

Human Resources Department

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To attract, develop and retain a quality workforce

City Service Area

Strategic Support

Core Services

Employee Benefits

Provide benefit programs that best meet the needs of employees, retirees, their dependents, and the City, and assist participants in effectively utilizing their plans

Employment Services

Facilitate the timely hiring of excellent employees, and maintain the City's classification and compensation systems

Health and Safety

Provide services that promote employee health, safety, and well-being

Training and Development

Provide relevant and accessible programs to employees

Strategic Support: Administration, Customer Service, Personnel Management, Human Resources Systems Management, Records Management, Financial Management

Human Resources Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Employee Benefits Core Service</i>	
Deferred Compensation	Manages the Voluntary and Non-Voluntary Employee Deferred Compensation contribution and related non-personal and personal administrative expenses.
Dental Benefits	Manages the City's dental benefits provided to City employees and their dependents.
Medical Benefits	Manages the City's medical benefits provided to City employees and their dependents.
Other Benefits	Manages the other City benefits provided to City employees and their dependents, such as Life Insurance, Unemployment, Vision, etc.
<i>Employment Services Core Service</i>	
Classification Services	Ensures that positions are properly classified, described, and aligned to support organizational effectiveness and efficiency. In addition, this program determines appropriate salary ranges for new and existing classifications by conducting market and internal equity analyses.
Recruiting/Hiring	Manages recruitment, assessment, and hiring processes to meet the City's staffing needs. In addition, this program is responsible for managing placements, bumping, redeployment, and layoffs, as necessary.
<i>Health and Safety Core Service</i>	
Employee Health Services	Provides occupational medical services, including pre-employment physicals, periodic physical exams, surveillance examinations, random drug screening, blood-borne pathogen testing, and general wellness screenings.
Employee Safety	Provides comprehensive safety services for 16 City Departments, various City-wide safety trainings, and analysis of work injury data for accident prevention.
Workers' Compensation Administration	Provides state-mandated benefits for employees injured on the job.
<i>Training and Development Core Service</i>	
Employee Training and Development	Supports coordination and documentation for training by administering a learning management system (CSJ University) for the City. Most of the departmental training and development is currently decentralized and managed by individual departments.
<i>Strategic Support Core Service</i>	
Human Resources Management and Administration	Provides administrative oversight for the department, including executive management, financial management, and human resources.

Human Resources Department

Department Budget Summary

Expected 2018-2019 Service Delivery

- Facilitate recruitments and manage effective, efficient, and defensible hiring processes, in concert with departments, to attract and retain qualified employees.
- Maintain a safe and healthy work environment in compliance with all applicable state and federal regulations related to employee health and safety, and continue to minimize liability and loss to the City. Health and Safety programs will continue to ensure injured employees receive adequate and appropriate treatment; promote a culture of safety through the injury, illness, and prevention programs; and ensure employee medical exams and testing are completed as mandated.
- Evaluate and expand centralized talent development opportunities.
- Provide a wide range of benefit programs that meet the needs of the employees, retirees, their dependents, and the City, and assist participants in effectively using their plans.

2018-2019 Key Budget Actions

- Adds one-time funding of \$650,000 to cover additional estimated costs related to the new outsource model of workers' compensation claims administration in 2018-2019. The funding will allow staff overlap during the transition to the Third Party Administration (TPA) and will fund additional contractual TPA costs for claims administration in 2018-2019.
- Adds one-time funding of \$400,950 to continue 3.0 Workers' Compensation Adjuster II and 1.0 Office Specialist temporary positions in the Workers' Compensation Unit through June 30, 2019 to manage caseloads and allow staff to focus on program compliance issues in response to 2016 State Audit findings.
- Adds funding of \$350,000 (\$250,000 ongoing) to assess, create, and implement talent development activities for employees. This aligns with the City Manager's "Powered by People" enterprise priority that focuses, in part, on engaging in efforts to support employee retention, engagement, and advancement through training and development.
- Adds one-time funding of \$200,000 for temporary staffing to extend the increased hiring capacity across the City. The funding will be used to continue to assist various phases of the recruitment process.
- Adds one-time funding of \$54,000 to support Voluntary Employees' Beneficiary Association's (VEBA) operational expenses and adds 1.0 Analyst II position through June 30, 2019 and 1.0 Account Clerk position ongoing to perform all VEBA-related duties, Human Resources Information System functions, and all accounts payable related to the Human Resources Department.

