Description

The Employment Division provides support to the hiring process from start to finish for both applicants and hiring managers. Using the automated hiring system, staff is typically able to post jobs, accept online applications, review applications and provide a referral list to the hiring managers within five business days from the date the advertisement closes.

The Employment Division provides guidance and support to ensure that selection procedures comply with applicable federal, state and local regulations. Staff works with agencies to develop recruitment plans that can be tailored to the specific vacancy, determine the most effective advertising sources and medium, and consult as needed throughout the hiring process. Staff also conducts ongoing training to ensure that hiring managers and those who serve on interview panels are aware of County interviewing policy and procedures. This effort minimizes applicant complaints and reduces the number of appeals and grievances filed. In the public safety arena, several staff members are dedicated almost entirely to the development, validation and administration of more than 10 promotional processes per year.

Employment Division staff serve as County ambassadors, attending a significant number of job fairs to help promote the many career opportunities in the County. Staff will continue to identify those positions that require targeted outreach and recruitment efforts to attract sufficient top quality candidates and will develop a survey for newly hired employees to evaluate the hiring and onboarding experience.

Benefits

As a result of greater automation, targeted training for hiring managers and increased communication with our partners, the time required to fill a position has been reduced with a more consistent caliber of applicant being referred to the agency for interview. Greater use of electronic communication with applicants has increased efficiency and reduced cost, and provides a faster notification process that has increased satisfaction and reduced inquiry calls to analysts.

Partnering with the Compensation and Workforce Analysis Division and the Department of Management and Budget, Employment staff works to strategically address position or organizational unit requirements from a recruitment and retention perspective. This helps to better frame employment standards that are current with agency needs and certification requirements, job advertisements that highlight the key attributes of a position to attract the best candidates and a recruitment strategy that builds on the subject matter expertise in the agency.

Collaboration with public safety agencies is essential to providing promotional exam processes that are job-related, efficient to administer, timely and result in consistent treatment of applicants and meaningful differentiation among the exam participants.

Department of Human Resources

Mandates

- Recruitment and selection are regulated by 5 C.F.R Part 900 Subpart G. (section 9000.603) Intergovernmental Personnel Act Chapter 3, Article 1; Fairfax County Code (merit System Ordinance Section 3-1-1; Section 3-1-6); and 28 C.F.R.50.14, Uniform Guidelines on Employee Selection.
- Testing is regulated by 5 C.F.R Part 900 Subpart G. (section 9000.603) Intergovernmental Personnel Act Chapter 3, Article 1; Fairfax County Code (merit System Ordinance Section 3-1-1; Section 3-1-6); and 28 C.F.R.50.14, Uniform Guidelines on Employee Selection.
- The Employment Division ensures compliance with the Americans with Disabilities Act of 1990: Title II and Executive Order 11478, and ensures that Criminal Background Investigations and Credit Checks comply with Code of Virginia § 2.2-1201.1 and the requirements of the Virginia State Police, the Employment Integrity Group, and the Fair Credit Reporting Act (FCRA).

Trends and Challenges

With the growth of social networks such as LinkedIn, Twitter, Facebook, Glassdoor, and Indeed, organizations have a bevy of tools available to promote employment branding. The former model of candidate relationship management has evolved to a talent network model and these social sites have become the place to attract people with diverse backgrounds and a high level of competency. As a result, the role of recruiters has become more important in talent acquisition. Trends include high-powered sourcing, initial screening, and pre-interview assessments to determine knowledge gaps. There has also been a greater use of interns in County agencies, which is providing an excellent training ground for young college students and graduates.

