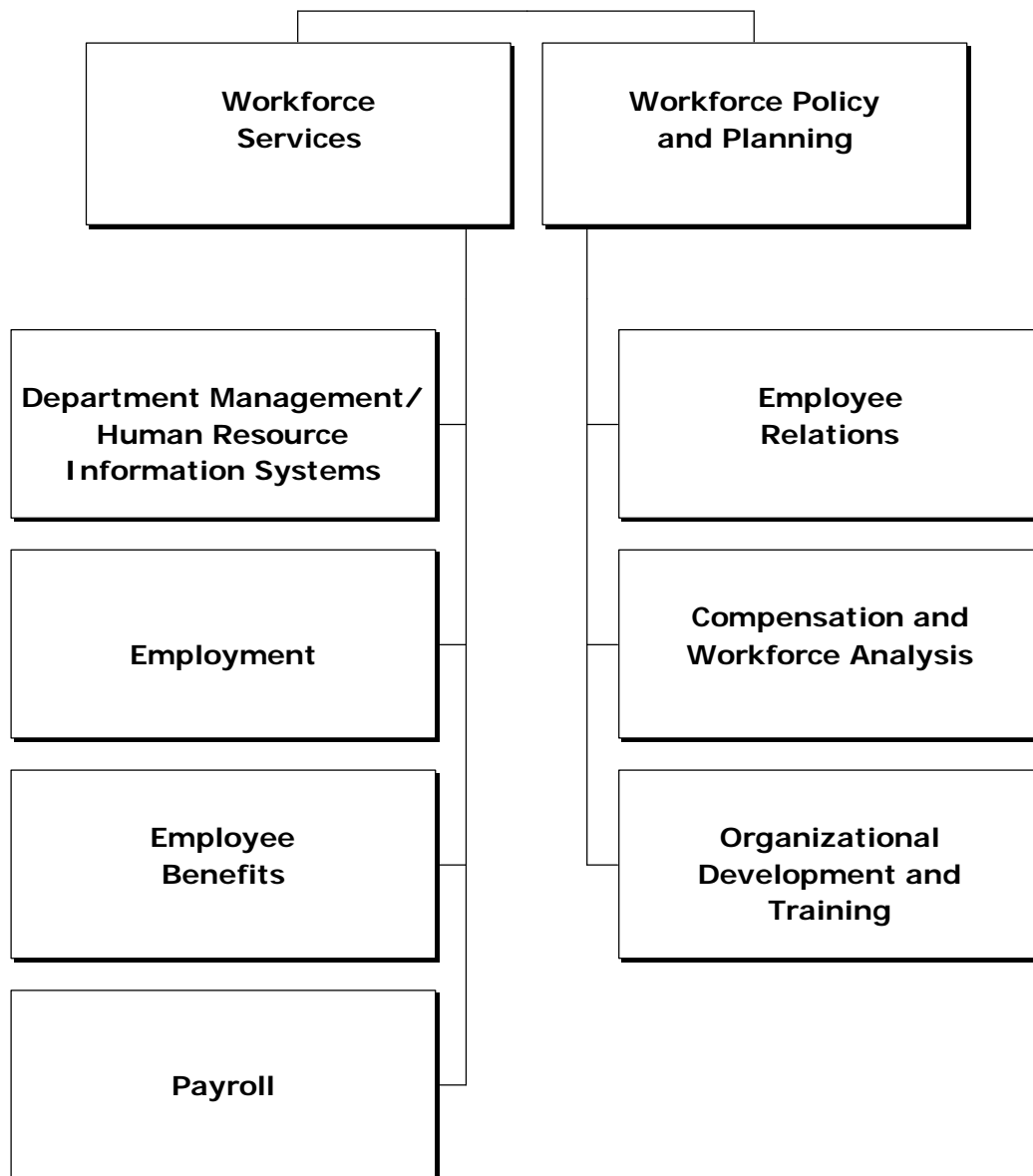


Department of Human Resources



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.

