

## Office of Human Resources Management - Fiscal Year 2023 Budget Review Summary

### Proposed FY 2023 Operating Budget

#### Expenditures by Fund Type

Fund	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
General Fund	7,150,590	8,682,900	8,834,100	9,677,700	994,800	11.5%
<b>Total</b>	<b>\$ 7,150,590</b>	<b>\$ 8,682,900</b>	<b>\$ 8,834,100</b>	<b>\$ 9,677,700</b>	<b>\$ 994,800</b>	<b>11.5%</b>

#### Authorized Staffing - All Classifications

Fund	FY 2021 Approved	FY 2022 Proposed	Change Amount	% Change
General Fund	70	70	0	0.0%
<b>Total</b>	<b>70</b>	<b>70</b>	<b>0</b>	<b>0.0%</b>

#### FY 2022 Proposed Budget – Key Highlights

- The FY 2023 Proposed Budget for the Office of Human Resources Management (OHRM) is \$9,677,700. This is an increase of \$994,800, or 11.5%, over the FY 2022 Approved Budget. The increase is primarily due to an increase in compensation expenditures due to the annualization of prior salary adjustments, and an increase in fringe benefit expenditures. The Office's expenditures are funded entirely by the General Fund, other than the Recoveries.
- The FY 2022 estimated total General Fund expenditures are \$8,834,100, which is \$151,200 more than the FY 2022 Approved Budget level of \$8,682,900, or 1.7%. As a result, the Office does expect to request a supplemental budget appropriation to cover compensation and fringe benefit costs incurred as a result of the merit increases awarded to eligible employees in FY 2022.
- FY 2023 General Fund compensation is proposed at \$7,073,800 an increase of \$1,024,400, or 16.9%, above the FY 2022 approved amount. The increase in compensation is primarily due to salary and fringe adjustments.
- The FY 2023 Proposed Budget includes authorization for 70 full-time General Fund positions, which is the same number of positions as the FY 2022 approved level.
- FY 2023 Fringe Benefits are proposed at \$2,370,900, an increase of \$731,600, or 44.6%, above the FY 2022 approved level, to align with projected costs.
- FY 2023 operating expenses are proposed at \$4,976,400, a decrease of \$37,200, or 0.7%, below the FY 2022 Approved Budget level.

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	% Change - Est vs App	FY 2022 Proposed	\$ Change	% Change
Compensation	\$ 5,743,019	\$ 6,049,400	\$ 6,175,300	2.1%	\$ 7,073,800	\$ 1,024,400	16.9%
Fringe Benefits	1,739,435	1,639,300	1,702,400	3.8%	2,370,900	731,600	44.6%
Operating Expenses	3,077,085	5,013,600	4,794,100	-4.4%	4,976,400	(37,200)	-0.7%
Recoveries	(3,408,949)	(4,019,400)	(3,837,700)	-4.5%	(4,743,400)	(724,000)	18.0%
<b>Total</b>	<b>\$ 7,150,590</b>	<b>\$ 8,682,900</b>	<b>\$ 8,834,100</b>	<b>1.7%</b>	<b>\$ 9,677,700</b>	<b>\$ 994,800</b>	<b>11.5%</b>

#### Highlights

- The Office reported the following accomplishments for FY 2022:
  - Implemented technology and business process improvements for the new employee onboarding software.
  - Launched automated training registration and course transcripts to increase educational and training offerings to contribute to the professionalization of the County's workforce.
  - Digitized OHRM's personnel records and related files to provide more efficient and secure access to information.
  - Launched the new performance management policy and system to general schedule employees.
  - Increased the number of adult employees and dependents who completed the personal health assessment (PHA) and received feedback.



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

April 14, 2022

### M E M O R A N D U M

TO: Edward P. Burroughs, III, Chair  
Government Operations and Fiscal Policy (GOFP)

THRU: Turkessa M. Green, County Auditor *JMG*

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

RE: Office of Human Resources Management (OHRM)  
Fiscal Year 2023 Budget Review

#### Budget Overview

The FY 2023 Proposed Budget for the Office of Human Resources Management (OHRM) is \$9,677,700. This is an increase of \$994,800, or 11.5%, over the FY 2022 Approved Budget. The increase is primarily due to an increase in compensation and fringe benefit expenditures, offset by an increase in recoveries. The Office's expenditures are funded entirely by the General Fund, other than the Recoveries.

