

**OFFICE OF HUMAN RESOURCES
FISCAL YEAR 2022 BUDGET TESTIMONY
MAY 10, 2021**

INTRODUCTION

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Good afternoon, President Clarke and Members of City Council. I am Michael Zaccagni, Director of Human Resources I am pleased to provide testimony on the Office of Human Resources Fiscal Year 2022 Operating Budget. The FY22 Budget General Fund request OFFICE OF HUMAN RESOURCES is \$6,120,804.

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 Chief Administrative Office, 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.

Plan

As with other departments across the city, this past year has been a challenge for the Office of Human Resources. We completed the move to remote work for our staff while also pivoting to a virtual platform for employment testing in certain areas while providing additional administrative support to hiring departments beyond the normal activities managed by our team.

- For FY 2022 our strategic initiatives remain constant; designed to attract diverse and qualified candidates to address the staffing needs of departments across the city. These broad strategies include, increasing our reach to diverse candidates, improving time to hire, improving the candidate experience, creating stronger partnerships with operating departments, and helping our workforce become better health care consumers while managing plan costs.
- Over the past year we have we have developed new procedures around medical evaluations for employees and continue to improve the time it takes to establish eligible lists. Our goal is to meet a standard of 90 days for time to hire, which would include the time it takes for departments to complete their interview process. Though driving diversity has always been a part of our mission, we are more closely examining data to better focus our efforts. We now implement broad strategies in every hiring engagement which include examining our assessment instruments, reevaluating job descriptions and rethinking training and experience including degree requirements.

A strong focus on our overall strategy is building both internal and external partnerships. We established an office of strategic partnerships to work more closely with operating departments in an effort to drive collaborative efforts and provide mentoring and guidance. This partnership will also help us to standardize processes to effectively apply policy and regulation more effectively. In addition, we continue to expand our close partnership with both the Community College of Philadelphia and the

Philadelphia School District with a focus on entry level pathways to full time civil service careers in the sciences, public safety, skilled trades, and recreation.

The Benefits Administration unit focuses on employee health and wellbeing from both a physical and mental health perspective. We continue to provide information related to Behavioral/ Mental Health programs for the employee and their immediate and extended family members as well as information about community services. This is critically important in today's environment. In addition, due to the rising cost of healthcare, our focus on managed healthcare costs is an important part of our strategy. An example of this is the diabetes management program implemented this year that should not only improve employee's overall health but positively impact our costs.

In closing, no matter what the challenge, we will continue to pursue initiatives designed to improve our people practices and drive equity, better positioning us for the 21st century workforce.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Please refer to attached FY22 Budget Hearing Summary Charts in section 1: Staff Demographics Summary, section 2: Employment Levels, section 3: Financial Summary by Class, section 6: Participation Rate and Goal.

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2022 General Fund budget totals \$6,120,804, a DECREASE of \$116,931 over Fiscal Year 2021 estimated obligation levels. This DECREASE is to primarily due to targeted reductions due to the onset of the COVID-19 pandemic.

The proposed budget includes:

- \$5,053,802 in Class 100, A \$236,931 DECREASE FROM FY21. This funding will cover existing filled positions, temporary employees needed to assist with exam administration and funds to fill approved vacancies.
- \$997,570 in Class 200, A \$120,000 INCREASE OVER FY21. This funding will provide for professional services needed to complete exams development and administration, wellness programs and required benefits audits.
- \$69,432 in Class 300/400, LEVEL WITH FY21. This funding will cover the cost of maintenance and procurement of office equipment, purchase of medical supplies needed to provide services at the Medical Evaluation Unit.

Office of Human Resources

STAFFING LEVELS




The department is requesting 78 budgeted positions for FY22, a decrease of 2 position[s] from FY21.

NEW HIRES

Please refer to attached FY22 Budget Hearing Summary Charts in section 8: New Hires Information.

