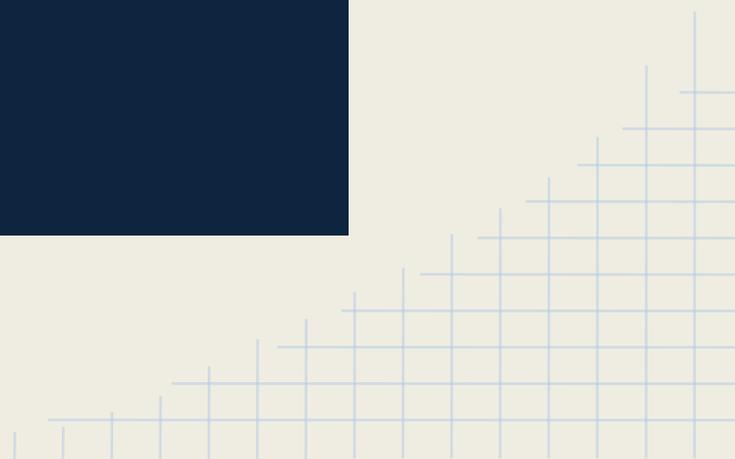




Department of Human Resource Management

Base Budget Presentation
January 27, 2015



Mission/Vision Overview



Strategic Roadmap

Department of Human Resource Management

Mission and Vision

MISSION: Develop, Implement, and administer a statewide program of human resource management that aids in the efficient execution of public policy, fosters careers in public service for qualified employees, and assists state agencies in the performance of their missions. Utah Code, Section 67-19-6(1)(a)

VISION: DHRM actively partners with state agencies to achieve their missions by championing the highest quality workforce.

DHRM First

- We create the innovation that drives our goals.
- We demonstrate that we can add increased value.
- We set the example within DHRM.
- We CHAMPION our new vision.

Attract & Select

The highest quality hires become the highest quality employees.

Strengthen & Support

The highest quality employees are engaged, nurtured, supported, and retained.

Facilitate Succession & Separation

The highest quality employees of the future starts with active planning in the present.

Program Overview

Employee Resource Information Center (ERIC)

- Retirement consultation
- Onboarding/Benefits orientation
- Service center for HR questions
- Payroll services
- Personnel actions

Employee Development/Performance Management

- Certified Public Manager
- Supervisor/Leadership courses
- Utah Leadership Institute
- Workplace Harassment Prevention training
- Utah Performance Management

Program Overview

Compensation/Benefits

- Establish pay plans
- Conduct salary and other surveys
- Produce annual compensation plan, including salary/benefits recommendations
- Administer benefits
- Administer ACA

Labor Relations

- Conduct investigations on workplace harassment
- Coordinate federal/state leave programs (FMLA, WC)
- Consult on all HR Liability issues

Program Overview

Recruitment/Classification

- Recruitment
- Executive and IT recruiter
- Job Classification

Business Intelligence & Systems

- HR data mining & reports
- HR systems
- Survey analysis

Field Support

- HR staff in 23 different agency locations
- Strategic connection to agency business
- Provide localized service and consultation

