

**OFFICE OF HUMAN RESOURCES
FISCAL YEAR 2019 BUDGET TESTIMONY
APRIL 16, 2018**

INTRODUCTION

Good Afternoon, President Clarke and Members of City Council. I am Pedro Rodriguez, Director of Human Resources. Joining me today are key members of my senior team, Deputies Marsha Green Jones and Valerie Hosendorf. I am pleased to provide testimony on the Office of Human Resources' Fiscal Year 2019 operating budget.

DEPARTMENT MISSION & PLANS

Mission: Under the guidance of the Civil Service Commission, the Office of Human Resources (OHR) works to attract, select, and retain a qualified, diverse, and effective workforce to support the goals of the City. OHR accomplishes its mission by administering the City's Civil Service system, the purpose of which is to create and maintain workforce management programs based on merit and equity. OHR classifies and determines equitable pay rates for all civil service jobs; develops and administers examinations for candidates for City employment; and establishes ranked lists of qualified candidates for hire and promotion. OHR creates and adjusts civil service regulations as city programs, employment law, and bargaining agreements change; enforces regulatory compliance to reduce risk to the City; leads and guides departmentally-based human resource managers; and develops and manages a competitive yet cost-effective benefits program for non-union employees.

ACCOMPLISHMENTS:

Diversity and Recruitment Efforts: OHR has increased its efforts to diversify the applicant pool for City jobs. In 2017, OHR posted on social media in multiple languages, including Spanish, Russian, Mandarin, and French; made nearly 200 City job announcements on the statewide job board, CareerLink; and attended 12 job fairs held by diverse groups of organizations, universities, and elected officials throughout Philadelphia. Since November 2016, when OHR started using #PHLCityJobs on Twitter, over 4,500 users have clicked on social media links to find civil service openings.

In December 2016, OHR implemented an online job notification system, which allows individuals who wish to apply for a job that is not currently open to opt to be notified when the application window opens for that job. In the first year of this notification system, OHR has received over 36,000 requests for 950 job classes. This feature ensures that candidates do not miss out on new job postings and assists OHR in attracting qualified candidates for hard-to-fill jobs.

In FY17 and the first half of FY18, 4,497 candidates were hired from civil service eligible lists. The demographic composition of these successful candidates was 22% White, 37% African-American, 5% Latino, 3% Asian, 2% multi-racial, and < 1 Native American or Pacific Islander. Thirty percent of the candidates did not disclose their race.

Real Time Job Candidate Data: OHR has updated its applicant-tracking and management software to enable departmental human resources (HR) representatives who are authorized to view the status of all candidates on their hiring lists to do so in real time. This change allows representatives to preview candidates who would be referred next for an interview. All HR Managers have been trained, and a written User Guide has been distributed. It is hoped that this feature will assist departments in filling vacancies efficiently.

OFFICE OF HUMAN RESOURCES

Benefits Administration: OHR's Benefits Division deploys the City's benefits strategy and is responsible for compliance with City-Administered Health Plans for both active employees and retirees. The Division also supports the City's four unions through ancillary programs. The Division participates in the monthly "Quick Start Philly" process, which is the City-wide onboarding process, and sits on the boards of union funds.

In 2017, changes were made to the City-Administered Plan (CAP) to encourage a reduction in the number of employee visits to the emergency room for non-emergencies. The emergency room co-pay was increased by 50% while the co-pay to non-emergency urgent care centers was reduced from \$75 to \$40. This change has contributed to a 17% reduction in the number of inappropriate visits to the emergency room, and an increase of 49% in the number of visits to urgent care centers and retail clinics over the previous year.

The Division also operates the Generic Drug and Maintenance Choice programs, which has contributed to 86.3% of all drugs dispensed being generic.

In calendar year 2017, 47.23% of employees/spouses and life partners completed the wellness program to earn a \$500 credit in the employee contribution. This was also the first year for retiree participation. Although participation levels were low, 65 retirees completed their wellness activities to receive the lower rate for 2018. Wellness programs are intended to promote cost avoidance by motivating employees to engage in healthy behaviors. The City is surpassing the national average for wellness program participation by 11.5%.