PERFORMANCE, CHALLENGES, AND INITIATIVES

Planning and Strategy




Measure	 FY20 ACTUAL	 FY21 TARGET	 FY22 TARGET
Hiring Time ¹	N/A	N/A	90 days

¹Targets are unavailable for FY20 or FY21 as this is a new measure for FY22.

Program FY22 Strategic Goals

- Continue to improve time-to-hire with the goal of 90 days from the time the announcement is closed to the time an offer of employment is made.
- Expand candidate pools to ensure a qualified employee base that reflects the city’s population based on candidate requirements.
- Improve the candidate experience from time of application to appointment to help build the City as a model employer. Develop policy that will attract the most qualified applicants and drive employee satisfaction long-term.

Hiring Services

Measure	 FY20 ACTUAL	 FY21 TARGET	 FY22 TARGET
Percentage of civil service eligible lists produced on or by target date	93.0%	97.0%	97.0%
Average number of days for producing civil service eligible list	39	<50	39




Program FY22 Strategic Goals

- Review and evaluate job descriptions to identify areas of improvement to ensure diversity, with a special focus on degree requirements.
- Work with departments to determine if changes to qualifications would improve diversity and quality of candidates.
- Provide (item analysis) exam development training and/or review to ensure there is no disparate impact.

¹Targets are unavailable for FY20 or FY21 as this is a new measure for FY22.

- Continue to build OHR’s relationship with CCP and the School District of Philadelphia to provide employment opportunity information for graduating seniors and specifically students in Career and Technical Education (CTE) programs, meeting biannually with Directors for these career programs and posting jobs/holding information sessions for students
- Identify more robust testing vendors to supplement our current vendor and offer more security and flexibility.
- OHR will publish an Action Plan that outlines the review process to date, key steps to address STEAM recruitment and retention challenges, and the City’s positioning to attract and retain a qualified and diverse STEAM workforce for the 21st century.




Benefits Administration

Measure	 FY20 ACTUAL	 FY21 TARGET	 FY22 TARGET
Percent change in the total dollar amount of health benefit expenditures (actual) compared to budget (adopted)	TBD	"+or-3%"	"+or-3%"
Percent of employees and spouses/life partners who participated in wellness initiatives	TBD	50.0%	65.0%
Percent of employees and spouses/life partners who completed wellness initiatives	TBD	55.0%	50.0%

Program FY22 Strategic Goals

- Establish a diabetes management program with a goal to enroll 20 percent of diagnosed employees.
- Continue to review opportunities to manage health plan costs.

Human Resources Management Administration




Measure	 FY20 ACTUAL	 FY21 TARGET	 FY22 TARGET
Percent of time SLA is met for human resources initial transactions	100.0%	100.0%	100.0%

Program FY22 Strategic Goals

- Expand the training plan to educate HR professionals throughout the City on standardized processes and procedures related to HR and correct application of Civil Service Regulations.

- Review the process of how hiring decisions about candidates referred from civil service eligible lists are made and the overall impact on the hiring process.

Medical Evaluation Unit (MEU)

Measure	 FY20 ACTUAL	 FY21 TARGET	 FY22 TARGET
Percent of evaluations completed under SLA	N/A	100%	100%

Program FY22 Strategic Goals

- Implement new scheduling process to improve employee experience to reduce time employees must wait to be seen by an occupational health care provider.
- Improve efficiency by developing processes to capture data on the time elapsed from when an employee or applicant is evaluated to when a department is notified of the disposition.

Civil Service Commission

Performance Measures: N/A

Program FY22 Strategic Goals

- Work closely with the Office of Human Resources to ensure that equitable HR policies are consistently applied.
- Promulgated regulations to promote efficient and fair decision making within OHR and to promote a merit-based system of hiring and promotion.

OTHER BUDGETARY IMPACTS

The Office of Human Resources does not anticipate any direct funding from state or federal sources.

CONTRACTING EXPERIENCE

Please refer to attached FY22 Budget Hearing Summary Charts in section 4: Contracts Summary.

EMPLOYEE DATA

Please refer to attached FY22 Budget Hearing Summary Charts in section 7: Staff Demographics.

