

Compendium of Budget Information for the 2014 General Session

Retirement and Independent Entities Appropriations Subcommittee

Agency: Human Resource Management

Line Item: Human Resource Management

Function

The mission of DHRM is to provide tools and remove barriers so agencies can manage their human resources in order to accomplish their missions for the citizens of Utah.

Statutory Authority

The powers and duties of DHRM are established in UCA 67-19. The director is given full responsibility and accountability for administration of statewide human resource management.

Responsibilities for the department are identified in UCA 67-19-6, some of which include:

- administer a statewide personnel management program that aids efficient execution of public policy, fosters careers, and assists state agencies in performing their missions;
- design and administer the state pay plan, classification system, and recruitment and selection system;
- ensure human resource practices comply with federal law, state law, and state rules;
- adopt rules for personnel management;
- maintain a management information system that will provide current information on authorized positions, payroll, and related matters;
- help eliminate discrimination in state employment;
- advise local governments on effective personnel management when requested;
- establish compensation policies and procedures for early voluntary retirement;
- conduct research and planning activities to prepare for future human resource needs, improve human resource management, and submit needed policy changes to the governor;
- establish statewide training programs.

UCA 67-19-5 allows DHRM to operate an internal service fund and UCA 67-19-6.1 allows the director to establish field offices at state executive branch agencies in consultation and agreement with the agency head.

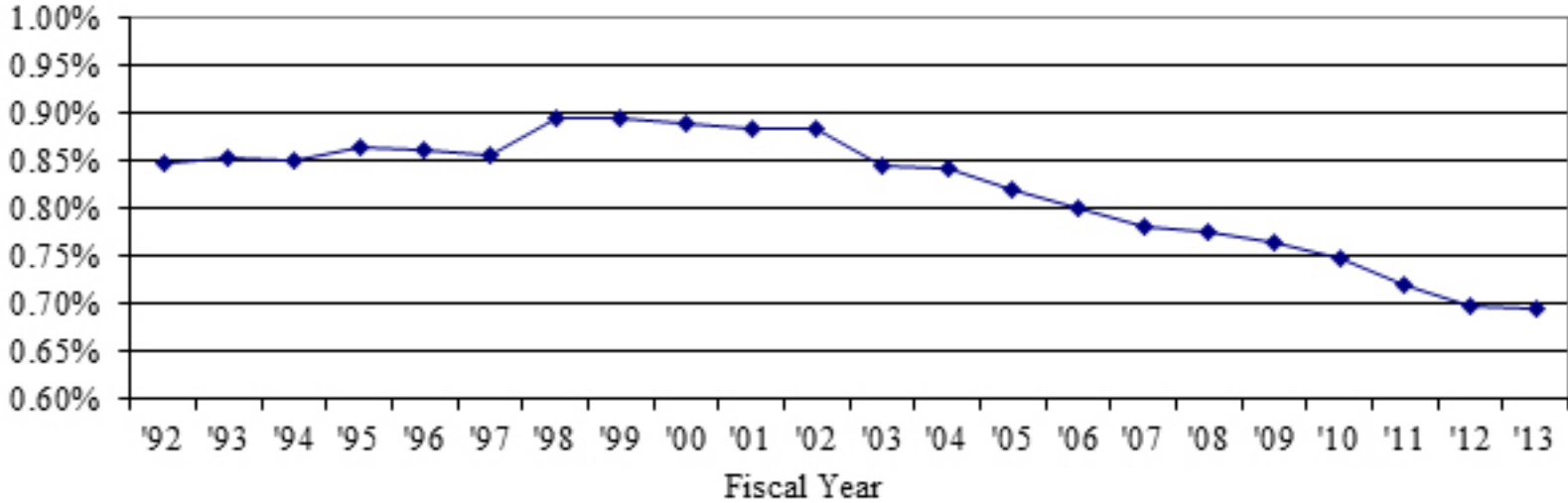
Intent Language

Under terms of Section 63J-1-603-(3)(a) Utah Code Annotated the Legislature intends that appropriations provided for Human Resource Management in item 119 of Chapter 422 Laws of Utah 2012 not lapse at the close of Fiscal Year 2013. The use of any non-lapsing funds is limited to the following: Information Technology and Consulting Services - \$350,000; and DHRM Statewide Management of Liability Training Program - \$260,000.