The Employment Division faces the challenge of marketing County jobs effectively in a way that ensures that applicants get a clear picture of the County's full array of career opportunities and robust total compensation package. In addition, continued improvements in efficiency will be needed for the division to keep pace with the number of impending retirements.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #29: Employment			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$1,042,064	\$985,237	\$1,057,068
Operating Expenses	395	0	0
Total Expenditures	\$1,042,459	\$985,237	\$1,057,068
General Fund Revenue	\$0	\$0	\$0
Net Cost/(Savings) to General Fund	\$1,042,459	\$985,237	\$1,057,068
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
<u>Positions:</u>			
Regular	12 / 12	13 / 13	12 / 12
Total Positions	12 / 12	13 / 13	12 / 12

Department of Human Resources

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of best qualified applicants forwarded to departments	21,828	15,541	17,361	17,000	17,000
Work days between job closing date and sending referral list to agency	5	6	5.75	6	5
Number of public safety promotional exam participants	585	194	639	425	450

The number of best qualified applicants forwarded to departments is on a slight downward trend due to efficiencies gained with the updated automated recruitment module. Staff is able to more closely monitor all applications, allowing them to better screen for applicants that meet the requirements that the agency has designated as important for success in the job.

The number of work days between the job advertisement closing date and delivery of the referral list to the agency has remained stable over the past few years. This number is driven in large part by the number of vacancies advertised and filled. When the number of referral lists created nearly tripled from FY 2013 to FY 2014, the time from job closing to referral list delivery only increased from 5 to 6 days. When the number of referral lists grew again from FY 2014 to FY 2015, staff was able to reduce the delivery time from 6 days to 5.75 days. Staff will continue to look for efficiencies to ensure timely delivery of this critical recruitment service.

Employment Division staff, working with the public safety agencies, are responsible for the development, validation, and administration of the promotional exams that are key to the careers of thousands of public safety employees. The exam schedules are on cycles; however, changes in the number of retirements or recruitment challenges can impact those schedules.

Department of Human Resources

LOB #30:

COMPENSATION AND WORKFORCE ANALYSIS

Purpose

The Compensation and Workforce Analysis Division ensures that the most qualified individuals are attracted and retained to work in Fairfax County by ensuring competitive salaries that are consistent with best practices in the public and private sectors. This division also manages the processes that help to ensure that organization structures and classifications are in alignment with short-term and long-term business needs of the County.

Description

The Compensation and Workforce Analysis Division is responsible for managing the workforce planning and compensation systems and programs for Fairfax County.

Compensation work includes computing cost estimates for compensation-related budget initiatives; researching and computing data and the annual market index; surveying private and public sector employers to determine prevailing salaries for jobs similar to those in the County; responding to requests for salary and benefit information from other public and private employers; maintaining the County's pay plans; recommending solutions to County turnover, retention and internal equity problems by developing alternative salary solutions such as variable pay plans and signing bonuses; managing major compensation market survey reviews that have a countywide impact; and, as directed by the Board of Supervisors and the County Executive, researching special compensation issues.

Workforce planning work involves consulting with agency directors to develop workforce planning solutions to align with their strategic business initiatives. This includes creating positions at classifications which will best meet agency needs; creating new job classes in order to meet County needs; auditing positions in order to ascertain the proper classification and grade; conducting organization and reorganization studies, which entail the review of position descriptions and assignment to the proper classification; managing the position control and human resource management functions for the entire County workforce; and providing consultation and support to agencies to implement long-range organizational structure planning solutions.

Staff works in a team-based environment, individually, or in groups as consultants.

Benefits

The Compensation and Workforce Analysis Division provides services to the entire County, but most directly to department HR liaisons, agency managers, and senior management. The division provides benefits to the entire County by managing the compensation processes to ensure that the County hires and retains the most qualified employees. The division also assists department management by ensuring that the appropriate organizational structures are designed and developed, the appropriate number of positions is established, and the appropriate classifications are made to meet strategic objectives and goals.

Mandates

The Compensation and Workforce Analysis Division ensures that the county is in compliance with federal and state mandates, such as FLSA, the Equal Pay Act, and other pay-related employment laws.

Department of Human Resources

Trends and Challenges

The increasing competitiveness in the local job market, combined with the increasing number of retirements of County employees is a trend that is expected to continue for a number of years. An additional trend is the increased focus on recent and future County development and revitalization projects and the organizational changes required to successfully staff these positions.