In addition, the Benefits Division will continue to participate in three external initiatives, and begin one new initiative, to promote and encourage wellness: a Healthy Weight Study, in partnership with the University of Pennsylvania; a health communication study, in partnership with the Mayor's Office of Policy; a pre-diabetes intervention pilot, in partnership with the Center for Disease Control (CDC) and a private provider; and a blood pressure study, to investigate controlling high blood pressure. Data is not yet available for the first two studies or the most recent study. For the pre-diabetes study, OHR has experienced a weekly participation rate over 95%, and the average weight loss has been almost eight pounds per month. OHR plans to work alongside its provider community to identify additional chronic disease areas for future focus.

Additional Initiatives: OHR continues to lead monthly meetings for departmental HR managers to communicate updates to City programs and to explain changes to HR regulations and laws. OHR maintains its partnership with the Managing Director's Office, the Law Department, Risk Management, the Mayor's Office of Labor, the Office of the Chief Administrative Officer (CAO) and the Board of Pensions to provide in-depth training sessions on topics such as the results of new bargaining agreements, return-to-work strategies for injured workers, initiatives for non-civil service employment, and the parameters of new pension plans. In FY18, OHR will partner with the CAO to use the new learning management system to distribute training where appropriate.

The City is preparing to implement an integrated human resources, benefits, pensions, and payroll system called OnePhilly. OHR, with its Personnel Director as a member of the OnePhilly steering committee, has been advising the OnePhilly team regarding City regulations, practices, and procedures; ensuring that data related to employees is made accurate and kept accurate; providing monthly reports of data mismatches to human resources staff for resolution and update in the legacy systems; educating this group regarding the impacts of specific data once the new system is live; and providing ongoing oversight and guidance to ensure a successful launch.

PLANS FOR FISCAL YEARS 2019

OHR will continue to work with the OnePhilly team to ensure a successful implementation in December of 2018. This will include a new business process for the review and approval of non-budgeted positions by the Office of Budget and Program Evaluation and OHR, using the new OnePhilly software.

Lastly, OHR will participate as a key stakeholder in a task force sponsored by the CAO to review human resources processes across the City. The project will examine HR functions City-wide and explore opportunities for improvement by leveraging technology to promote greater partnership between HR, both in the Office and the departments, and City operations.

OFFICE OF HUMAN RESOURCES

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2017)				
	Total	Minority	White	Female
Number of Full-Time Staff	74	55	19	52
Number of Exempt Staff	7	4	3	6
Number of Executive Staff (deputy level and above)	6	4	2	5
Average Salary, Full-Time Staff	\$59,552	\$59,753	\$61,553	\$59,861
Average Salary, Exempt Staff	\$117,280	\$131,324	\$103,236	\$114,265
Average Salary, Executive Staff	\$136,360	\$144,301	\$122,648	\$122,648
Median Salary, Full-Time Staff	\$48,222	\$44,672	\$67,323	\$43,185
Median Salary, Exempt Staff	\$122,648	\$122,648	\$122,648	\$122,648
Median Salary, Executive Staff	\$122,648	\$122,648	\$122,648	\$122,648

Employment Levels (as of December 2017)		
	Budgeted	Filled
Number of Full-Time Positions	81	74
Number of Exempt Positions	7	7
Number of Executive Positions (deputy level and above)	6	6
Average Salary of All Full-Time Positions	\$61,235	\$59,552
Median Salary of All Full-Time Positions	\$49,321	\$48,222

