

**OFFICE OF HUMAN RESOURCES
FISCAL YEAR 2024 BUDGET TESTIMONY
APRIL 12, 2023**

INTRODUCTION

Good afternoon, President Clarke and Members of City Council. I am Michael Zaccagni, Director of Human Resources. Joining me today are Deputy Directors Valerie Hosendorf, Marsha Greene-Jones, Janine LaBletta, and Ardena Starks. I am pleased to provide testimony on the Office of Human Resources' Fiscal Year 2024 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 is continually reviewing its processes to improve the services it provides and works closely with partner agencies, such as the Office of the Chief Administrative Officer (CAO), to develop innovative people strategies. A key component of OHR's mission is to effectively administer the City's Civil Service system, the purpose of which is to create and maintain workforce management practices that are based on merit and equity.

Plans for Fiscal Year 2024:

The department continues to focus on several key areas: investing in critical positions, improving time-to-hire, driving recruitment and engagement, expanding partnerships, and promoting healthy lifestyles for employees. Each strategy and initiative identified will incorporate values of diversity and equity to assure the City maintains a diverse workforce and a culture of inclusion.

In FY23, we began to share data with departments on time-to-hire and will continue to work on process changes to improve this key metric. A key aspect will be the expansion of alternate assessments methods and working directly with departments on their internal hiring practices. In addition, we continue to work on improving the skills and competencies of our HR community.

With the addition of a workforce development director to the office, we have posted an RFP to engage support for a pilot program to upskill employees into critical trades positions. In addition, we are assessing programs across the City to determine how best to leverage current work in this area.

Recruitment of key staff continues to present challenges across departments. Key initiatives in the area include continuation of our strategy to rethink degree and certification requirements where appropriate in order to reduce barriers to employment; expanding recruitment efforts; dedicated funding to promote the city as an employer of choice; leveraging technology to improve the candidate experience; and completing a comprehensive assessment of key benchmark positions in our compensation plan. We have dedicated additional funding to our project to review assessment instruments and job descriptions to help eliminate unintentional language that could have an adverse impact on our diverse applicant communities.

A key aspect of our position as an employer of choice is our focus on employee health and welfare. As we continue to look at benefits offerings we continue to drive health equity through health literacy programs, an effort for which additional funding is included in the Proposed FY24 Budget. We are completing an assessment of benefits offered by the City administered health plan through a project sponsored by the CDC Foundation and expect to implement several strategies that will impact coverage gaps.

Before I end my testimony, I would like to thank this Council for their support, especially President Clarke and the Recruitment and Retention Committee for the work they have done over the past several weeks. We are grateful for their help with identifying initiatives we can pursue and assistance with identify resources to support efforts to address the critical staffing needs the City is experiencing.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2022)				
	Total	Minority	White	Female
Number of Full-Time Staff	73	61	12	58
Number of Exempt Staff	5	3	2	5
Number of Executive Staff (deputy level and above)	4	3	1	4
Average Salary, Full-Time Staff	\$70,440	\$68,924	\$79,835	\$65,945
Average Salary, Exempt Staff	\$121,440	\$135,567	\$100,250	\$121,440
Average Salary, Executive Staff	\$136,175	\$135,568	\$138,000	\$136,175
Median Salary, Full-Time Staff	\$58,412	\$58,154	\$79,488	\$50,233
Median Salary, Exempt Staff	\$138,000	\$143,350	\$100,250	\$138,000
Median Salary, Executive Staff	\$140,675	\$143,350	\$138,000	\$140,675

Employment Levels (as of December 2022)		
	Budgeted	Filled
Number of Full-Time Positions	88	73
Number of Part-Time Positions	0	0

Number of Exempt Positions	5	5
Number of Executive Positions (deputy level and above)	4	4
Average Salary of All Full-Time Positions	123,014	70,440
Median Salary of All Full-Time Positions	50,861	58,412