A significant challenge is maintaining a pay structure that is flexible enough to meet changing needs but has the structural and fiscal controls necessary to be sustainable in a constrained budget climate. Maintenance of competitive pay structures and policies for public safety personnel is challenging due to strong competing interests, changing overtime regulations and competition with other jurisdictions and federal agencies such as the Department of Homeland Security.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #30: Compensation and Workforce Analysis			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$884,009	\$904,199	\$1,084,118
Operating Expenses	1,548	9,907	25,000
Total Expenditures	\$885,557	\$914,106	\$1,109,118
General Fund Revenue	\$0	\$0	\$0
Net Cost/(Savings) to General Fund	\$885,557	\$914,106	\$1,109,118
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
<u>Positions:</u>			
Regular	10 / 10	10 / 10	8 / 8
Total Positions	10 / 10	10 / 10	8 / 8

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of job classes benchmarked	400	800	800	800	800
Cost per job reviewed	\$275.00	\$281.89	\$288.33	\$289.80	\$289.80

One of the recommendations of the compensation study made by the Segal Group in 2008 was to review 25 percent of the County's classes each year for pay and grade appropriateness. However, with the onset of the financial and budget constraints limiting annual pay increases soon after the recommendations were implemented, the County has opted to review all of the classes annually to ensure that pay levels remain competitive. This trend will most likely continue in the short and medium terms.

Despite the need to review 100 percent of job classes each year the cost per job reviewed has remained stable. The overall trend is a slight increase in cost per year, due primarily to County midpoint adjustments.

Department of Human Resources

LOB #31:

ORGANIZATIONAL DEVELOPMENT AND TRAINING

Purpose

The Organizational Development and Training (OD&T) Division supports the countywide Employee Development and Learning Program. Key areas include general programs, leadership, desktop, FOCUS, and Employee U programs. The division strives to build an empowering culture of continuous learning and development and create strategic pathways to success for County employees at every level. The division also collaboratively designs and provides learning and development solutions to increase the capacity of individuals, teams, and organizations within Fairfax County Government.

Description

The Organizational Development and Training Division supports all County learning and development programs, including countywide training as well as specific agency, mandatory, leadership, technical, e-learning, FOCUS and desktop training. Supplemental programs that support employee development include the Tuition Assistance and Language Tuition Assistance (TAP/LTAP) programs, Toastmasters, the George Mason University Fellows, the Council of Governments' Institute for Regional Excellence Program, and the NOVA Partners program. Many of these programs are supported with countywide training funds in Agency 89, Employee Benefits. In addition, this division provides organizational development and consultative services to agencies such as facilitation, 360-degree assessment, executive coaching, high performance organization support, competency development, and instructional design support.

OD&T also supports the countywide succession planning initiative. This includes development and provision of resources to all employees for performance management, career management and talent management. Program management of both informal and formal mentoring programs, gaps analysis and management of community of practices groups support this important initiative.

The division is responsible for countywide leadership training offerings. Focus groups and surveys are used to define needs and "Leadership Tracks" have been created for specific "soft skill" courses critical to employee success. Each track is maintained by level. For example, a newly hired manager could go to the appropriate track and select from courses assigned to that track. All courses are housed on Employee U, the County's Learning Management system. OD&T also provides organizational development, training and services to build skills for leading teams, managing resources, coaching employees, communicating effectively, and critical thinking as well as organizational development interventions, team facilitation, instructional design and eLearning consultation, and coaching services.

Another area of training that OD&T manages is desktop and FOCUS support. This includes overseeing the computer learning center training facilities, maintaining and upgrading computers, and collaborating with the vendor to schedule courses. Collaboration with partners in other agencies such as the FOCUS Business Support Group of the Department of Management and Budget, the Department of Finance and the Department of Procurement and Material Management is critical to updating the content of courses.