General Fund Financial Summary by Class						
	FY17 Original Appropriations	FY17 Actual Obligations	FY18 Original Appropriations	FY18 Estimated Obligations	FY19 Proposed Appropriations	Difference: FY19-FY18
Class 100 - Employee Compensation	\$5,403,578	\$5,327,367	\$4,983,106	\$4,839,227	\$5,035,367	\$196,140
Class 200 - Purchase of Services	\$952,070	\$807,680	\$959,070	\$959,070	\$1,239,070	\$280,000
Class 300/400 - Materials, Supplies & Equipment	\$69,932	\$53,849	\$69,432	\$69,432	\$69,432	\$0
	\$6,425,580	\$6,188,896	\$6,011,608	\$5,867,729	\$6,343,869	\$476,140

Contracts Summary (Professional Services only)						
	FY13	FY14	FY15	FY16	FY17	FY18 YTD (Q1 & Q2)
Total amount of contracts	\$412,800	\$443,042	\$352,000	\$509,110	\$709,755	\$527,628
Total amount to M/W/DSBE	\$61,250	\$50,000	\$80,000	\$63,460	\$127,310	\$82,500
Participation Rate	15%	11%	23%	12%	18%	16%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY17	FY18	FY19
M/W/DSBE Contract Participation Goal	20%	20%	18%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2019 General Fund budget totals \$6,343,869, an increase of \$476,140 over Fiscal Year 2018 estimated obligation levels. This increase is primarily due to positions to support the new process designed for Position Exemption Requests as a result of the OnePhilly project, DC 33 pay raises per union contract, the initiation of a Diabetes Prevention Program and an audit of the City's Pharmacy Benefit.

The proposed budget includes:

- \$5,035,367 in Class 100, a \$196,140 increase over FY18. This is due to anticipated pay increases for DC 33 employees, the Position Control positions, and an additional Physician at the Medical Evaluation unit.
- \$1,239,070 in Class 200, a \$280,000 increase over FY18. This is due to the approval of a Diabetes Prevention Program. Only one of every two diabetics are adherent to their health management and medication plans; the prevention program is designed to increase employee adherence and improve their health. Additionally, the program will educate pre-diabetics and hopefully prevent development of diabetes at all. The Pharmacy Benefits audit will fulfill the City's fiduciary responsibilities for appropriate oversight of the benefit.
- \$65,082 in Class 300, level funding with FY18.
- \$4,350 in Class 400, level funding with FY18.

OFFICE OF HUMAN RESOURCES

STAFFING LEVELS

The department is requesting 85 budgeted positions for FY19, an increase of 4 positions over FY18. This increase is due to the new position to support the OnePhilly Project as well as positions to effectively staff the MEU and other units. We are expecting to hire 2 additional staff members for the Medical Evaluation Unit, and 1 in the Transactions unit.

NEW HIRES

New Hires (from 7/1/2017 to December 2017)	
	Total Number of New Hires
Black or African American	1
White	1
Total	2

Since January 1, 2018, OHR has hired five employees who identify as Black or African American, two who identify as White, and one who did not disclose their race.

OFFICE OF HUMAN RESOURCES

PERFORMANCE, CHALLENGES, AND INITIATIVES

FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Percent of civil service eligible lists produced on or before targeted date	99%	98%	95%	95%
Average number of days for producing civil service eligible list	44	48	≤ 55	≤ 55
Percent of civil service exams administered on published and projected target date	96%	95%	95%	95%
Percent of new hires who have satisfactory or higher performance evaluations and have not been involuntarily separated after one year of hire ¹	95%	95%	95%	95%
Percent of employees and spouses/life partners enrolled in wellness initiatives ²	46.5%	N/A	50%	50%
Average turnaround days for HR transactions ³	1	1	1	1
Number of civil service eligible lists ⁴	352	170	N/A	N/A

¹ OHR is using this measure to assess the quality of eligible candidates.

² This is an annual measure that is calculated on a calendar year basis. 2017 was the second year for spousal/life partner inclusion. Enrollment data will be available in October.

³ Transactions include employee hires, promotions, transfers, leaves of absence, salary changes, and separations.

⁴ The number of lists produced annually depends on departmental needs and requests, so OHR does not set targets for these measures. The number of lists typically varies from 250 to 450.