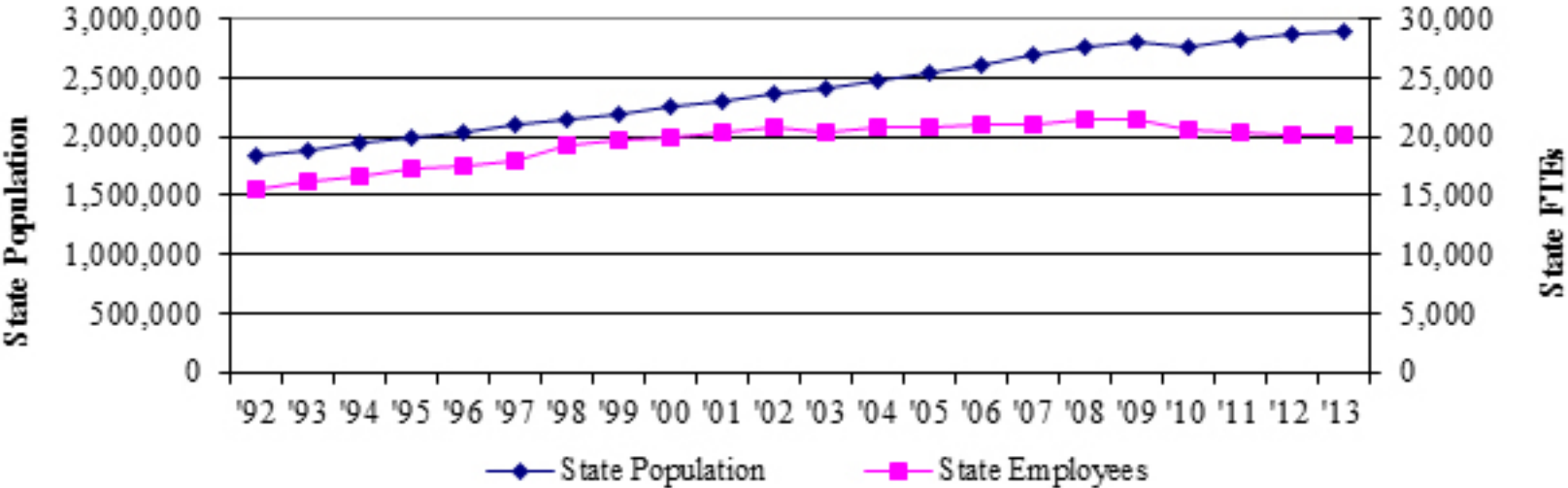
Performance

An important component of the overall state human resource management is the ratio of state employees to state population. As the state's population has grown rapidly over the past decade, the number of state employees has grown more slowly.

Ratio of State Employees to State Population



State Population Growth and State FTE Growth



Note: The chart shows a declining ratio of state employees to state population, thus suggesting increased efficiency of the state workforce.