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. The last training was held in 2018. We were scheduled to do a 2020 training before COVID-19 but that was postponed.

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

Current Employees		New Employees	
African American	51	African American	1
White	16	White	
Hispanic	4	Hispanic	
Asian	2	Asian	
Other	3	Other	

Languages	
Spanish	5
Greek	1
Sub-Saharan Africa	1
Malayalam	1
Portugese	1
Arabic	1
French	2
Korean	1
The list includes employees who sneak multiple languages	

Several front-line staff are trained to provide language access services, including front line staff in Employee Benefits and Customer service.

- 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 received no direct requests. OHR has posted jobs and opportunities in Spanish or in Mandarin to Twitter jobs page. We collaborate with our internal SMEs for language to produce these short ads.

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

OHR has works to establish connections with non-profit organizations serving immigrant communities to share job opportunities.

CLIMATE CHANGE

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

Climate change has not yet had impact on our ability to provide services.

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

Increased climate change would have a macro level impact on the overall well-being of large cities. The changes that could occur may drive citizens to leave the inner cities, creating challenges in finding qualified candidates to fill critical vacancies.

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

HR plays an important role in organizational change initiatives and educating employees. As we identify new strategies to drive sustainable practices across the city, HR professionals will be challenged to see these initiatives become part of our everyday culture.

1. Staff Demographics Summary

Staff Demographics Summary (as of December 2020)				
	Total	Minority	White	Female
Number of Full-Time Staff	77	61	17	58
Number of Exempt Staff	4	3	1	4
Number of Executive Staff (deputy level and above)	3	3	0	3
Average Salary, Full-Time Staff	\$64,124	\$62,868	\$68,909	\$62,362
Average Salary, Exempt Staff	\$106,608	\$123,500	\$55,935	\$106,608
Average Salary, Executive Staff	\$123,500	\$123,500	\$0	\$123,500
Median Salary, Full-Time Staff	\$55,935	\$54,706	\$70,496	\$55,437
Median Salary, Exempt Staff	\$123,500	\$123,500	\$55,935	\$123,500
Median Salary, Executive Staff	\$123,500	\$123,500	\$0	\$123,500

Please note: Interim Human Resources Director is an exempt employee and not listed under executive staff.

2. Employment Levels

Employment Levels (as of December 2020)		
	Budgeted	Filled
Number of Full-Time Positions	80	77
Number of Part-Time Positions	0	0
Number of Exempt Positions	5	4
Number of Executive Positions (deputy level and above)	4	3
Average Salary of All Full-Time Positions	\$63,568	\$64,124
Median Salary of All Full-Time Positions	\$54,949	\$55,935

3. Financial Summary by Class

Some departments may also want to provide financial summary tables for other funds, such as the Grants Fund. Departments should delete any budget lines that have \$0 in every year (i.e. if a department has no Class 500 appropriations, actuals, or proposed appropriations, the Class 500 row should be deleted).

General Fund Financial Summary by Class

	FY20 Original Appropriations	FY20 Actual Obligations	FY21 Original Appropriations	FY21 Estimated Obligations	FY22 Proposed Appropriations	Difference: FY22-FY21
Class 100 - Employee Compensation	\$5,555,785	\$5,185,266	\$5,290,733	\$5,290,733	\$5,053,802	(\$236,931)
Class 200 - Purchase of Services	\$1,229,070	\$730,911	\$1,229,070	\$877,570	\$997,570	\$120,000
Class 300/400 - Materials, Supplies & Equipment	\$89,432	\$49,023	\$69,432	\$69,432	\$69,432	\$0
	\$6,874,287	\$5,965,200	\$6,589,235	\$6,237,735	\$6,120,804	(\$116,931)

4. Contracts Summary

This table focuses on large professional services contracts with for-profit vendors. "Large" is defined as meaning that an RFP was required. Departments should focus on contracts that have been conformed to date. Any departments that have large contracts with non-profit providers are encouraged to provide board makeup information in the optional "Non-Profit Vendor Demographics" table below.