General Fund Financial Summary by Class						
	FY22 Original Appropriations	FY22 Actual Obligations	FY23 Original Appropriations	FY23 Estimated Obligations	FY24 Proposed Appropriations	Difference: FY24-FY23
Class 100 - Employee Compensation	\$5,223,802	\$5,230,335	\$6,042,760	\$6,283,261	\$6,509,982	\$226,721
Class 200 - Purchase of Services	\$1,177,570	\$863,161	\$1,306,067	\$1,566,067	\$3,127,871	\$1,561,804
Class 300/400 - Materials, Supplies & Equipment	\$69,432	\$38,118	\$69,432	\$69,432	\$72,903	\$3,471
	\$6,470,804	\$6,131,614	\$7,418,259	\$7,918,760	\$9,710,756	\$1,791,996

Contracts Summary (Professional Services only)						
	FY20	FY21	FY22	FY23	FY23 YTD (Q1 & Q2)	FY24 Projected
Total amount of contracts	\$576,505	\$492,455	\$839,220	\$521,500	\$690,950	\$2,123,000

Total amount to M/W/DSBE	\$136,289	\$114,000	\$285,700	\$148,000	\$175,899	\$530,750
Participation Rate	24%	23%	34%	28%	25%	25%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY22	FY23	FY24 Projected
M/W/DSBE Contract Participation Goal	Best Effort	Best Effort	Best Effort

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2024 General Fund budget totals \$9,710,756, an increase of \$1,791,996 over Fiscal Year 2023 estimated obligation levels. This increase is primarily due to additional funding to our Class 200 budget that allows us to pursue initiatives in several areas as defined below.

The proposed budget includes:

- \$6,509,982 in Class 100, a \$226,721 increase over FY23. The increase provides funding for wage increases and additional support for our benefits and recruitment teams.
- \$3,127,871 in Class 200, a \$1,561,804 increase over FY23. This funding will support a number of initiatives including a new applicant tracking system, contracts for posting 1095-Cs online, a marketing campaign promoting the City as an employer of choice, and a review of position descriptions and assessment tools to assess any adverse impact factors. In addition, there is a cost neutral transition of contracts and subscriptions between CAO and OHR.
- \$72,903 in Class 300/400, a \$3,471 increase over FY23. This funding addresses inflation costs to our current services and purchases.

STAFFING LEVELS

The department is requesting 95 budgeted positions for FY24, an increase of 7 positions over FY23 for additional support for our benefits and recruitment teams.






NEW HIRES

New Hires (from 7/1/2021 to December 2022)		
	Total Number of New Hires	English
Black or African American	5	5
Total	5	5

Detail for new hires since December 2022, if applicable:		
	Total Number of New Hires	English
Black or African American	4	4
White	1	1
Total	5	5

PERFORMANCE, CHALLENGES, AND INITIATIVES







PLANNING & STRATEGY

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Hiring Time	N/A	90 days	90 days	

FY24 Strategic Goals

- In collaboration with departmental HR staff, develop best practices to improve time to hire at the department level.
- Fully implement an enterprise-wide HR council to promote greater collaboration among departmental HR professionals, improve technical competency across the City, and better drive equity and inclusion.
- Develop a workforce development program to develop new skills and competencies in the City’s workforce and provide expanded opportunities for career advancement.








HIRING SERVICES

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Percentage of civil service eligible lists produced on or by target date	96.9%	97.0%	97.0%	
Average number of days for producing civil service eligible list	33	39	35	

FY24 Strategic Goals

- Finalize testing analysis with consultant to evaluate process and instruments for selecting positions to improve access and equity.
- Complete compensation assessment to identify key positions that are significantly misaligned with industry pay.
- Revise OHR website and job postings to improve candidate experience.
- Continue to review diversity data and collaborate with departments and provide support to employees to increase equity and success of process.