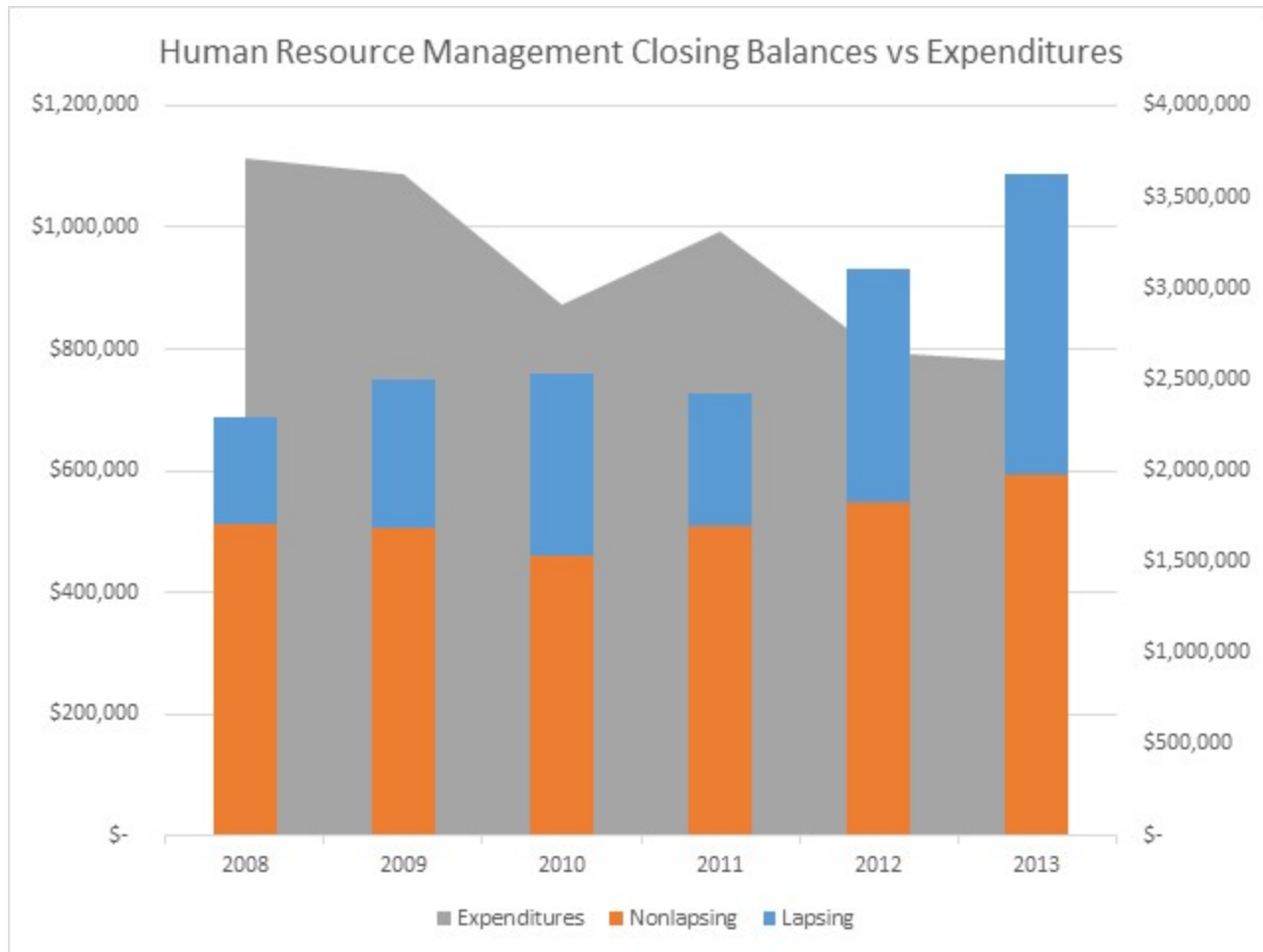
Measure: Ratio of State Population to State Employees.

Goal: Limit the growth of the State workforce to less than 0.8% of the state population.

Methodology: Divide the number of state Full-Time Equivalent (FTE) positions by the total state population.

Measure Type: Outcome.

Issues/Analysis



Lapsing Balances

Annual lapsing balances are a sign of over appropriation. The DHRM appropriated line item has lapsed an average of just over \$325,000 each of the past five years. For fiscal year 2013, DHRM lapsed nearly \$500,000. Much of this is due to increased efficiencies from the Department. Consolidation of payroll and HR services, along with improved technology such as the Employee Resource Information Center (ERIC), have all contributed to the Department's ability to provide high quality service at a lower cost. The following is a list of programs and activities that do not require the current level of appropriation.

Information Technology

As an IT system matures, maintenance costs decline. It usually takes a few years to work out the bugs, but as time progresses, costs decline. This appears to be the case with DHRM. For each of the past 6 years, DHRM has had increasing appropriations for IT while experiencing continually decreasing costs. The IT program cost over \$1.2 million in FY 2008 but cost just \$0.9 million in FY 2013. Over the past ten years, the nonlapsing balance for this program has only decreased once. This trend implies stability and that this program is not in need of these nonlapsing funds. The Analyst recommends an ongoing General Fund appropriation for the DHRM Information Technology Program of \$1 million, a reduction of \$118,900. The Analyst also recommends nonlapsing authority be reduced to \$50,000. This will free up \$300,000 in one-time funds.

