

# Budget Brief – Department of Human Resource Management

NUMBER EDHR-05-02

## SUMMARY

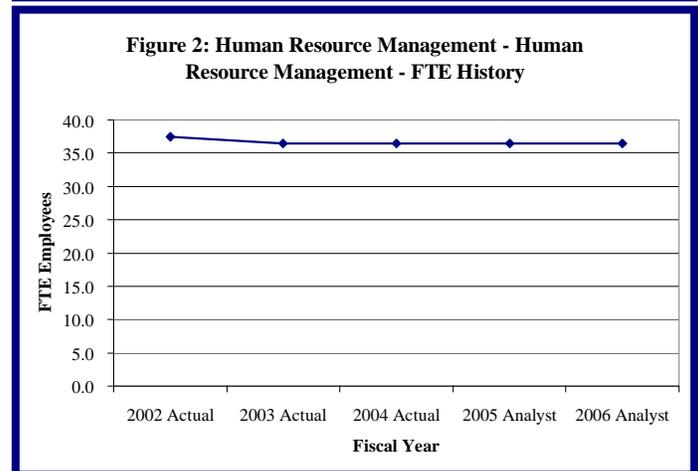
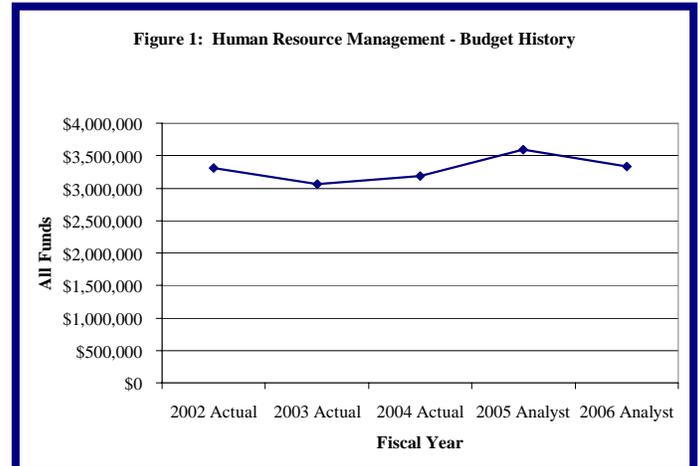
The Department of Human Resource Management is the central human resource office for the State. They provide human resource functions for approximately 19,000 full time equivalent employees. Services provided by DHRM include recruitment, training, classification and compensation systems maintenance and development.

## ISSUES AND RECOMMENDATIONS

The Analyst recommends that the Legislature adopt a base budget for FY 2006.

**Salary Survey Information:** For several years DHRM has used Workforce Services to obtain information related to the annual salary survey. Because of federal guideline changes the Department has not been able to access necessary information. The Department is supporting a change to the Personnel Management Act which will allow them access to the salary survey information once again.

**Market Comparability Study:** Every year DHRM conducts a study to determine where state employees fall within a market range. The study has determined that the majority of state employees fall below the midpoint of their salary range. This has led to a salary compression problem within state government. New employees are starting at the same level as employees who have been on staff with ten or more years of service. DHRM has made several recommendations related to this problem. The Legislature may want to consider one of the alternatives proposed by the Department.

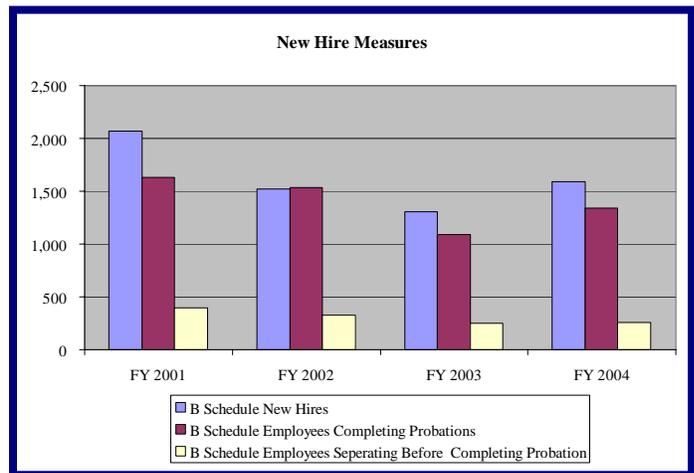
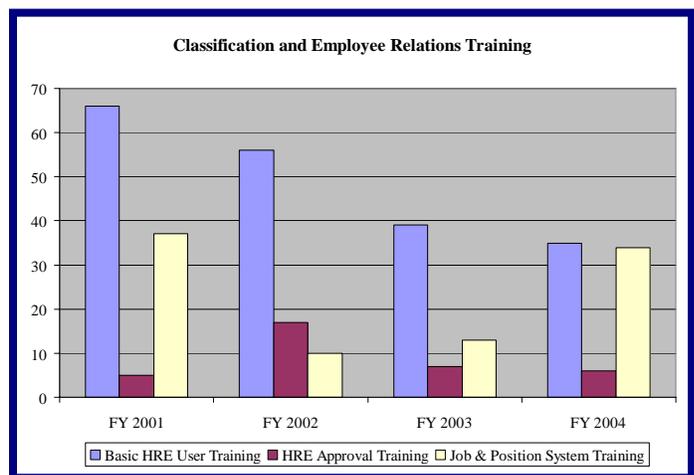
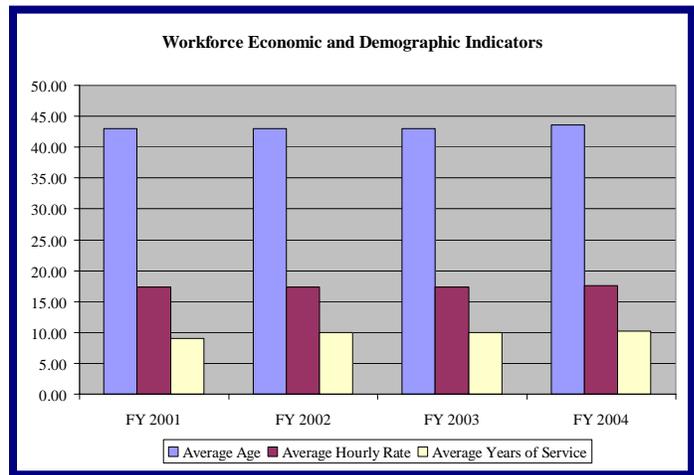