Performance Measures

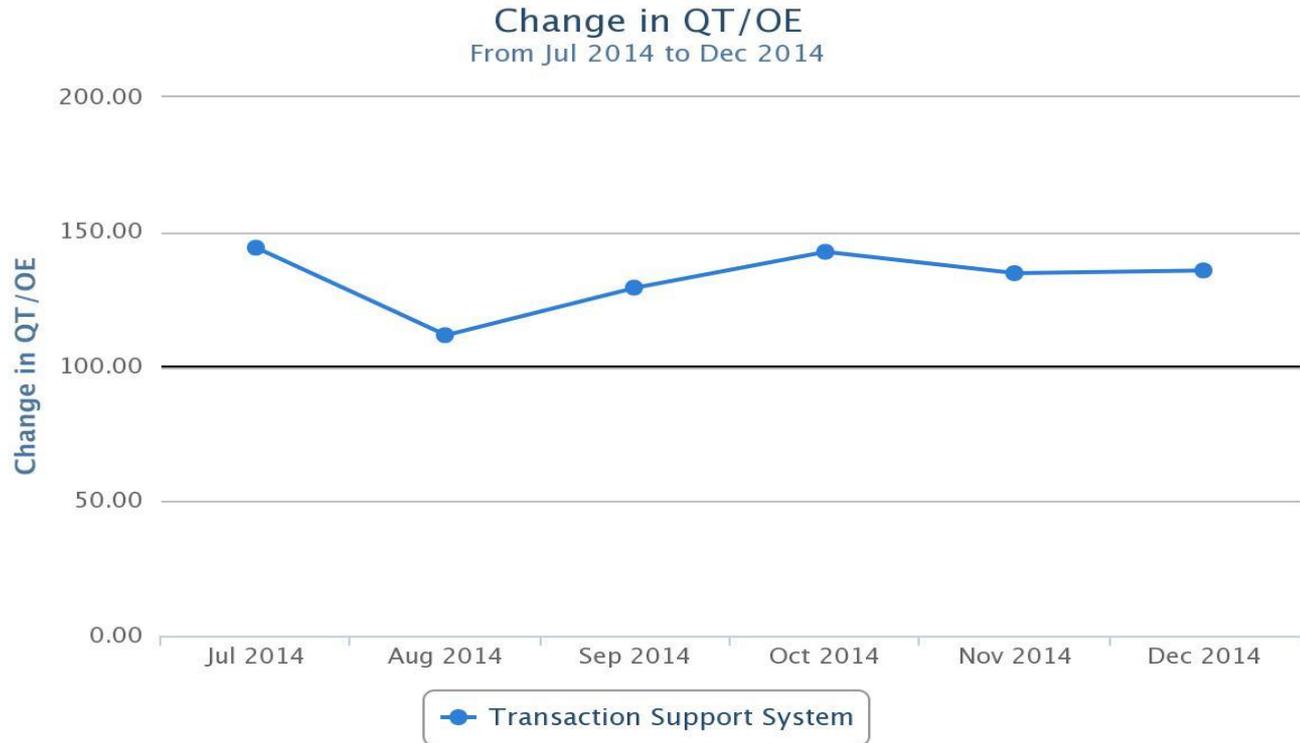
Operational Excellence (OE)

- Steering team meets weekly
- Suggested areas for improvement are “business cased” and prioritized
- 3 active projects at one time
 - Recruitment
 - Case Management
 - Strategic Focus - VOC
- All other projects are queued

Completed projects:

- HR Technician Consolidation
- Initial results are positive

Performance Measures



Performance Measures

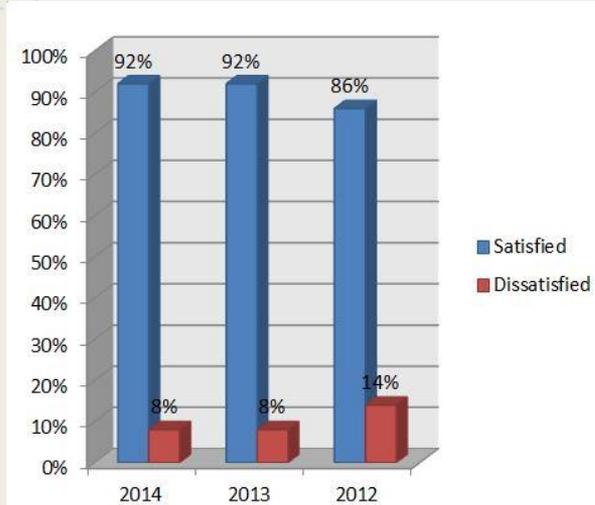
Customer Satisfaction:

- Overall DHRM Services Survey
- ERIC customer service survey
- General Recruitment survey

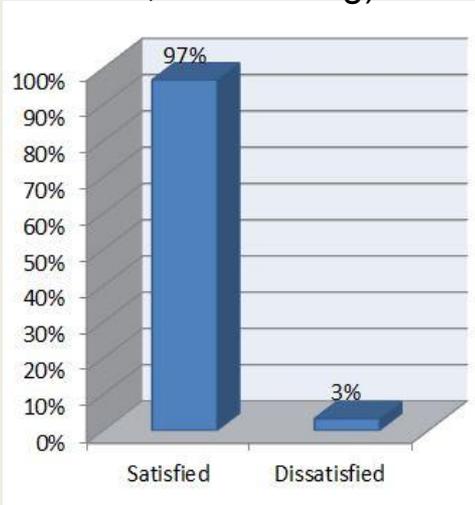
- These are functional areas where HR staff spend the most time and/or have the most customer interaction.
- Processes are modified when appropriate to enhance functions
- Data is used to assess individual employee performance