Teacher Salary Supplement

The Teacher Salary Supplement program was created in the 2008 General Session to provide bonuses to math and science teachers in the public education system who meet certain criteria specified in the statute. Beginning in FY 2010, the first year this program received ongoing funding, it has lapsed nearly half. Over \$100,000 per year has gone unused. The Analyst recommends an ongoing appropriation from the General Fund of \$130,000, a reduction of \$102,700.

Policy

For the past four years, the Policy program has averaged expenditures of just under \$750,000 and has lapsed money in five of the past six years. The base budget request for FY 2015 has increased to \$835,900. Additionally, there has been a trend of passing \$30,000 of expenses from this program to the Statewide Management Liability Program. The Analyst recommends the \$30,000 pass-through expenses be charged directly to the Statewide Management Liability Program. The Analyst also recommends an ongoing appropriation from the General Fund of \$775,000, a reduction of \$60,900.

Statewide Management Liability Program

The Statewide Management Liability Program is funded entirely through dedicated credits. It has an ongoing spending authorization of \$400,000 should it collect that much. Over the past four years, the most this program has collected is \$175,700. Despite the decline in revenue, the nonlapsing amount in this program has continued to grow. The Analyst recommends a dedicated credit authority of \$200,000 for this program and nonlapsing authority of \$50,000. The Analyst also recommends reclaiming \$200,000 from the nonlapsing balance of this program, leaving \$43,800 in nonlapsing money.

Administration

With the exception of FY 2011, expenditures for the Administration program have been steadily declining. This is, in large part, due to increased efficiencies within the department. This program has also lapsed funds for each of the past six years, lapsing over \$200,000 in FY 2013. The base budget for this request is \$896,300, a 38% increase (\$250,000) from what it spent in FY 2013. It is expected that costs will rise with the passage of the Administrative Law Judge Amendments bill (2013GS SB 191 Sub 1), but only by \$75,000. Additionally, the Administration Program receives \$96,500 in appropriations that is combined with the Attorney General Bill ISF and transferred directly to the Attorney General's Office. The Analyst recommends this appropriation be forfeited and the ISF capture this amount through fees. The Analyst recommends an ongoing appropriation of \$700,000 from the General Fund, a reduction of \$196,300.

The total proposed ongoing General Fund appropriation reduction to DHRM is \$478,800. The total proposed one-time reclamation of nonlapsing balances is \$500,000.

Analyst Recommendation

For the Department of Human Resources Management, the Analyst recommends an operating and capital budget of \$2,605,000 from the General Fund and \$200,000 from dedicated credits for FY 2015 and a one-time reduction in appropriations of \$500,000 for FY 2014.

The analyst also recommends the following intent language:

Under terms of Section 63J-1-603-(3)

(a) Utah Code Annotated the Legislature intends that appropriations provided for Human Resource Management in item 2 of Chapter 9 Laws of Utah 2013 not lapse at the lapsing funds is limited to the following: Information Technology and Consulting Services - \$50,000; and DHRM Statewide Management of Liability Training Program - \$50,000.

Funding Detail

The department utilizes funding from the General Fund and Dedicated Credits. Dedicated Credits are collected from training fees. Most of the department funding is used for staff support and IT costs.

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
General Fund	\$2,986,000	\$3,083,800	\$0	\$3,083,800	(\$485,100)	\$2,598,700
General Fund, One-time	\$0	\$31,700	(\$245,600)	(\$213,900)	\$221,200	\$7,300
Dedicated Credits Revenue	\$154,700	\$400,000	\$0	\$400,000	(\$200,000)	\$200,000
Beginning Nonlapsing	\$547,900	\$0	\$1,187,400	\$1,187,400	(\$1,093,600)	\$93,800
Closing Nonlapsing	(\$593,800)	\$0	(\$93,600)	(\$93,600)	(\$200)	(\$93,800)
Lapsing Balance	(\$495,100)	\$0	\$0	\$0	\$0	\$0
Total	\$2,599,700	\$3,515,500	\$848,200	\$4,363,700	(\$1,557,700)	\$2,806,000

Programs	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Administration	\$646,300	\$997,300	(\$70,200)	\$927,100	(\$191,400)	\$735,700
Policy	\$761,500	\$766,600	\$73,900	\$840,500	(\$38,600)	\$801,900
Teacher Salary Supplement	\$125,400	\$232,700	\$700	\$233,400	(\$233,400)	\$0
Statewide Management Liability Training	\$144,700	\$400,000	\$243,800	\$643,800	(\$443,800)	\$200,000