BENEFITS ADMINISTRATION

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Percent change in the total dollar amount of health benefit expenditures (actual) compared to budget (adopted)	-11%	+or-3%	+or-3%	
Percent of employees and spouses/life partners who participated in wellness initiatives	46.4%	65.0%	65.0%	
Percent of employees and spouses/life partners who completed wellness initiatives	43.2%	50.0%	50.0%	

FY24 Strategic Goals

- Implement at least three strategies identified as a result of the Vendor Summit that will impact the gaps in care of covered members.
- Continue work on Health Equity through health literacy programs to improve the health and well-being of covered members.
- Implement a Provider scorecard to evaluate the performance of each vendor in its identified service delivery area.






HUMAN RESOURCES MANAGAMENT AND ADMINISTRATION

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Percent of time SLA is met for human resources initial transactions	100.0%	100.0%	100.0%	

FY24 Strategic Goals

- Develop training programs to support upskilling of departmental HR staff responsible for certifications and transactions.
- Review and revise current standard operating procedures to enhance ease of transaction processing.
- Work with departments to reduce late transaction processing, which can lead to employees receiving incorrect payments.

EMPLOYEE MEDICAL EVALUATION

Measure	 FY22 ACTUAL	 FY23 TARGET	 FY24 TARGET	 MAYORAL PRIORITY
Percent of evaluations completed under SLA	78.8%	80.0%	80.0%	

FY24 Strategic Goals

- Work with Law and Risk Management to implement policies to fully address medical marijuana.
- Reassess MEU medical policy to assure current resources are focused on positions that require evaluation to increase effectiveness and efficiency of on boarding processes.
- Reinstigate customer service survey to solicit authentic feedback from both patients and client departments

CIVIL SERVICE COMMISSION

There are no performance measures associated with the Civil Service Commission program.

- Reassess current processes to assure the Commission is meeting client needs from the perspective of timeliness.
- Provide counsel to the Office of Human Resources to expand efforts to create a workforce that is most representative of the city while addressing the staffing needs of departments and agencies.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

N/A

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY23											
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 Consulting	\$275,000	3/11/2021	8/1/2021	MBE: BFE	0%	\$0	20%	\$55,000	no	no
					WBE: BFE	20%	\$55,000				
					DSBE: BFE	0%	\$0				
Health Equity	Flexible Spending Accounts/Commuter Benefits	\$144,950	6/16/2020	1/1/2021	MBE: BFE	0%	\$0	0%	\$0	no	no
					WBE: BFE	0%	\$0				
					DSBE: BFE	0%	\$0				
Via Evaluation Inc.	Diversity Consultant	\$75,350	5/12/2022	9/1/2022	MBE: BFE	0%	\$0	0%	\$0		

					WBE: BFE	0%	\$0				
					DSBE: BFE	0%	\$0			no	no
National Testing Network Inc.	Develop Civil Examination	\$50,000	9/14/2020	3/15/2021	MBE: BFE	0%	\$0	0%	\$0		
					WBE: BFE	0%	\$0				
					DSBE:	0%	\$0				
ComPsych Corporation	Employee Assistance Program	\$42,000	7/19/2021	1/1/2022	MBE: BFE	0%	\$0	0%	\$0		
					WBE: BFE	0%	\$0				
					DSBE: BFE	0%	\$0				

EMPLOYEE DATA

Staff Demographics (as of December 2022)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	7	44	<i>Total</i>	0	3
<i>% of Total</i>	9%	54%	<i>% of Total</i>	0%	75%
<i>Average Salary</i>	\$83,939	\$65,734	<i>Average Salary</i>	\$0	\$135,568
<i>Median Salary</i>	\$58,412	\$54,693	<i>Median Salary</i>	\$0	\$143,350
	White	White		White	White
<i>Total</i>	4	8	<i>Total</i>	0	1
<i>% of Total</i>	5%	10%	<i>% of Total</i>	0%	25%
<i>Average Salary</i>	\$104,660	\$67,423	<i>Average Salary</i>	\$0	\$138,000
<i>Median Salary</i>	\$108,065	\$47,855	<i>Median Salary</i>	\$0	\$138,000
	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>	\$78,292	\$44,261	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$78,292	\$42,956	<i>Median Salary</i>	\$0	\$0
	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>	\$101,252	\$50,233	<i>Average Salary</i>	\$0	\$0

