

**OFFICE OF HUMAN RESOURCES
FISCAL YEAR 2020 BUDGET TESTIMONY
APRIL 16, 2019**

INTRODUCTION

Good Afternoon, President Clarke and Members of City Council. I am Christine Derenick-Lopez, Chief Administrative Officer and Interim Human Resources Director. Joining me today are Deputy Personnel Directors Marsha Greene-Jones and Valerie Hosendorf. I am pleased to provide testimony on the Office of Human Resources' Fiscal Year 2020 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; guides human resource managers who are based within departments; and develops and manages a competitive yet cost-effective benefits program for non-union employees and union employees who opt into it.

Plans for Fiscal Year 2020:

Benefits Initiatives: In FY20, the Health and Welfare team will continue to focus upon the total well-being of employees, working to bridge the inherent correlation between employee health and productivity. Health and welfare will focus upon two chronic disease states: a prediabetes program (serving 23% of prediabetic individuals in our member population); and a study with a focus on hypertension, the largest chronic disease category for the City Administered Plan (CAP). Eighteen percent of our covered members have been diagnosed with hypertension. With the roll-out of these voluntary programs, we will continue to educate and encourage employees to make healthy choices.

Mental health support for employees continues to be an area of concern for all employers. Through a partnership with Independence Blue Cross, and our Behavioral Health partner Magellan, we will begin to offer Telephonic therapy sessions to CAP employees. It is our hope that with this initiative we will begin to break down the barriers and stigma associated with mental health support. Last year, almost 2,000 CAP employees sought mental health support. Of this 2,000, over 700 had a known chronic disease. Understanding the needs of our plan members is essential to supporting our goal of reducing gaps in care.

Hiring Services Initiatives: Over the next 12 months, OHR will be in collaboration with the Office of the Chief Administrative Officer to review people processes across the City. The project will take a comprehensive approach, examining human resources (HR) functions and explore opportunities for improvement by leveraging technology, promoting greater partnership between HR and operations, driving inclusion and equity, and encouraging collaboration. The goal is to create a sustainable and supportive environment that enables the City to attract and retain a high-quality and diverse workforce that provides quality services. We have already begun to evaluate existing regulations and policies that may hinder time to hire, pilot improvements to selection processes, and leverage augmented services to reduce processing

time for selected candidates. The department is also developing strategies to improve the candidate experience that will have a significant impact on how the city is viewed as an employer. We will continue to leverage technology, wherever possible, to improve the efficiencies of our operations and further develop our ability to assess success by creating a people analytics function that will use data more effectively.

OHR will focus on five areas to aid in the efficiency and effectiveness of our City government. These areas are:

- **Brand the City as an employer of choice:** Highlighting the opportunity to impact on our community, diversity and inclusion, and work-life balance.
- **Improve the hiring process:** Implement “time to hire” pilot, along with new testing methods to provide candidates with the right skills to departments.
- **Build HR as a strategic partner for a 21st century workforce:** Launch the HR Leadership Academy and develop modern job competencies.
- **Enhance the candidate experience:** Incorporate methods to keep candidates engaged and informed.
- **Create a people analytics function:** Develop our ability to assess our progress by creating a people analytics function that will use data more effectively.

OHR will also continue to work with operating departments to fill critical vacancies to ensure continuity of services for the citizens of Philadelphia. There are currently 323 active Open-Competitive eligible lists across several disciplines, including Skilled Trades, Uniform, Engineering, and others available for department use.

Lastly, OHR will continue to support current City initiatives such as City as Model Employer to help underserved populations receive the skills they need and to, where possible, gain employment with the City.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of November 2018)				
	Total	Minority	White	Female
Number of Full-Time Staff	79	60	20	58
Number of Exempt Staff	5	3	2	5
Number of Executive Staff (deputy level and above)	4	4	1	4
Average Salary, Full-Time Staff	\$60,784	\$58,766	\$67,156	\$59,533
Average Salary, Exempt Staff	\$111,362	\$126,327	\$88,914	\$111,362
Average Salary, Executive Staff	\$126,327	\$126,327	\$126,327	\$126,327
Median Salary, Full-Time Staff	\$52,071	\$46,304	\$61,043	\$49,052
Median Salary, Exempt Staff	\$126,327	\$126,327	\$88,914	\$126,327
Median Salary, Executive Staff	\$126,327	\$126,327	\$126,327	\$126,327

Employment Levels (as of November 2018)		
	Budgeted in FY19	Filled as of the Increment Run (11/18)
Number of Full-Time Positions	85	79
Number of Exempt Positions	6	5
Number of Executive Positions (deputy level and above)	5	4
Average Salary of All Full-Time Positions	\$59,605	\$60,784
Median Salary of All Full-Time Positions	\$60,248	\$52,071

General Fund Financial Summary by Class						
	FY18 Original Appropriations	FY18 Actual Obligations	FY19 Original Appropriations	FY19 Estimated Obligations	FY20 Proposed Appropriations	Difference: FY20-FY19
Class 100 - Employee Compensation	\$4,983,106	\$4,766,878	\$5,035,367	\$5,226,848	\$5,405,785	\$178,937
Class 200 - Purchase of Services	\$959,070	\$809,279	\$1,239,070	\$1,239,070	\$1,229,070	(\$10,000)
Class 300/400 - Materials, Supplies & Equipment	\$69,432	\$50,280	\$69,432	\$69,432	\$89,432	\$20,000
	\$6,011,608	\$5,626,437	\$6,343,869	\$6,535,350	\$6,724,287	\$188,937