Information Technology	\$921,800	\$1,118,900	\$600,000	\$1,718,900	(\$650,500)	\$1,068,400
Total	\$2,599,700	\$3,515,500	\$848,200	\$4,363,700	(\$1,557,700)	\$2,806,000

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$1,477,600	\$1,672,100	\$15,600	\$1,687,700	(\$407,600)	\$1,280,100
In-state Travel	\$600	\$8,000	\$0	\$8,000	(\$5,000)	\$3,000
Out-of-state Travel	\$12,300	\$79,000	\$0	\$79,000	(\$55,000)	\$24,000
Current Expense	\$321,400	\$626,100	\$304,800	\$930,900	(\$500,800)	\$430,100
DP Current Expense	\$928,100	\$1,193,300	\$599,200	\$1,792,500	(\$723,700)	\$1,068,800
Other Charges/Pass Thru	(\$140,300)	(\$63,000)	(\$71,400)	(\$134,400)	\$134,400	\$0
Total	\$2,599,700	\$3,515,500	\$848,200	\$4,363,700	(\$1,557,700)	\$2,806,000

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	25	26	(3)	23	(9)	14
Actual FTE	16	0	0	0	0	0

Program: Administration

Function

The Administration program oversees the goals, plans, and implementation of policy for the entire department as well as statewide issues. Functions include workforce planning; coordination with the governor's office and Legislature on key issues; public information and dissemination; budget oversight and control; and oversight of classification, compensation, benefits, recruitment and selection, training and development, employee relations, and HR-related liability management, and statewide HR metrics and measures.

Funding Detail

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
General Fund	\$851,800	\$965,600	(\$69,300)	\$896,300	(\$163,300)	\$733,000
General Fund, One-time	\$0	\$31,700	(\$200,900)	(\$169,200)	\$171,900	\$2,700
Transfers	\$0	\$0	\$200,000	\$200,000	(\$200,000)	\$0
Lapsing Balance	(\$205,500)	\$0	\$0	\$0	\$0	\$0
Total	\$646,300	\$997,300	(\$70,200)	\$927,100	(\$191,400)	\$735,700

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$582,400	\$781,800	(\$46,500)	\$735,300	(\$237,700)	\$497,600
In-state Travel	\$200	\$2,200	\$0	\$2,200	\$0	\$2,200
Out-of-state Travel	\$5,100	\$18,000	(\$3,000)	\$15,000	\$0	\$15,000
Current Expense	\$195,700	\$258,200	\$50,800	\$309,000	(\$88,500)	\$220,500
DP Current Expense	\$3,200	\$100	(\$100)	\$0	\$400	\$400
Other Charges/Pass Thru	(\$140,300)	(\$63,000)	(\$71,400)	(\$134,400)	\$134,400	\$0
Total	\$646,300	\$997,300	(\$70,200)	\$927,100	(\$191,400)	\$735,700

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	9	7	0	7	(2)	5
Actual FTE	6	0	0	0	0	0

Program: Policy

Function

The Policy program provides oversight and development of the following functions: recruiting; selection; employee development; employee relations, fair employment practices, compensation and benefits, classification, diversity and liability prevention.

The functions performed by this program affect the working life of all state employees in terms of salaries and working conditions.

Performance

Benefits

	Purpose/Definition		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Benefits Comparison to Market	State benefits compared to market	19.5% ¹	19.5% ¹	19.0%	19.0%	27.6% ²	
# of Retirements Processed	Number of retirees processed	528	506	479	474		
Increase/Decrease in Medical Premiums Per Year	% the State's medical insurance premiums have increased/decreased	3.2% ³	6.0% ³	-2.0%	0.0%	5.5%	

¹ Survey source changed from Mercer to the Bureau of Labor Statistics. BLS is not our ideal source for benefits data, which is one reason why DHRM has contracted with the Hay Group beginning with FY 2012.

² Some reasoning for the increase in benefits value as described by the HayGroup. "Although

the State has made changes to its benefits program (elimination of PRM, increased employee health care cost sharing, the market has also made changes (pension reform, increase health care cost sharing and reduced PRM)."