OFFICE OF HUMAN RESOURCES

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

The City will continue to monitor federal and state changes to healthcare policy.

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY18											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Local Business (principal place of business located within City limits) [yes / no]	Waiver for Living Wage Compliance? [yes / no]
Aon Consulting	Benefits Consultant	\$250,000	6/20/2013	8/1/2016	MBE: Best Efforts	20%	\$50,000	20%	\$50,000	yes	no
					WBE: Best Efforts	0%	\$0				
					DSBE: Best Efforts	0%	\$0				

OFFICE OF HUMAN RESOURCES

EMPLOYEE DATA

Staff Demographics (as of December 2017)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	10	36	<i>Total</i>	0	3
<i>% of Total</i>	14%	49%	<i>% of Total</i>	0%	50%
<i>Average Salary</i>	\$45,433	\$53,674	<i>Average Salary</i>	N/A	\$122,648
<i>Median Salary</i>	\$42,753	\$42,353	<i>Median Salary</i>	N/A	\$122,648
	White	White		White	White
<i>Total</i>	9	10	<i>Total</i>	0	2
<i>% of Total</i>	12%	14%	<i>% of Total</i>	0%	33%
<i>Average Salary</i>	\$66,027	\$59,708	<i>Average Salary</i>	N/A	\$122,648
<i>Median Salary</i>	\$71,597	\$64,837	<i>Median Salary</i>	N/A	\$122,648
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	1	3	<i>Total</i>	1	0
<i>% of Total</i>	1%	4%	<i>% of Total</i>	17%	0%
<i>Average Salary</i>	\$130,000	\$59,545	<i>Average Salary</i>	\$130,000	N/A
<i>Median Salary</i>	\$130,000	\$64,237	<i>Median Salary</i>	\$130,000	N/A
	Asian	Asian		Asian	Asian
<i>Total</i>	1	1	<i>Total</i>	0	0
<i>% of Total</i>	1%	1%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$81,082	\$35,661	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$81,082	\$35,661	<i>Median Salary</i>	N/A	N/A
	Other	Other		Other	Other
<i>Total</i>	1	2	<i>Total</i>	0	0
<i>% of Total</i>	1%	3%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$64,037	\$45,692	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$64,037	\$45,692	<i>Median Salary</i>	N/A	N/A
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	4	7	<i>Total</i>	1	1
<i>% of Total</i>	5%	9%	<i>% of Total</i>	17%	17%
<i>Average Salary</i>	\$86,642	\$74,142	<i>Average Salary</i>	\$130,000	\$122,648
<i>Median Salary</i>	\$76,265	\$71,647	<i>Median Salary</i>	\$130,000	\$122,648
	Male	Female		Male	Female
<i>Total</i>	22	52	<i>Total</i>	1	5
<i>% of Total</i>	30%	70%	<i>% of Total</i>	17%	83%
<i>Average Salary</i>	\$56,197	\$59,861	<i>Average Salary</i>	\$130,000	\$122,648
<i>Median Salary</i>	\$52,841	\$43,185	<i>Median Salary</i>	\$130,000	\$122,648

LANGUAGE ACCESS

1) Has your leadership received language access training?

OHR Director Pedro Rodriguez has received language access training as part of the A-Team Executive Language Access Trainings. Training for other OHR executive staff is being coordinated with the Office of Immigrant Affairs.

2) Do you currently have a language access coordinator?

Yes, Janine LaBletta.

3) Has your department written a language access plan and is it posted online?

Yes, and it is available here: <https://beta.phila.gov/documents/language-access-plans/>

4) Explain what your departments has done to improve language access services over the past year.

The Office of Human Resources has begun to identify ways to share information about what the office does and the process for how to apply for a civil service job. Unfortunately, Civil Service positions require knowledge and command of the English language. OHR will identify how resources can be made available in other languages to assist or inform limited-English communities on how the Civil Service functions, including how to apply and frequently asked questions.