Operating Funds Managed

- Benefit Fund – Benefit Fund
- Benefit Fund – Dental Insurance Fund
- Benefit Fund – Life Insurance Fund
- Benefit Fund – Self Insured Medical Fund
- Benefit Fund – Unemployment Insurance Fund

Human Resources Department

Department Budget Summary

	2016-2017 Actuals*	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Adopted
Dollars by Core Service				
Employee Benefits	n/a	92,680,416	92,571,723	92,983,165
Employment Services	n/a	2,636,285	2,560,418	2,759,531
Health and Safety	n/a	5,799,709	5,523,676	6,571,354
Strategic Support - Other - Strategic Support	n/a	1,299,538	1,505,101	1,505,101
Strategic Support - Strategic Support	n/a	1,348,934	1,474,930	1,506,814
Training and Development	n/a	178,000	204,255	654,255
Total	n/a	\$103,942,882	\$103,840,103	\$105,980,220
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	6,453,059	6,931,863	6,969,877	7,342,489
Overtime	5,015	13,018	13,018	13,018
Subtotal Personal Services	\$6,458,074	\$6,944,881	\$6,982,895	\$7,355,507
Non-Personal/Equipment	3,621,973	4,272,463	3,659,107	5,133,565
Total Personal Services & Non-Personal/Equipment	\$10,080,047	\$11,217,344	\$10,642,002	\$12,489,072
Other Costs**				
City-Wide Expenses	n/a	278,000	278,000	469,458
Employee/Retiree Benefits	n/a	90,223,000	90,223,000	90,324,589
Overhead Costs	n/a	299,538	538,501	538,501
Workers' Compensation	n/a	1,925,000	2,158,600	2,158,600
Total Other Costs	n/a	\$92,725,538	\$93,198,101	\$93,491,148
Total	n/a	\$103,942,882	\$103,840,103	\$105,980,220

* Some data for the 2016-2017 Actual column are not available. With the change to a program-based budgeting model in 2017-2018, historical budget data by the new programs and core services is not available for prior periods.

** Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

Human Resources Department

Department Budget Summary

	2016-2017 Actuals*	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Adopted
Dollars by Fund				
General Fund (001)	n/a	11,080,179	10,896,109	12,910,637
Benefits Funds - Benefit Fund (160)	n/a	64,162,235	64,092,489	63,793,078
Benefits Funds - Dental Insurance Fund (155)	n/a	12,205,088	12,202,210	11,943,210
Benefits Funds - Life Insurance Fund (156)	n/a	1,335,488	1,333,970	1,460,970
Benefits Funds - Self-Insured Medical Fund (158)	n/a	13,761,221	13,763,580	14,320,580
Benefits Funds - Unemployment Insurance Fund (157)	n/a	689,861	702,930	702,930
Integrated Waste Management Fund (423)	n/a	25,904	31,690	31,690
Library Parcel Tax Fund (418)	n/a	78,187	78,418	78,418
Low And Moderate Income Housing Asset Fund (346)	n/a	24,881	30,101	30,101
Public Works Program Support Fund (150)	n/a	121,051	161,052	161,052
San José-Santa Clara Treatment Plant Operating Fund (513)	n/a	294,250	366,596	366,596
Sewer Service And Use Charge Fund (541)	n/a	27,548	39,572	39,572
Storm Sewer Operating Fund (446)	n/a	49,185	64,344	64,344
Vehicle Maintenance And Operations Fund (552)	n/a	73,408	59,398	59,398
Water Utility Fund (515)	n/a	14,396	17,644	17,644
Total	n/a	\$103,942,882	\$103,840,103	\$105,980,220
Positions by Core Service				
Employee Benefits	n/a	11.50	11.50	13.00
Employment Services	n/a	16.00	16.00	16.00
Health and Safety	n/a	15.00	15.00	15.00
Strategic Support - Strategic Support	n/a	8.00	7.75	8.25
Training and Development	n/a	0.00	0.25	0.25
Total	n/a	50.50	50.50	52.50

* Some data for the 2016-2017 Actual column are not available. With the change to a program-based budgeting model in 2017-2018, historical budget data by the new programs and core services is not available for prior periods.