The County's Learning Management System (LMS) is a critical learning and development tool for all users in Fairfax County Government. OD&T supports the County's learning and competency programs through the learning management system branded Employee U. Staff manages the databases and various reporting and query tools to develop reports and maintain data integrity. LMS supports the acquisition and implementation of new learning technologies such as online learning and virtual classroom, powerful tools to efficiently train the County's large and diverse workforce. Employees have the benefit of a one-stop shop to find training opportunities that are appropriate for them. After completion, training is recorded and saved in each employee's learning history. It is easier for agency supervisors and training coordinators to track, enroll, and process training completions, thus ensuring that important certifications are maintained.

Department of Human Resources

Benefits

The programs and services provided by the Organizational Development and Training Division are intended to promote readiness for change and support the strategic direction of the organization. Employees, teams, and senior management all need to “pull” in the same direction to the extent possible within varying roles and agencies. Leveraging limited resources, OD&T partners with staff countywide to provide relevant development opportunities that meet needs in the areas of leadership, change management, technical training, and mandatory training while providing support on a more individualized or group basis for facilitation, organizational assessments and interventions. The division acts a clearinghouse for best practices in the areas of learning, employee development, and leadership by gathering and promoting successful strategies and ideas that have been developed within departments. A major benefit to the County is the collaborative nature of this effort which ensures that strategic initiatives, large and small, are supported in a timely, focused and responsive manner.

Mandates

The Organizational Development and Training Division supports mandatory training on topics such as sexual harassment and the Americans with Disabilities Act (ADA) that is provided by the Office of Human Rights and Equity Programs.

Trends and Challenges

Greater use of technology is the major trend in the learning and development industry. It is anticipated that a significant portion of County training will migrate to a “blending” concept, combining e-learning and classroom learning to meet the needs of the workforce most efficiently. Additionally, the workforce is increasingly multi-generational requiring flexibility to meet the needs and learning styles of the different generations.

Another significant trend for OD&T is the increased importance of a successful succession planning program to support the development of strong leaders at all levels. This is necessary both to address turnover due to retirements and to promote versatility across departments. Development and maintenance of a successful succession planning program presents challenges due in part due to the potential volume of near-term retirements as well as the need to find resources, tools, and programs that are cost efficient and effective within a civil service environment.

A continuing challenge for the division is the limited resources, both budget and staff, to support new or upgraded technology and to ensure timely training for employees who will be using the technology.

Department of Human Resources

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #31: Organizational Development and Training			
FUNDING			
Expenditures:			
Compensation	\$929,747	\$1,102,545	\$861,281
Operating Expenses	0	19,787	62,023
Total Expenditures	\$929,747	\$1,122,332	\$923,304
General Fund Revenue	\$0	\$0	\$0
Net Cost/(Savings) to General Fund	\$929,747	\$1,122,332	\$923,304
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
Positions:			
Regular	12 / 12	13 / 13	14 / 14
Total Positions	12 / 12	13 / 13	14 / 14

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Participation in DHR training	11,588	10,776	18,235	18,500	18,500
Cost of training per employee	\$142	\$96	\$95	\$95	\$95
Percent of employees indicating they will apply what they learned	94%	97%	95%	96%	96%

Training participation has trended upward due to the use of eLearning and online instructional courses. This technology has made training more widely available for employees across the County. Online courses not only remove geographical obstacles, but also remove scheduling problems. Courses are available to employees 24/7, allowing more employees to take advantage of the many training opportunities available to them. As more online opportunities are developed, OD&T will become more efficient by training more people without the need for large increases in staff.

As mentioned above, countywide training is become increasingly more efficient due to the use of technology. Online instructional courses and eLearning courses lower costs and increase productivity. The division is currently using Skype for Business, a countywide online resource, to conduct training. Sessions have been conducted for employees geographically dispersed at South County, police stations, fire stations, and other non-government center worksites, saving time, money and material costs. The division will continue to utilize technology, e-learning and other sources of low-cost training to leverage its limited resources.

Each year a very high percentage of training participants indicate they will apply what they have learned as they perform their County duties. This indicator, which is critical to a successful training and development program, has remained consistently at or around 95 percent, reflecting the division's proactive use of employee feedback to provide training offerings that are not only efficient but are also needs-driven and responsive to employee and manager input.