Customer Satisfaction

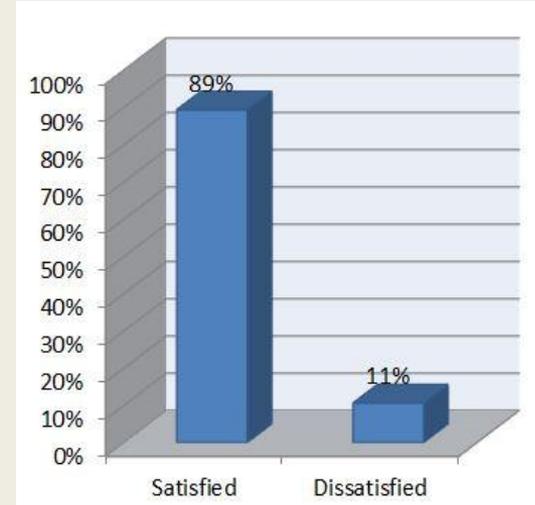
Overall DHRM Services Survey
Trend 2012-2014



ERIC Satisfaction (Payroll,
Benefits, Onboarding) 2014



Recruitment Satisfaction
2014



Performance Measures

Service Level Agreements (SLA)

- Agreement between DHRM and customer agencies on what HR services are provided and which are not
- Mutually negotiated and/or mutually revised at any time during term of agreement
- Reviewed annually
- ERIC SLA's have established timelines and deadlines for processing time
- Controls scope creep

Other Strategies

Project Approval Process

- Value spending time/resources on the most important functions first
- Projects are analyzed upfront
- Steering team reviews, approves, and prioritizes

IT Budget & Approval Process

- Value spending limited IT funding on high priority needs first
- Projects are analyzed upfront
- Steering team reviews, approves, and prioritizes

Cost of HR Services

- Privatization Board hired a consultant to conduct a study on the Total Cost of Operations (TCO) for HR and payroll services, completed September 2014
- HR Administration and HRIS services are 67% less expensive than peer group (90 companies)
- DHRM payroll services are 24% less expensive than peer group (466 companies)
- Consultant recommended DHRM add Employee and Manager Self Service components to HRIS to produce more efficiencies
 - These are in the HRE rebuild master plan

HR Systems



HRIS Rebuild (HRE)

- □ System is outdated and at risk (15 years old)
- □ Extensive business analysis with DTS
- □ Due diligence with private sector
- □ RFI process completed
- Decision: Build in-house
 - Significantly lower cost
 - Meets all of our customized needs
 - Maintenance/enhancements quicker

HRE Rebuild Timeline & Budget

System Design, Build & Implementation

Phase 1: Core HRIS , ESS, MSS

Phase 2: Onboarding, Case Management, Training

Request for Information

Essential for due diligence but \$0 from IT Budget (RFI process was internal)

Remaining funds from total estimated \$650,000 are needed for these phases.

Business Analysis

\$19,000 used from IT Budget

Mar. 2014

July 2014

Dec. 2014

Jan. 2016

Jan. 2017



Shifting to ISF

Current Budget:

- 17.5% General Fund appropriated (\$2.6 million)
- 81% Internal Service Fund (ISF)
- 1.5% Dedicated Credit (Training Program)

Advantages for DHRM:

- Remove bifurcated nature of DHRM budget
- Increase maximum retained earnings allowed
- All DHRM programs support statewide initiatives

Advantages for State:

- General Fund savings
- Align HR costs with appropriate revenue sources
- Rate Committee and Customer Agencies provide day-to-day accountability, Legislature has final authority of rates

Administrative Law Judge

- Administrative Law Judge (ALJ) program was passed in 2013
- It is intentionally a separate program from other HR services
 - Not all agencies have ALJ's
 - Not all agencies with ALJ's are subject to this bill
 - Agencies are not paying for ALJ services they do not receive
 - Not technically an HR function
- Budget is reserved specifically for this program
 - Administration & implementation
 - Surveys
 - Performance evaluations
 - Complaint procedures

ISF Details

ISF Rate Calculation

- Projected costs divided by total FTE's receiving the service
- For FY16- FY14 costs plus FY15 compensation package
- HR Services \$703 (all employees served by DHRM field offices)
- Payroll Services \$54 (all employees whose payroll is processed by DHRM)
- Core HR systems \$27 (all state employees)

Rate Reductions & Service Improvements

- Every vacancy is carefully analyzed before filling
- IT projects and expenditures are reviewed by DHRM management before funds are committed
- SUCCESS programs have focused on improving quality to customer agencies at better costs
- DHRM focusing on improving strategic coordination with agencies

Questions?

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