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Human Resources Department

Department Budget Summary

	2016-2017 Actuals*	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Adopted	2018-2019 Adopted Positions
Dollars by Program**					
Employee Benefits					
Deferred Compensation	n/a	1,958,577	2,015,238	2,058,238	3.00
Dental Benefits	n/a	12,131,510	12,108,011	11,849,011	1.80
Medical Benefits	n/a	66,139,957	66,023,889	65,815,889	4.30
Other Benefits	n/a	12,450,372	12,424,585	13,260,027	3.90
Sub-Total	n/a	92,680,416	92,571,723	92,983,165	13.00
Employment Services					
Recruiting/Hiring	n/a	2,636,285	2,560,418	2,759,531	16.00
Sub-Total	n/a	2,636,285	2,560,418	2,759,531	16.00
Health and Safety					
Employee Health Services	n/a	635,093	650,276	650,276	3.00
Employee Safety	n/a	305,214	280,970	280,970	2.00
Workers' Compensation Administration	n/a	4,859,402	4,592,430	5,640,108	10.00
Sub-Total	n/a	5,799,709	5,523,676	6,571,354	15.00
Training and Development					
Employee Training and Development	n/a	178,000	204,255	654,255	0.25
Sub-Total	n/a	178,000	204,255	654,255	0.25
Strategic Support - Strategic Support					
Human Resources Management and Administration	n/a	1,348,934	1,474,930	1,506,814	8.25
Sub-Total	n/a	1,348,934	1,474,930	1,506,814	8.25
Strategic Support - Other - Strategic Support					
Human Resources Overhead	n/a	299,538	538,501	538,501	0.00
Workers' Compensation - Other Departments	n/a	1,000,000	966,600	966,600	0.00
Sub-Total	n/a	1,299,538	1,505,101	1,505,101	0.00
Total	n/a	\$103,942,882	\$103,840,103	\$105,980,220	52.50

* Data for the 2016-2017 Actual column are not available. With the change to a program-based budgeting model in 2017-2018, historical budget data by the new programs and core services is not available for prior periods.

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Human Resources Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2017-2018 Adopted to 2018-2019 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2017-2018):	50.50	11,217,344	8,877,179
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudget: Affordable Care Act Reporting/Programming		(65,000)	0
• Workers' Compensation Program Temporary Staffing		(330,720)	(330,720)
One-time Prior Year Expenditures Subtotal:	0.00	(395,720)	(330,720)
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations:		38,014	131,461
- 1.0 Senior Office Specialist to 1.0 Principal Office Specialist			
- 1.0 Senior Medical Assistant to 1.0 Employee Health Services Supervisor			
• Unemployment Insurance Fund Consultant for actuarial service contract		504	0
• Self-Insured Medical Fund Consultant for actuarial service contract		271	0
• Workers' Compensation Third-Party Administrator Claims Administration Costs		(218,411)	(218,411)
Technical Adjustments Subtotal:	0.00	(179,622)	(86,950)
2017-2018 Forecast Base Budget:	50.50	10,642,002	8,459,509
Budget Proposals Approved			
1. Workers' Compensation Outsourced Program Costs		650,000	650,000
2. Workers' Compensation Program Temporary Staffing		400,950	400,950
3. Talent Development Initiative		350,000	350,000
4. Voluntary Employees' Beneficiary Association Program and Accounting Support	2.00	226,912	226,912
5. Employment Services Temporary Staffing Continuation		200,000	200,000
6. Print Management		(4,792)	(4,792)
7. Rebudget: Affordable Care Act Reporting/Programming		24,000	0
Total Budget Proposals Approved	2.00	1,847,070	1,823,070
2018-2019 Adopted Budget Total	52.50	12,489,072	10,282,579

Human Resources Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2018-2019 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Workers' Compensation Outsourced Program Costs		650,000	650,000

Strategic Support CSA

Health and Safety Core Service

Workers' Compensation Administration Program

This action adds one-time funding of \$650,000 to cover additional estimated costs related to the new outsource model of workers' compensation claims administration in 2018-2019. The Administration completed its evaluation of the Workers' Compensation Program to determine whether an insourced or outsourced model of workers' compensation claims administration will provide the most effective service to the City's injured workers. The service delivery evaluation and staff recommendation of an outsourced model was brought forward for City Council consideration and approved on June 19, 2018. This funding will support the implementation of the new outsource model. The funding will allow some staff overlap during the transition of the Third Party Administrator (TPA) and will fund additional contractual TPA costs for claims administration in 2018-2019. (Ongoing costs: \$0)