The FY 2023 estimated total General Fund expenditures are \$8,834,100, which is \$151,200 more than the FY 2022 Approved Budget level of \$8,682,900, or 1.7%. As a result, the Office does expect to request a supplemental budget appropriation to cover compensation and fringe benefit costs incurred as a result of the merit increases awarded to eligible employees in FY 2022.

#### Budget Comparison - General Fund

Approved Fiscal Year 2022 to Proposed Fiscal Year 2023

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	% Change - Est vs App	FY 2023 Proposed	\$ Change	% Change
Compensation	\$ 5,743,019	\$ 6,049,400	\$ 6,175,300	2.1%	\$ 7,073,800	\$ 1,024,400	16.9%
Fringe Benefits	1,739,435	1,639,300	1,702,400	3.8%	2,370,900	731,600	44.6%
Operating Expenses	3,077,085	5,013,600	4,794,100	-4.4%	4,976,400	(37,200)	-0.7%
Sub-Total	\$ 10,559,539	\$ 12,702,300	\$ 12,671,800	-0.2%	\$ 14,421,100	\$ 1,718,800	13.5%
Recoveries	(3,408,949)	(4,019,400)	(3,837,700)	-4.5%	(4,743,400)	(724,000)	18.0%
<b>Total</b>	<b>\$ 7,150,590</b>	<b>\$ 8,682,900</b>	<b>\$ 8,834,100</b>	<b>1.7%</b>	<b>\$ 9,677,700</b>	<b>\$ 994,800</b>	<b>11.5%</b>

**Authorized Staffing Count - General Fund**

	<b>FY 2022 Approved</b>	<b>FY 2023 Proposed</b>	<b>Change Amount</b>	<b>Percentage Change</b>
Full-Time	70	70	0	0.0%
<b>Total</b>	<b>70</b>	<b>70</b>	<b>0</b>	<b>0.0%</b>

**Staffing Changes and Compensation**

- FY 2023 General Fund compensation is proposed at \$7,073,800 an increase of \$1,024,400, or 16.9%, above the FY 2022 approved amount. The increase in compensation is primarily due to the annualization of prior year salary adjustments, offset by budgeted salary attrition.
- The FY 2023 Proposed Budget includes authorization for 70 full-time General Fund positions, which is the same number of positions as the FY 2022 approved level.
- As of March 4, 2022, the Office reported fourteen (14) vacant full-time positions. The Office reports that it is actively recruiting for all its vacant positions, and these positions are funded in the FY 2023 budget.
- During FY 2022, the Office reports 17 positions are currently assigned to the Office from various other agencies, all of whom are expected to continue their assignment in FY 2023. The total compensation for these positions is approximately \$1.38 million. These employees assist in the management and processing of background investigation case files. A summary of these employees is as follows:

<b>Agency</b>	<b># of Employees Assigned to OHRM</b>
Police Department	9
Department of Corrections	2
Office of the Sheriff	1
Fire Department	3
Office of Homeland Security	2
<b>TOTAL</b>	<b>17</b>

- The Office reported that its current rate of attrition is 29.6%. The Office cites the key factors contributing to the current attrition level is retirement, promotions, transfer, and/or resignations.
- The Human Resources Analyst positions (Grades 21, 24, and 27) are the most impacted by attrition.