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

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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 deliver its services across all human resources functions. DHR is entering a new phase in applying technology as Fairfax County Government and the Fairfax County Public Schools have embarked on a multi-year, joint initiative to modernize the portfolio of enterprise systems through a legacy systems replacement project (FOCUS). DHR is committed to optimizing operations through a combination of system replacements and business process redesigns. Existing countywide systems will be replaced to achieve overall integration of its systems, data, and key business processes across human resources, payroll, purchasing, operational, and financial systems. Through these core changes, Fairfax County Government will enhance decision-making capabilities, improve financial reporting, eliminate duplicate data entry, and enhance system flexibility to respond to evolving business needs. Implementation of the Human Capital Management (HCM) module spans two project rollout phases and extends throughout FY 2013, with the greatest levels of staff effort required in FY 2012 and FY 2013. DHR has reallocated staffing resources to make the project a success - over 25 percent of staff have been and will continue to be dedicated to the project full-time.

DHR has articulated its strategy for the design, implementation, and administration of benefits programs that are competitive, comprehensive, affordable, and compliant. The goal is to ensure that the overall benefits package successfully serves as a useful tool in the attraction and retention of key talent for the County. In FY 2012, the focus was on streamlining plan administration, improving employee communication and education efforts, enhancing tools, and employing robust internal controls and metrics. This was accomplished in the context of an increasingly complex regulatory environment, particularly in light of federal healthcare reform as well as other legislative and regulatory initiatives affecting the benefits function.

Future Challenges

Under the direction of a formally chartered Departmental Leadership Team, DHR will continue to provide functional services and support. Additionally, the department will monitor legal trends and industry best practices that affect the County and its workforce. This environmental scanning fuels development of effective tactics to mitigate problems, and gives rise to proactive strategies to champion for productive change, promote legal compliance, and strengthen and leverage the County's high performance workforce. Key challenges for DHR staff in FY 2013 and beyond include:

- **Healthcare Management:** Federal healthcare reform will dramatically change the landscape for the County's medical programs by increasing the size of the population eligible for coverage, mandating new design components, and increasing the scope of reporting and administrative requirements. In FY 2013, DHR will continue to build on these quality assurance and compliance efforts, while also re-evaluating its major vendor relationships in light of technological and service evolution of the benefits marketplace. The goal of this analysis, as well as associated procurement activities and plan re-design initiatives, is to provide programs that meet the evolving needs of the County's employee demographic.
- **FOCUS Legacy System Replacement Project:** Departmental support for the legacy system replacement project requires sustained staffing emphasis through the end of FY 2013. In addition to completing system architecture functions, DHR is also accountable for supporting FOCUS-related change management initiatives, transitioning County staff to a FOCUS-driven focal date evaluation system, and sustaining high-volume training programs to ensure every County employee is prepared to utilize the new system at go-live.

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- **Sustainable Staffing:** While many “baby boomers” are rethinking retirement dates, several agencies still anticipate significant labor and skill shortages in coming years as experienced employees leave the County workforce. Five percent of the County workforce will exit the work place by the end of FY 2013 as Deferred Retirement Option Plan (DROP) enrollees reach the end of their DROP period, and an additional 12 percent become retirement eligible. DHR will continue to work with agencies to manage this talent migration, including employee departures, up-skilling existing staff, and securing new talent when applicable.
- **Organizational Alignment:** Effective and responsive service delivery demands internally-aligned strategies and tactics. During FY 2013, the department will launch its next strategic planning cycle and reorganize the department structure to align with FOCUS emphasis areas. Completion of the strategic planning process and reorganization will contribute to streamlining transactional duties, enhancing timeliness of service delivery, identifying cost reduction opportunities, and promoting seamless service delivery following the FOCUS migration.

DHR will continue to work collaboratively with employee groups and stakeholders to align and sustain an organizational culture where employees feel valued, energized, and committed to the success of the organization. This approach is founded in transparent personnel regulations and practices and supported by providing consultative services. Consultation enables DHR to better support the unique requirements of individual departments in an increasingly complex environment with reduced resources. Consultation areas include:

- workforce and succession planning
- legal and regulatory compliance and implementation
- employment branding and targeted recruiting for difficult-to-fill positions and evolving applicant demographics
- employee performance optimization and compliance coaching
- work/life solutions and strategies
- talent retention strategies
- up-skilling employees and building organizational agility and capacity

The department will continue to leverage productivity by working collaboratively with commissions, advisory panels, boards, agency human resource staff, and an array of employee representation groups and other stakeholders to achieve mutual goals and objectives. This outward engagement ensures the department’s strategic and tactical work remains customer-focused, balances the needs of employees with management responsibilities and accountabilities, and ensures practicable implementation.