2. Workers' Compensation Program Temporary Staffing		400,950	400,950
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Strategic Support CSA

Health and Safety Core Service

Workers' Compensation Administration Program

This action adds one-time funding of \$400,950 to continue 3.0 Workers' Compensation Adjuster II and 1.0 Office Specialist positions through June 30, 2019. Continuation of these resources will assist the Workers' Compensation Program in achieving a reduction in adjuster caseloads and will provide capacity for staff to focus on compliance issues in response to the 2016 State Audit findings, as the program is subject to re-audit in December 2018. It should be noted that the Workers' Compensation Program is currently administered through a hybrid service delivery model that uses a combination of in-house staff for Police Department cases and a Third Party Administrator for all other department cases. The service delivery evaluation and staff recommendation of an outsourced model was brought forward for City Council consideration and approved on June 19, 2018. (Ongoing costs: \$0)

Human Resources Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2018-2019 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Talent Development Initiative		350,000	350,000

Strategic Support CSA
Training and Development Core Service
Employee Training and Development Program

This action adds funding of \$350,000 (\$250,000 ongoing) to assess, create, and implement talent development activities for employees. This aligns with the City Manager's "Powered by People" enterprise priority that focuses, in part, on engaging in efforts to support employee retention, engagement, and advancement through training and development. Given the current decentralized approach to training and development, this initiative will assess current activities and needs of departments by convening a cross-departmental taskforce to provide recommendations to the City Manager. Planned activities include the central coordination of a Citywide calendar of training and development events, developing and implementing a Citywide speaker series and related activities, and improving and expanding internship opportunities in partnership with local colleges, universities, and other training organizations. This initiative will also allow the Human Resources Department to evaluate the current Learning Management System (LMS), conduct an RFP, and implement a new system. (Ongoing costs: \$250,000)

4. Voluntary Employees' Beneficiary Association Program and Accounting Support	2.00	226,912	226,912
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Strategic Support CSA
Employee Benefits Core Service
Strategic Support Core Service
Other Benefits Program, Human Resources Management and Administration Program

This action adds one-time funding of \$54,000 to support the Voluntary Employees' Beneficiary Association's (VEBA) operational expenses and adds 1.0 Analyst II position through June 30, 2019 and adds 1.0 Account Clerk position ongoing to perform all VEBA-related duties, Human Resources Information System (HRIS) functions, and all accounts payable related to the Human Resources Department (HR). With the addition of the VEBA retirement plan, resources are needed for its operations and administration. The Analyst II position will manage collection and tracking of enrollments, investment consultant and other contracts, and the VEBA Committee. The Account Clerk position will work half time on VEBA processing from the HRIS side and half time processing all accounts payable entries for HR. Non-personal/equipment funding will be used for VEBA related office supplies (\$300), postage (\$500), printing (\$200), fiduciary training (\$1,000), external auditor (\$8,000), Fiduciary Insurance Premium (\$19,000), and benefits and legal consulting fees (\$25,000). The VEBA-related functions (\$194,395) will be offset by VEBA administration fees. (Ongoing costs: \$179,810)

Human Resources Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

2018-2019 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. Employment Services Temporary Staffing Continuation <i>Strategic Support CSA</i> <i>Employment Services Core Service</i> <i>Recruiting/Hiring Program</i>		200,000	200,000
<p>This action adds one-time funding of \$200,000 for temporary staffing to extend the Human Resources Department's (HR) increased hiring capacity across the City. There continues to be a backlog for recruitment in the City, with approximately 11% of authorized positions vacant. HR will use the funding to continue to assist in the various phases of the recruitment process, enabling HR to conduct more recruitments concurrently and expedite the hiring process. (Ongoing costs: \$0)</p>			
6. Print Management <i>Strategic Support CSA</i> <i>Core Service: Department-wide</i> <i>Program: Department-wide</i>		(4,792)	(4,792)
<p>This action reduces non-personal/equipment budget in 2018-2019 by \$4,792 to reflect anticipated savings from the implementation of a City-wide print management solution that will control print costs and minimize waste across the 220 multi-function devices the City operates. The new software will provide defaults to non-color and duplex printing that reduce color usage and paper consumption. The project will be implemented in January 2019 and projected savings of approximately \$4,792 in the first year and \$9,584 thereafter are anticipated to be realized. (Ongoing savings: \$9,584)</p>			
7. Rebudget: Affordable Care Act Reporting/Programming <i>Strategic Support CSA</i> <i>Employee Benefits Core Service</i> <i>Medical Benefits Program</i>		24,000	0
<p>This action rebudgets unexpended 2017-2018 non-personal/equipment funding for the purchase and customization of software to ensure compliance with the Affordable Care Act, which requires that employers issue Employer-Provider Health Insurance Offer and Coverage forms (Form 1095-C) for transmission to the Internal Revenue Service. (Ongoing costs: \$0)</p>			
2018-2019 Adopted Budget Changes Total	2.00	1,847,070	1,823,070