³ In FY10, there was a 9.9% increase to medical insurance premiums but most was passed on to the employees. In FY11 there was a 12% total increase to Medical Premiums but the State only funded 6%. The remaining increase was passed to employees.

Classification

	Purpose/Definition		FY 2010	FY 2011	FY 2012	FY 2013
# of Employees Reclassified	# of employees whose jobs were reviewed and approved for a change in job title	247	171	240	396	
# of Classification Grievances	# of employees who filed a formal classification grievance	1	2	1	1	

# of New Jobs	# of new job titles created minus # of job titles eliminated	37	17 ¹	-53	43
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¹ Survey source changed from Mercer to the Bureau of Labor Statistics. BLS is not our ideal source for benefits data, which is one reason why DHRM has contracted with the Hay Group to do a comprehensive study of employee total compensation. FY 12 projection is based off of the Hay Group study, using average salary of \$45,000. For FY 13 the plan updates every other year. An FY 14 source for data has not yet been determined.

Compensation

	Purpose/Definition		FY 2010	FY 2011	FY 2012	FY 2013
Actual Wages Compared to Market	State of Utah employee salaries compared to similar positions in the market	-15.2%	-15.8%	-17.1%	-18.3%	
Salary Ranges Compared to Market	State of Utah salary ranges compared to similar positions in the market	-10.3%	-10.7%	-12.8%	-13.6%	

Total Compensation
Compared to Market¹

State of Utah's total
compensation package
compared to market

N/A

N/A

-6.0%

-6.0%

¹ For Total Compensation Information, DHRM uses the HayGroup every other year.

Funding Detail

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
General Fund	\$761,500	\$766,600	\$69,300	\$835,900	(\$38,600)	\$797,300
General Fund, One-time	\$0	\$0	\$4,600	\$4,600	\$0	\$4,600
Lapsing Balance	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$761,500	\$766,600	\$73,900	\$840,500	(\$38,600)	\$801,900

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$774,500	\$774,200	\$34,800	\$809,000	(\$26,500)	\$782,500
In-state Travel	\$400	\$300	\$0	\$300	\$0	\$300
Out-of-state Travel	\$5,200	\$8,000	\$3,000	\$11,000	(\$6,000)	\$5,000
Current Expense	\$11,400	\$14,100	\$36,100	\$50,200	(\$36,100)	\$14,100
Other Charges/Pass Thru	(\$30,000)	(\$30,000)	\$0	(\$30,000)	\$30,000	\$0
Total	\$761,500	\$766,600	\$73,900	\$840,500	(\$38,600)	\$801,900

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
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Budgeted FTE	14	14	0	14	(5)	9
Actual FTE	8	0	0	0	0	0

Program: Teacher Salary Supplement

Function

The Teacher Salary Supplement program was created in the 2008 General Session to provide bonuses to math and science teachers in the public education system who meet certain criteria specified in the statute. DHRM's role is to administer the program by creating an online application system, verifying teacher eligibility, determining the amount of the bonuses to be received, and then working with State Finance to have funding dispersed to applicable local education agencies for disbursement to qualifying teachers.

DHRM is allocated funding to provide for staff time and IT resources. The funding for the bonuses themselves is given to the Division of Finance.

Funding Detail

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
General Fund	\$228,400	\$232,700	\$0	\$232,700	(\$232,700)	\$0
General Fund, One-time	\$0	\$0	\$700	\$700	(\$700)	\$0
Lapsing Balance	(\$103,000)	\$0	\$0	\$0	\$0	\$0
Total	\$125,400	\$232,700	\$700	\$233,400	(\$233,400)	\$0

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$120,700	\$116,100	\$27,300	\$143,400	(\$143,400)	\$0
In-state Travel	\$0	\$500	\$0	\$500	(\$500)	\$0
Out-of-state Travel	\$0	\$3,000	\$0	\$3,000	(\$3,000)	\$0
Current Expense	\$1,400	\$48,800	(\$25,900)	\$22,900	(\$22,900)	\$0

DP Current Expense	\$3,300	\$64,300	(\$700)	\$63,600	(\$63,600)	\$0
Total	\$125,400	\$232,700	\$700	\$233,400	(\$233,400)	\$0

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	2	2	0	2	(2)	0
Actual FTE	2	0	0	0	0	0