Contracts Summary (Professional Services only)						
	FY14	FY15	FY16	FY17	FY18	FY19 YTD (Q1 & Q2)
Total amount of contracts	\$443,042	\$352,000	\$509,110	\$709,755	\$460,650	\$489,992
Total amount to M/W/DSBE	\$50,000	\$80,000	\$63,460	\$127,310	\$82,500	\$82,500
Participation Rate	11%	23%	12%	18%	18%	17%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY18	FY19	FY20
M/W/DSBE Contract Participation Goal	20%	18%	17%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2020 General Fund budget totals \$6,724,287, an increase of \$188,937 over Fiscal Year 2019 estimated obligation levels. This increase is primarily due to scheduled salary increases (including for DC33) and the purchase of medical equipment for the City's Medical Evaluation Unit.

The proposed budget includes:

- \$5,405,785 in Class 100, a \$178,937 increase over FY19. This funding is for general pay increases, including for DC33, due July 1, 2019.
- \$1,229,070 in Class 200, a \$10,000 decrease from FY19.
- \$85,082 in Class 300/400, a \$20,000 increase over FY19. This funding will allow the department to purchase much-needed medical equipment for the Medical Evaluation Unit. New examination tables, EKG, and Pulmonary Function equipment will allow for more efficient processing of employee medical examinations.

STAFFING LEVELS

The department is requesting 86 budgeted positions for FY20, an increase of 1 position over FY19.

The increase is for an additional position in the Medical Evaluation Unit.

NEW HIRES

New Hires (from 7/1/2018 to 11/25/18)	
	Total Number of New Hires
Black or African American	3
Hispanic or Latino	1
White	1
Total	5

Since the increment run, OHR has hired one new employee (who identifies as Hispanic or Latino).

PERFORMANCE, CHALLENGES, AND INITIATIVES

FY20 Performance Measures				
Measure	FY18 Actual	FY19 YTD (Q1 + Q2)	FY19 Target	FY20 Target
Percent of civil service eligible lists produced on or before targeted date	98.6%	98.9%	95.0%	95.0%
Average number of days for producing civil service eligible list	48	47	≤ 48	≤ 48
Percent of civil service exams administered on published and projected target date	94.5%	95.0%	95.0%	95.0%
Percent of new hires who have satisfactory or higher performance evaluations and have not been involuntarily separated after one year of hire ¹	97.8%	92%	95%	95%
Percent of employees and spouses/life partners who completed wellness initiatives ²	48.8%	N/A	47.5%	48%
Number of civil service eligible lists ³	390	188	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. 2018 was the third year for spousal/life partner inclusion. Enrollment data will be available in October.

³ The number of lists produced annually depends on departmental needs and requests, so OHR does not set targets for this measure. The number of lists typically varies from 250 to 450.

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 with For-Profit Vendors											
Top Five Largest Contracts over \$34,000 for FY19											
Vendor Name	Brief Description of 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	Is This a Local Business? (principal place of business located within City limits) [yes / no]	Does the Vendor Have a 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				

EMPLOYEE DATA

Staff Demographics (as of November 2018)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	11	38	<i>Total</i>	0	3
<i>% of Total</i>	14%	48%	<i>% of Total</i>	0%	75%
<i>Average Salary</i>	\$49,270	\$57,256	<i>Average Salary</i>	N/A	\$126,327
<i>Median Salary</i>	\$52,071	\$45,758	<i>Median Salary</i>	N/A	\$126,327
	White	White		White	White
<i>Total</i>	7	13	<i>Total</i>	0	1
<i>% of Total</i>	9%	16%	<i>% of Total</i>	0%	25%
<i>Average Salary</i>	\$65,329	\$68,221	<i>Average Salary</i>	N/A	\$126,327
<i>Median Salary</i>	\$66,281	\$55,787	<i>Median Salary</i>	N/A	\$126,327
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	1	3	<i>Total</i>	0	0
<i>% of Total</i>	1%	4%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$37,056	\$62,379	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$37,056	\$67,772	<i>Median Salary</i>	N/A	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>	\$85,568	\$40,154	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$85,568	\$40,154	<i>Median Salary</i>	N/A	N/A
	Other	Other		Other	Other
<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>	\$67,572	\$59,501	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$67,572	\$59,501	<i>Median Salary</i>	N/A	N/A
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	3	7	<i>Total</i>	0	
<i>% of Total</i>	4%	9%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$76,175	\$78,933	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$75,385	\$75,585	<i>Median Salary</i>	N/A	N/A
	Male	Female		Male	Female
<i>Total</i>	21	58	<i>Total</i>	0	4
<i>% of Total</i>	27%	73%	<i>% of Total</i>	0%	100%
<i>Average Salary</i>	\$64,237	\$59,533	<i>Average Salary</i>	N/A	\$126,327
<i>Median Salary</i>	\$59,501	\$49,052	<i>Median Salary</i>	N/A	\$126,327

LANGUAGE ACCESS

1. Has your leadership received language access training?

Yes, all Deputy Directors attended language access training in April of 2018.

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 department has done to improve language access services over the past year.

Over the last year, executive management has been trained to inform their teams of the importance of language access and of the resources available. The front-line customer service unit has connected with the Language Access Coordinator to access the resources needed to assist non-English speaking callers/candidates. Customer Service forwards calls for language assistance to appropriate, identified bilingual staff or contacts the City's Telephone language assistance line to address callers' needs.