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Budget and Staff Resources

Agency Summary					
Category	FY 2011 Actual	FY 2012 Adopted Budget Plan	FY 2012 Revised Budget Plan	FY 2013 Advertised Budget Plan	FY 2013 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	84 / 84	84 / 84	84 / 84	84 / 84	84 / 84
Expenditures:					
Personnel Services	\$6,153,412	\$5,797,573	\$6,186,062	\$6,114,150	\$6,189,680
Operating Expenses	1,017,054	1,361,179	1,538,386	1,329,528	1,329,528
Capital Equipment	0	0	0	0	0
Total Expenditures	\$7,170,466	\$7,158,752	\$7,724,448	\$7,443,678	\$7,519,208
Income:					
Professional Dues Deduction	\$38,361	\$36,534	\$39,650	\$41,240	\$41,240
Total Income	\$38,361	\$36,534	\$39,650	\$41,240	\$41,240
Net Cost to the County	\$7,132,105	\$7,122,218	\$7,684,798	\$7,402,438	\$7,477,968

FY 2013 Funding Adjustments

The following funding adjustments from the FY 2012 Adopted Budget Plan are necessary to support the FY 2013 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 May 1, 2012.

- ◆ Employee Compensation** **\$204,444**
 An increase of \$204,444 in Personnel Services reflects \$128,914 for a 2.18 percent market rate adjustment (MRA) in FY 2013, effective July 2012, and \$75,530 for a 2.50 percent performance-based scale and salary increase for non-uniformed merit employees, effective January 2013.
- ◆ Full Year Impact of FY 2012 Market Rate Adjustment** **\$115,951**
 As part of the *FY 2011 Carryover Review*, the Board of Supervisors approved an increase of \$115,951 in Personnel Services for a 2.0 percent market rate adjustment (MRA), effective September 24, 2011.
- ◆ Transfer of Personnel Services Funding** **\$87,000**
 An increase of \$87,000 in Personnel Services reflects a transfer of funding from the Fairfax-Falls Church Community Services Board (CSB) associated with a position within the department supporting training needs for the CSB.
- ◆ Americans with Disabilities Act (ADA)** **\$25,000**
 An increase of \$25,000 in Operating Expenses is associated with reasonable accommodations related to hiring and/or promoting employees with disabilities.
- ◆ Intergovernmental Charges** **(\$351)**
 A net decrease of \$351 in Operating Expenses for Department of Vehicle Services charges is based on anticipated charges for motor pool costs.

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◆ Reductions (\$71,588)

A decrease of \$71,588 reflects the following reductions utilized to balance the FY 2013 budget:

Title	Impact	Posn	SYE	Reduction
Reduce Limited-Term Funding	This reduction decreases limited-term funding used to provide administrative support for the agency and direct customer service to employees. This reduction will adversely affect all DHR staff due to lost productivity, reduced efficiency, and lost opportunity costs resulting from higher-paid staff absorbing lower-impact work. Employees will experience longer wait and processing times, reduced individualized service and as a result, experience a lower overall level of service quality. Additionally, this reduction may place downward pressure on employee benefits satisfaction ratings – a key predictor of employment satisfaction and a cornerstone of the County's recruitment and retention strategy.	0	0.00	\$15,288
Reduce Consulting Funds	This reduction decreases the departmental budget for professional consulting services and affects the department's ability to fully implement existing benefits vendor work in a timely manner. Additionally, because of staff redeployment to absorb vendor workload, there will be reduced capacity to complete strategic benefits initiatives and longer review periods and delayed implementation with current Requests for Proposals. This cut occurs when staff is already tasked with interpreting and implementing massive legislative changes. The loss of consultant expertise will reduce the department's ability to identify and leverage benefits best practices and increases County risk exposure due to lack of compliance with new benefits legislation.	0	0.00	\$56,300

Changes to FY 2012 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2012 Revised Budget Plan since passage of the FY 2012 Adopted Budget Plan. Included are all adjustments made as part of the FY 2011 Carryover Review, FY 2012 Third Quarter Review, and all other approved changes through April 24, 2012.

◆ Carryover Adjustments \$265,696

As part of the FY 2011 Carryover Review, the Board of Supervisors approved funding of \$88,489 in Personnel Services for a 2.0 percent market rate adjustment, effective September 24, 2011. In addition, the Board approved encumbered funding of \$177,207 in Operating Expenses.