<i>Median Salary</i>	\$101,252	\$50,233
	Other	Other
<i>Total</i>	1	2
<i>% of Total</i>	1%	2%
<i>Average Salary</i>	\$82,900	\$85,046
<i>Median Salary</i>	\$82,900	\$85,046
	Bilingual	Bilingual
<i>Total</i>	3	6
<i>% of Total</i>	4%	7%
<i>Average Salary</i>	\$86,748	\$83,926
<i>Median Salary</i>	\$82,900	\$79,149
	Male	Female
<i>Total</i>	17	64
<i>% of Total</i>	21%	79%
<i>Average Salary</i>	\$84,277	\$65,177
<i>Median Salary</i>	\$82,900	\$50,233

<i>Median Salary</i>	\$0	\$0
	Other	Other
<i>Total</i>	0	0
<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$0	\$0
	Bilingual	Bilingual
<i>Total</i>	0	1
<i>% of Total</i>	0%	25%
<i>Average Salary</i>	\$0	\$138,000
<i>Median Salary</i>	\$0	\$138,000
	Male	Female
<i>Total</i>	0	4
<i>% of Total</i>	0%	100%
<i>Average Salary</i>	\$0	\$136,175
<i>Median Salary</i>	\$0	\$140,675

LANGUAGE ACCESS

- 1. Provide the name of your language access coordinator, the date of your last department training, and a link to the posting of your language access plan.**

Janine LaBletta is OHR’s language access coordinator.

On-demand training in the Learning Management System is available for staff. OHR will also conduct targeted training for Hiring Services and Customer Service staff by the end of the fiscal year.

- 2. Breakdown new hires and existing staff by race and language. Breakdown how many front-line personnel are trained to provide language access services.**

All 4 Customer Service staff of Hiring Services are trained. Front desk/reception (1).

1 of 14 Benefits Staff and 6 of 32 Hiring Services staff are bilingual. See breakdown below.

Title	Language	Level
HR Technical Specialist	Malayalam	Native speaker
Hiring Services Manager	Greek	Native speaker
Clerk 3	Spanish	Native speaker
Senior HR Analyst	French, Arabic	Native speaker
Senior HR Analyst	Subsaharan African	Native speaker
Administrative Technician	Korean	Native speaker

- 3. How many requests for language access services did your department receive in the past year? How many language access services were delivered by staff? Breakdown language access services provided, by language, including but not limited to the language line, translation of public notices and documents, website language services, and advertisement/publication services.**

We continue use our social media posts in multiple languages and community partnerships to route candidates to our official job postings.

- 4. Explain what your department has done to improve language access services over the past year.**

OHR has offered interpretation services for callers to our customer service help desk, translated job flyers into key Asian and Spanish languages, and consulted with and gathered input from the Mayor's Office of Immigrant Affairs, Mayoral Commission on Asian and Pacific Islander Affairs, and Spanish-speaking community organizations such as Congreso and Esperanza.

CLIMATE CHANGE

1. How has climate change affected your department's provision of services?

At this point, we have not seen significant direct impacts of climate change. However, the impacts of climate change on the overall economy can certainly impact the city and all organizations in the form of increased living costs to our employees (i.e., energy costs) with possible impacts on total compensation packages.

2. How might worsening climate change increase costs and demands for your department?

If changes reach levels that impact micro migration patterns, i.e., residents moving from cities, this will have negative effects on our ability to recruit candidates.

3. How does your department intend to mitigate and adapt to climate change?

We continually review our recruitment and compensation practices.