Program: Statewide Management Liability Training

Function

Statewide Management Liability Training provides opportunities and resources available to agencies across the state to meet workforce needs including:

- courses and workshops for supervisors and managers to sharpen knowledge and implement skills in liability reduction, leadership, communication, and workplace processes;
- conferences and symposia for managers and human resource professionals to receive current information and data on workplace liability, leadership, and management practices;
- customized training at the request of any work unit to build business and management skills in the organization;
- business consultation for work unit leaders to advance strategic solutions or examine work unit processes for improvement;
- professional coaching for managers and leadership teams to improve operational and behavioral effectiveness;
- work units to access speakers or facilitators for leadership, management and liability reduction related topics or processes.

Funding Detail

The program is funded through Dedicated Credit revenue generated by fees for services provided.

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Dedicated Credits Revenue	\$154,700	\$400,000	\$0	\$400,000	(\$200,000)	\$200,000
Transfers	\$0	\$0	(\$200,000)	(\$200,000)	\$200,000	\$0
Beginning Nonlapsing	\$233,800	\$0	\$487,400	\$487,400	(\$443,600)	\$43,800

Closing Nonlapsing	(\$243,800)	\$0	(\$43,600)	(\$43,600)	(\$200)	(\$43,800)
Total	\$144,700	\$400,000	\$243,800	\$643,800	(\$443,800)	\$200,000

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
In-state Travel	\$0	\$5,000	\$0	\$5,000	(\$4,500)	\$500
Out-of-state Travel	\$2,000	\$50,000	\$0	\$50,000	(\$46,000)	\$4,000
Current Expense	\$112,700	\$305,000	\$243,800	\$548,800	(\$353,300)	\$195,500
DP Current Expense	\$0	\$10,000	\$0	\$10,000	(\$10,000)	\$0
Other Charges/Pass Thru	\$30,000	\$30,000	\$0	\$30,000	(\$30,000)	\$0
Total	\$144,700	\$400,000	\$243,800	\$643,800	(\$443,800)	\$200,000

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	0	3	(3)	0	0	0

Program: Information Technology

Function

Information Technology provides the automated systems that comprise the enterprise Human Resource Management Information system. This system provides support to all agencies relative to employee recruitment, employment, pay, and all other employee related functions.

Statewide systems supported by DHRM include:

- HRE (Human Resource Enterprise)
- TRM (Training Records Management)
- Employee Gateway
- HR Data Warehouse
- UJM (Utah Job Match)

- UJM Job & Position Analysis
- Lifestyle Benefits
- UMD (Utah Master Directory)
- HREventure Events Management System
- Teacher Salary Supplement Program Website
- Utah Performance Management
- Employee Resource Information Center (ERIC)

The Information Technology program provides the technology support for the department. It provides support for internal DHRM needs as well as other state agencies in processing HR business. This includes processing from recruitment through termination.

The program provides direct access to human resource information to employees. It also provides information to the public and employees through the Web.

Funding Detail

In FY 2007 all five FTE in this program transferred to the new Department of Technology Services; which bills for the services previously performed by this division to DHRM as current expenses.

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
General Fund	\$1,144,300	\$1,118,900	\$0	\$1,118,900	(\$50,500)	\$1,068,400
General Fund, One-time	\$0	\$0	(\$50,000)	(\$50,000)	\$50,000	\$0
Beginning Nonlapsing	\$314,100	\$0	\$700,000	\$700,000	(\$650,000)	\$50,000
Closing Nonlapsing	(\$350,000)	\$0	(\$50,000)	(\$50,000)	\$0	(\$50,000)
Lapsing Balance	(\$186,600)	\$0	\$0	\$0	\$0	\$0
Total	\$921,800	\$1,118,900	\$600,000	\$1,718,900	(\$650,500)	\$1,068,400

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Current Expense	\$200	\$0	\$0	\$0	\$0	\$0
DP Current Expense	\$921,600	\$1,118,900	\$600,000	\$1,718,900	(\$650,500)	\$1,068,400
Total	\$921,800	\$1,118,900	\$600,000	\$1,718,900	(\$650,500)	\$1,068,400

COBI contains unaudited data as presented to the Legislature by state agencies at the time of publication. For audited financial data see the State of Utah's Comprehensive Annual Financial Reports.