### Fringe Benefits

- FY 2023 Fringe Benefits are proposed at \$2,370,900, an increase of \$731,600, or 44.6%, above the FY 2022 approved level, to align with projected costs.
- A five-year trend analysis of fringe benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Proposed
Fringe Benefit Expenditures	\$ 1,624,744	\$ 1,747,914	\$ 1,739,435	\$ 1,702,400	\$ 2,370,900
As a % of Compensation	26.0%	26.8%	30.3%	27.6%	33.5%

### Operating Expenses

- FY 2023 operating expenses are proposed at \$4,976,400 and are comprised of the following major items:
 

▪ General and Administrative Contracts	\$3,978,800
▪ Office Automation	875,400
▪ General Office Supplies	70,000
▪ Training	24,800
▪ Telephone	16,000
- Overall, operating expenses are decreasing by \$37,200, or 0.7%, below the FY 2022 Approved Budget level. The accompanying table compares the FY 2023 Proposed Budget operating expenditures with the FY 2022 Approved Budget operating expenditures. In four (4) of the categories, the FY 2023 Proposed Budget increases planned spending compared to the FY 2022 Approved Budget. In three (3) categories, the FY 2023 Proposed Budget decreases planned spending. The FY 2023 Proposed Budget remains unchanged for three (3) categories compared to the FY 2022 budget.

Operating Objects	FY 2022 Budget	FY 2023 Proposed	FY 2022 - FY 2023	
			\$ Change	% Change
General & Administrative Contracts	\$3,927,200	\$3,978,800	\$51,600	1.31%
Office Automation	826,200	875,400	49,200	5.95%
Telephone	18,600	16,000	(2,600)	-13.98%
Membership Fees	5,000	6,500	1,500	30.00%
General Office Supplies	55,000	70,000	15,000	27.27%
Training	24,800	24,800	-	0.00%
Operating Contracts	25,700	-	(25,700)	-100.00%
Mileage Reimbursement	1,900	1,900	-	0.00%
Printing	3,000	3,000	-	0.00%
Miscellaneous	126,200	-	(126,200)	-100.00%
<b>TOTAL</b>	<b>\$5,013,600</b>	<b>\$4,976,400</b>	<b>(\$37,200)</b>	<b>0.74%</b>

- The most significant decrease is in the Miscellaneous category, a decrease of \$126,200, or 100%, under FY 2022, due to a reduction in interagency charges.
- The most significant increase is in General and Administrative Contracts (\$51,600 increase) as a result of a reallocation of costs from operating contracts, and to provide additional funding for talent acquisition.

## **Recoveries**

- The Office receives recoveries from other funds for employee salaries and administrative functions related to health benefit and pension plans offered to current employees and retirees.
- Projected recoveries for FY 2023 total \$4,743,400, an increase of \$724,000, or 18.0%, above the FY 2022 budgeted level, due to a change in the recoverable rate of the occupational medical services contract.
- A breakdown of FY 2023 Proposed recoveries is as follows:
  - Life and Health \$3,244,400
  - Pension Funds 1,353,000
  - Risk Management 146,000

## **Highlights**

### *Recruitment and Hiring*

- The Office strives to provide County agencies with qualified applicants to fill vacancies in a timely manner. A primary goal is to reduce the number of days required to fill a vacant position. (See table below).

<b>FY 2027 Target</b>	<b>FY 2020 Actual</b>	<b>FY 2021 Actual</b>	<b>FY 2022 Estimated</b>	<b>FY 2023 Projected</b>
100	158	136	120	110

- The Office's plan to improve the efficiency and quality of the recruitment and hiring process includes the following approaches:
  - Maximize HR Technology
  - Streamline hiring and pre-employment processes
  - Use new approaches to talent sourcing that leverage talent networks, social media, and other innovative sources
  - Launch a branding and marketing campaign that promotes Prince George's County as a "Best Place to Work."
  - Evaluate and assess pay equity

- Implement technology upgrades for reduction of paperwork and manual processes related to time-to-fill and talent sourcing
- Establish service level agreements with County Agencies
- Continue to grow the Youth Employment Program
- Establish external partnerships with colleges and universities
- The NEOGOV Performance system is an online performance management system that OHRM has procured to streamline the County performance management process. OHRM started Agency Performance Manager training in January and will roll out the system to all General Schedule employees as a pilot in FY 2023.
- In June 2021, the Office employed an outside vendor Employee Screening Resources (ESR) to aid in conducting a portion of the background screening tasks. The Office also enlisted the help of Atlantic OccuPsych to conduct the psychological exams for some applicants. These steps were taken to assist in the background investigation process for Public Safety Investigations and the Police Promotional Examinations.
- In October 2021, OHRM employed Social Intelligence to conduct social media checks. The Office reported that social media checks are heavily relied upon to further evaluate candidates, given the recent societal events.
- The Office successfully implemented a document management system to digitize personnel files, scanning over three million documents.