Human Resources Department

Performance Summary

Employee Benefits

Performance Measures

	2016-2017 Actual	2017-2018 Target	2017-2018 Estimated	2018-2019 Target
\$ Cost of benefits administration per FTE	\$379	\$370	\$349	\$381

Activity and Workload Highlights




	2016-2017 Actual	2017-2018 Forecast	2017-2018 Estimated	2018-2019 Forecast
Annual contributions to Deferred Compensation	\$28.3M	\$27.1M	\$29M	\$27M
% of employees contributing to Deferred Compensation	69%	69.5%	71%	72%
# of Human Resources Information Systems Transactions	35.9K	30K	28K	30K

Human Resources Department

Performance Summary

Employment Services

Performance Measures

	2016-2017 Actual	2017-2018 Target	2017-2018 Estimated	2018-2019 Target
 % of employee performance reviews completed on schedule	73%	80%	74%	80%
 Average # of business days for recruitment ¹	52	47	42	47
 Average # of working days to reclassify an occupied position	123	100	NA ²	100

¹ Includes standard and expedited recruitments. Non-standard recruitments (e.g. positions requiring backgrounding, specialized testing, and executive recruitments) are not captured here. Due to the move to the new applicant management system (Taleo) in 2017, the methodology will need to be reviewed.

² Program was suspended in June 2017 due to staff focusing on over 800 vacancies City-wide and will be revisited in 2018-2019.

Activity and Workload Highlights





	2016-2017 Actual	2017-2018 Forecast	2017-2018 Estimated	2018-2019 Forecast
# of positions filled from recruitments:				
- Full-time	1222	1200	992	1200
- Part-time	527	600	322	600

Human Resources Department

Performance Summary

Health and Safety

Performance Measures

	2016-2017 Actual	2017-2018 Target	2017-2018 Estimated	2018-2019 Target
 # of Workers' Compensation claims per 100 FTEs	13.5	14.0	13.6	14.0
 # of Workers' Compensation disability hours	170,435	150,000	162,987	150,000
 # of Workers' Compensation disability hours per claim	171	188	159	175
 Expenditures for Workers' Compensation per \$100 of total City salaries, benefits, and retirement	\$4.16	\$3.65	\$3.80	\$4.00

Activity and Workload Highlights

	2016-2017 Actual	2017-2018 Forecast	2017-2018 Estimated	2018-2019 Forecast
# of open Workers' Compensation claims	3,037	3,300	2,900	2,900
# of new Workers' Compensation claims	997	800	1,025	1,000
# of employees trained in safety	938	1,000	937	1,000
Total Workers' Compensation claims costs	\$19.4M	\$22.6M	\$20.7M	\$22.0M

Human Resources Department

Departmental Position Detail

Position	2017-2018 Adopted	2018-2019 Adopted	Change
Account Clerk	0.00	1.00	1.00
Administrative Assistant	1.00	1.00	-
Administrative Officer	1.00	1.00	-
Analyst I/II	14.00	15.00	1.00
Assistant Director	1.00	1.00	-
Director, Human Resources	1.00	1.00	-
Division Manager	3.00	3.00	-
Employee Health Services Supervisor	0.00	1.00	1.00
Medical Assistant	1.00	1.00	-
Nurse Practitioner	1.00	1.00	-
Office Specialist II	1.00	1.00	-
Office Specialist II PT	0.50	0.50	-
Principal Account Clerk	1.00	1.00	-
Principal Office Specialist	1.00	2.00	1.00
Senior Analyst	11.00	11.00	-
Senior Medical Assistant	1.00	0.00	(1.00)
Senior Office Specialist	5.00	4.00	(1.00)
Staff Technician	3.00	3.00	-
Workers' Compensation Claims Adjuster II	4.00	4.00	-
Total Positions	50.50	52.50	2.00