**ACCOUNTABILITY DETAIL**

The Department of Human Resource Management has several responsibilities related to workforce demand and satisfaction. The department uses basic demographic and economic indicators to gauge the needs of the workforce including: average age, average hourly rate, and average years of service. These measurements are taken with respect to state government’s core workforce.

The Department also measures success by monitoring the training provided to state employees and the retention of new hires after completing a period of probation. The ultimate goal would be to train qualified employees who will then be beneficial resources to the state.

DHRM provides information technology support for its own internal needs and several statewide systems. The Department monitors the people and agencies served to measure productivity.



**BUDGET DETAIL**

Most of the funding for the Department of Human Resource Management is dedicated to staff support and information technology costs.

***Budget Recommendation***

The Analyst recommends a total FY 2006 appropriation of \$3,335,000 in total funding. Recommended funding from the General Fund is \$2,943,000 and Dedicated Credit Revenues recommended total \$392,000.

***Intent Language***

The Analyst recommends the following intent:

*It is the intent of the Legislature that funding for the Department of Human Resource Management be non-lapsing.*

**LEGISLATIVE ACTION**

This section is a summary of what actions might be taken if the Legislature wishes to adopt the recommendations of this brief. The Analyst recommends the Legislature consider adopting:

1. A total appropriation of \$3,335,000 for the Department of Human Resource Management.
2. Intent language making this appropriation non-lapsing.

**BUDGET DETAIL TABLE**

Human Resource Management - Human Resource Management						
Sources of Finance	FY 2004 Actual	FY 2005 Appropriated	Changes	FY 2005 Revised	Changes	FY 2006 Analyst*
General Fund	2,888,200	2,943,000	0	2,943,000	0	2,943,000
General Fund, One-time	0	18,700	0	18,700	(18,700)	0
Dedicated Credits Revenue	400,200	362,000	0	362,000	30,000	392,000
Beginning Nonlapsing	171,900	0	274,500	274,500	(274,500)	0
Closing Nonlapsing	(274,500)	0	0	0	0	0
<b>Total</b>	<b>\$3,185,800</b>	<b>\$3,323,700</b>	<b>\$274,500</b>	<b>\$3,598,200</b>	<b>(\$263,200)</b>	<b>\$3,335,000</b>
<b>Programs</b>						
Administration	790,000	924,900	0	924,900	(24,100)	900,800
Classification and Employee Relations	452,900	521,700	0	521,700	(15,400)	506,300
Recruitment, Training and Development	537,800	557,000	0	557,000	(12,700)	544,300
Flex Benefits	100,400	40,000	10,000	50,000	(10,000)	40,000
Management Training and Development	261,900	320,000	125,400	445,400	(95,400)	350,000
Information Technology	1,042,800	960,100	139,100	1,099,200	(105,600)	993,600
<b>Total</b>	<b>\$3,185,800</b>	<b>\$3,323,700</b>	<b>\$274,500</b>	<b>\$3,598,200</b>	<b>(\$263,200)</b>	<b>\$3,335,000</b>
<b>Categories of Expenditure</b>						
Personal Services	2,338,700	2,591,400	53,700	2,645,100	(18,800)	2,626,300
In-State Travel	11,300	1,500	8,200	9,700	600	10,300
Out of State Travel	24,600	15,200	(1,900)	13,300	(7,000)	6,300
Current Expense	475,700	441,500	137,800	579,300	(136,800)	442,500
DP Current Expense	293,100	222,000	86,400	308,400	(68,800)	239,600
DP Capital Outlay	42,400	0	42,400	42,400	(32,400)	10,000
Capital Outlay	0	12,100	(12,100)	0	0	0
Other Charges/Pass Thru	0	40,000	(40,000)	0	0	0
<b>Total</b>	<b>\$3,185,800</b>	<b>\$3,323,700</b>	<b>\$274,500</b>	<b>\$3,598,200</b>	<b>(\$263,200)</b>	<b>\$3,335,000</b>
<b>Other Data</b>						
Total FTE	36.5	36.5	0.0	36.5	0.0	36.5

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.