◆ Third Quarter Adjustments \$300,000

As part of the FY 2012 Third Quarter Review, the Board of Supervisors approved funding of \$300,000 in Personnel Services to support staff costs related to the Human Capital Management (HCM) module of the FOCUS project. With a number of key staff deployed to the project, the agency shifted positions and filled vacancies to ensure that fundamental operations, including payroll, employment, and benefits administration, were not impacted.

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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

Funding Summary					
Category	FY 2011 Actual	FY 2012 Adopted Budget Plan	FY 2012 Revised Budget Plan	FY 2013 Advertised Budget Plan	FY 2013 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	57 / 57	57 / 57	57 / 57	57 / 57	57 / 57
Total Expenditures	\$5,276,632	\$5,101,732	\$5,637,221	\$5,191,073	\$5,240,820

Position Summary					
Department Management/HRIS		Employment Division		Payroll Division	
1 Human Resources Director	5	1 Human Resource Analyst IV	1	1 Human Resource Analyst IV	
1 Asst. Human Resources Dir.	1	5 Human Resource Analysts III	2	2 Human Resource Analysts III	
1 Info. Tech Program Manager I	1	1 Management Analyst III	1	1 Management Analyst III	
1 Business Analyst IV	4	1 Human Resource Analysts II	1	1 Accountant III	
1 Resource Development and Training Manager	1	1 Communications Specialist I	2	2 Human Resource Analysts II	
1 Programmer Analyst III	1	1 Administrative Assistant IV	1	1 Human Resource Analyst I	
2 Business Analysts III			4	4 Administrative Associates	
1 Network/Telecom. Analyst II		Employee Benefits Division	1	1 Administrative Assistant V	
1 Management Analyst II	1	1 Human Resource Analyst IV	1	1 Administrative Assistant IV	
1 Communications Specialist II	1	1 Senior HR Consultant	2	2 Administrative Assistants III	
1 Administrative Assistant IV	3	3 Human Resource Analysts III			
	2	2 Business Analysts III			
	1	1 Human Resource Analyst II			
	1	1 Management Analyst II			
	1	1 Administrative Associate			
	5	5 Administrative Assistants V			
	1	1 Administrative Assistant IV			
TOTAL POSITIONS					
57 Positions / 57.0 Staff Years					

Workforce Policy & Planning

Funding Summary					
Category	FY 2011 Actual	FY 2012 Adopted Budget Plan	FY 2012 Revised Budget Plan	FY 2013 Advertised Budget Plan	FY 2013 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	27 / 27	27 / 27	27 / 27	27 / 27	27 / 27
Total Expenditures	\$1,893,834	\$2,057,020	\$2,087,227	\$2,252,605	\$2,278,388

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Position Summary			
<u>Organizational Development and Training</u>		<u>Compensation and Workforce Analysis</u>	
1	Human Resource Analyst IV	1	Human Resource Analyst IV
2	Senior HR Consultants	1	Senior HR Consultant
4	Training Specialists III	6	Human Resource Analysts III
3	Business Analysts III	2	Human Resource Analysts II
3	Business Analysts II	1	Management Analyst I
1	Training Specialist I	1	Administrative Assistant IV
1	Administrative Assistant V		
TOTAL POSITIONS			
27 Positions / 27.0 Staff Years			

Key Performance Measures

Goal

Working in partnership with DHR customers to foster key communications and continuous improvement in attracting, retaining and developing highly qualified employees to support a high-performance organization.

Objectives

- ◆ To maintain new hires who complete their probationary period at a minimum of 80 percent.
- ◆ To maintain an average pay gap of no more than 15 percent between Fairfax County's pay range mid-points and comparable market mid-points in order to maintain a competitive pay structure.
- ◆ To maintain employee satisfaction in the variety and quality of benefit programs at 91 percent.
- ◆ To maintain the percent of employees who indicate that DHR-sponsored training is beneficial in performing their jobs at a minimum of 95 percent.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimate/Actual	FY 2012	FY 2013
Output:					
Best qualified applicants forwarded to departments	10,953	9,443	14,000 / 16,031	19,000	23,000
Job classes benchmarked	148	NA	NA / NA	NA	200
Enrollments in benefit programs per year	56,140	58,402	63,300 / 62,341	64,000	64,000
Employees that attend DHR training events	5,636	4,489	7,000 / 10,626	12,000	12,000
Efficiency:					
Resumes reviewed for certification per recruitment analyst	9,836	10,492	15,200 / 19,988	20,100	21,000
Cost per job class reviewed	\$246	NA	NA / NA	NA	\$264
Benefit enrollments per SYE	6,238	6,490	7,033 / 6,234	5,300	5,300
Cost of training per employee	\$313	\$270	\$289 / \$191	\$219	\$222