M/W/DSBE Participation on Large Professional Services Contracts

Top Five Largest Contracts, FY21

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	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	5/26/2017	8/1/2017	MBE:	0%	\$0	20%	yes	no
					WBE:	20%	\$50,000			
					DSBE:	0%	\$0			
Wage Works	Flexible Spending Accounts	\$144,950	5/11/2016	1/1/2017	MBE:	0%	\$0	0%	no	no
					WBE:	0%	\$0			
					DSBE:	0%	\$0			

Non-Profit Vendor Demographics: N/A

5. Performance Measures Table

Please refer to the FY22 Budget Testimony narrative for Performance Measure data.

6. Participation Rate and Goal

The Contract Participation Goal table is for **all** contracts (Public Works, SS&E, and Professional Services, combined).

Contracts Summary (Professional Services only)

	FY18	FY19	FY20	FY21	FY22	FY21 YTD (Q1 & Q2)
Total amount of contracts	\$520,921	\$584,175	\$576,505	\$492,455	\$661,000	\$284,220
Total amount to M/W/DSBE	\$112,000	\$154,289	\$136,289	\$114,000	\$138,071	\$155,220
Participation Rate	22%	26%	24%	23%	21%	55%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)

	FY20	FY21	FY22
M/W/DSBE Contract Participation Goal	24%	23%	21%

7. Staff Demographics

Biracial employees should be included under "Other."

Staff Demographics (as of December 2020)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	10	42	<i>Total</i>	0	3
<i>% of Total</i>	13%	55%	<i>% of Total</i>	0%	75%
<i>Average Salary</i>	\$67,825	\$61,917	<i>Average Salary</i>	\$0	\$123,500
<i>Median Salary</i>	\$45,414	\$55,679	<i>Median Salary</i>	\$0	\$123,500
	White	White		White	White
<i>Total</i>	6	10	<i>Total</i>	0	1
<i>% of Total</i>	8%	13%	<i>% of Total</i>	0%	25%
<i>Average Salary</i>	\$71,126	\$67,578	<i>Average Salary</i>	\$0	\$55,935
<i>Median Salary</i>	\$79,454	\$62,784	<i>Median Salary</i>	\$0	\$55,935
	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>	\$54,706	\$53,271	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$54,706	\$45,914	<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>	\$89,866	\$48,090	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$89,866	\$48,090	<i>Median Salary</i>	\$0	\$0
	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>	\$70,959	\$66,400	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$70,959	\$66,400	<i>Median Salary</i>	\$0	\$0
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	0	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$0	\$0	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$0	\$0	<i>Median Salary</i>	\$0	\$0
	Male	Female		Male	Female
<i>Total</i>	19	58	<i>Total</i>	0	4
<i>% of Total</i>	25%	75%	<i>% of Total</i>	0%	100%
<i>Average Salary</i>	\$69,502	\$62,362	<i>Average Salary</i>	\$0	\$106,608
<i>Median Salary</i>	\$56,818	\$55,437	<i>Median Salary</i>	\$0	\$123,500

Detail for non-binary employees, if applicable: N/A

8. New Hire Information/Language Access

Date range is 7/1/20 to December 2020 increment run. Detail for any hires since then can be added in the text box below the table.

New Hires (from 7/1/2020 to December 2020)	
	Total Number of New Hires
Black or African American	1
Asian	0
Hispanic or Latino	0
White	0
Other	0
Total	1

Detail for new hires since December 2020, if applicable: N/A

All Staff								
	Spanish	Greek	Korean	French	Arabic	Portugese	Malayam	Sub-Saharan
Black or African American				1				1
Asian			1				1	
Hispanic or Latino	3							
White	1	1				1		
Other				1	1			
Total	4	1	1	2	1	1	1	1

Frontline Staff			
	Spanish	French	Korean
Black or African American		1	
Asian			1
Hispanic or Latino	1		
White			
Other			
Total	1	1	1