*Summer Youth Enrichment Program*

- During the summer of 2022, the Office's Youth@Work/Summer Youth Enrichment Program (SYEP) plans to provide job placement opportunities for a total of 6,020 youth (of which 2,520 are expected to be County-funded positions). The total proposed cost for the 2022 program is \$1.6 million.
- The Office will continue to partner with other public and private organizations to provide employment opportunities to the County's youth, in addition to the summer job opportunities provided within County Government. In 2020, the Office has implemented strategies aimed at increasing participation of youth aged 18-22 and Latino youth, and those strategies are still a priority. In FY 2022, the Office reported 523 Latino/Hispanic applicants, compared to 719 during FY 2021 program year.

*Employee Satisfaction/Training*

- In FY 2020 the Office's Wellness Program was relaunched as a focus tool for promoting health and reducing chronic conditions associated with tobacco, physical activity and nutrition. The program uses evidence-based practices to help employees and their dependents to achieve and maintain healthy blood pressure, blood cholesterol and blood glucose levels and experience improved mental health. The Office reported 3,650 participants in FY 2021 and 2,268 participants in FY 2022 in the relaunched Wellness Program. In FY 2023, the Office plans to

continue to focus on innovative approaches to engage employees and their dependents in wellness activities and anticipates 4,000 participants in FY 2023.

- The Office offered 671 courses to County employees, serving 50 managers and 6,302 employees, compared to 294 training courses for employees the previous year. The Office reported that it served more than 250 managers, and 5,650 employees through online and instructor-led training sessions last year.

#### *Labor Relations/Cost Management*

- Fringe benefit costs continue to increase for the public safety agencies. (See the chart below for a five-year comparison of fringe rates for the public safety agencies.) Given the historical increase in fringe benefit costs over the years, one of the Office's top priorities in FY 2023 is to continue reviewing and administering the retiree pension and benefit programs, with strategic focus on identifying reforms that improve the sustainability of County funds.

Public Safety Agency	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Proposed
Police Department	56.8%	60.4%	61.5%	61.2%	64.0%
Fire/EMS Department	69.9%	71.5%	71.3%	73.2%	76.5%
Office of the Sheriff	58.9%	65.9%	69.0%	65.5%	72.0%
Department of Corrections	47.9%	50.7%	48.7%	55.9%	54.8%

- The County experienced an increase in disability leave usage and costs during the last calendar year, as shown in the chart below.

	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	Change Amount (CY20 to CY21)
Number of Employees	214	371	401	337	386	49
Hours Used	17,152	30,623	51,682	40,068	47,481	7,413
Amount Paid	\$ 568,617	\$ 1,080,815	\$ 1,921,105	\$ 1,497,468	\$ 1,765,096	\$ 267,628

- The Office is using existing staff and CPS-HR Consulting to systematically update the County's classification specifications. The Office reported that there were no classification studies completed in FY 2021. Utilizing the services of CPS-HR, OHRM will address outdated classification specifications and the establishment of new classes of work to address challenges with recruiting and retaining highly qualified talent in a competitive environment.
- The Office continues to support County agencies by negotiating competitive contracts for unionized employees through collective bargaining. The Office reports that contract negotiations for 10 expired agreements are almost complete with all contracts having been ratified, except two that are in review with the County Council. The Office plans to negotiate the next round of contracts earlier to avoid retroactive contract negotiations.

- During prior budget work sessions, OHRM noted that the County has historically paid 25% of the prescription drug and vision premiums for non-union retirees compared to 85-88% for union retirees. The Office reported that it is working with OMB and the Office of Finance to conduct an in-depth review of the various retiree benefit plans provided.

*Highlights:*

- The Office reported the following key accomplishments for FY 2022:
  - Implemented technology and business process improvements for the new employee onboarding software.
  - Launched automated training registration and course transcripts to increase educational and training offerings to contribute to the professionalization of the County's workforce.
  - Digitized its personnel records and related files to provide more efficient and secure access to information.
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