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Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimate/Actual	FY 2012	FY 2013
Service Quality:					
Percent customers satisfied with the applicants on certification list	53%	NA	96% / NA	NA	NA
Work days between job closing date and publication of the centralized certification	5.8	5.9	5.9 / 6.0	6.0	6.5
Percent of benchmarked jobs that are within Fairfax County's pay range mid-points standard and comparable market mid-points	100%	NA	100% / NA	NA	100%
Percent of employees indicating they will apply what they learned	96%	98%	97% / 96%	97%	97%
Outcome:					
Percent of employees who complete their probationary period	82.51%	79.41%	78.00% / 88.54%	78.00%	80.00%
Average gap between Fairfax County's pay range mid-points and comparable range mid-points in the market for core classes	15%	NA	15% / NA	15%	15%
Employee satisfaction with the variety and quality of benefit programs offered	91%	NA	91% / NA	91%	91%
Percent of employees that indicated DHR-sponsored training was beneficial in performing their jobs	97%	95%	95% / 96%	95%	95%

Performance Measurement Results

As the Department of Human Resources reflects on achievements in FY 2011 and preliminary performance indicators for FY 2012, there were many successes which are especially notable given more than 25 percent of staff were dedicated full-time to the FOCUS legacy system replacement project. As the department looks ahead to challenges in FY 2013 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 both phases of the rollout of the FOCUS Human Capital Management modules.

In FY 2011, the percent of employees who completed their probationary period increased from 79.41 to 88.54 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 70 percent in best-qualified applicants in FY 2011. This is attributed to the overall economic condition and outlook, including sustained high unemployment (9.3 percent nationwide), and staff recruitment initiatives - especially 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 91 percent between FY 2010 and FY 2011. This increase is largely due to the high unemployment rate and resulting surge in applicants for all advertised vacancies, as well as the reduced numbers of recruiting staff supporting this function while colleagues are deployed to the FOCUS legacy system replacement project. This efficiency indicator is anticipated to remain high throughout FY 2012 and FY 2013, with review levels returning to FY 2010 levels at the conclusion of the FOCUS project. Due to budget and staffing constraints linked to the

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FOCUS legacy system replacement project, the department did not complete annual customer satisfaction surveys in FY 2011 – a change effective through FY 2013.

The number of benefits enrollments increased by nearly 7 percent between FY 2010 and FY 2011. 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 staff year equivalent is due to staff redeployments in the benefits division. This efficiency indicator will further diminish in FY 2012 and 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 2011 and was unable to complete the survey in FY 2012.

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 the competitive market position of its compensation plan. During FY 2013, compensation and classification staff will benchmark 25 percent of County job classifications, implement approved pay for performance system redesign work plan items, and support the FOCUS legacy system replacement project.

In FY 2011, 96 percent of training attendees indicated that DHR-sponsored training was beneficial in performing their jobs. This percentage is anticipated to stay the same for FY 2012 and FY 2013 as DHR continues its focus on the competency-based "Learning and Leadership" model and implements essential operations training in support of all phases of FOCUS implementation. This key training outcome was achieved in FY 2011, despite half the staff in the Organizational Training and Development Division being detailed to the FOCUS Project Training Development and Delivery Team. The number of employees attending DHR training events increased significantly over FY 2010, an increase of 137 percent. This is largely due to the volume of employees completing online and instructor-led training in May and June 2011 as part of the FOCUS implementation and the introduction of online training modules for employees and supervisors on employee relations topics. The almost 30 percent decrease in the cost of training per employee, between FY 2010 and FY 2011 levels, reflects the cost-efficiencies gained by leveraging in-house instructional designers to deploy online training modules, which consistently reduce per participant costs and yield a faster return on investment when compared to equivalent instructor-led programs. Cost per employee levels are expected to remain lower than pre-FY 2010 levels through FY 2013. Employee participation levels are expected to remain high in FY 2012 and FY 2013 due to the continued phase-in of FOCUS, after which time, participation is expected to return to pre-FY 2011 maintenance levels.