

Introduction

Johnson County Government is a progressive and innovative organization that provides high quality and cost-effective services to the residents of the County through its dedicated and knowledgeable workforce. The County seeks to recruit and retain employees with a commitment to public service and a desire to make a difference in the community. This section of the budget overview focuses on funding recommendations related to the County's workforce.

The **Personnel and Compensation** section is organized as follows:

- Overview of Workforce Planning-Related Trends
- New positions included in the 2021 budget
- Vacancy Factor
- Comparison of budgeted FTE since 2016
- Benefits (Including the Health Care Fund)
- Budgeted FTE by type
- FTE by department and strategic program area

The budget includes the following recommendations to invest in the County's workforce:

1. Allocate funding for a 2% merit pool.
2. Maintain the employer match for supplemental retirement at 3.0%.

By systematically and routinely analyzing workforce data to assess employees' attributes, monitoring and understanding social, economic, and political trends, then aligning that information with the current and projected needs and goals of the organization, the organization is able to have the right people with the right competencies in the right jobs at the right time - now and in the future.

Workforce Trends

Analyzing current and historical employee data and understanding the impact of social, economic, and political trends on the workplace enables the County to gain insight into current and anticipated workforce needs. In today's rapidly changing and uncertain environment, the County continues to be challenged to employ creative workforce planning strategies that ensure the organization employs the talent needed to deliver excellent service to the public.

Total remuneration entails the financial package offered to employees and is comprised of pay and benefits. The County's compensation program includes both the base and variable pay and reflects the County's compensation philosophy. The County's compensation philosophy is designed to:

- Be competitive within the relevant, comparable labor markets for base salary;
- Recognize outstanding performance and organizational contributions through the use of base and variable pay adjustments; and
- Establish pay practices consistent with the market.

Full-time Equivalent (FTE) Position Information

Recruiting and retaining a talented workforce is essential to the provision of high quality services by Johnson County Government. This section includes information on full-time equivalent (FTE) positions and the County's total compensation package for employees.

Positions included in the budget represent the highest needs in the County. Key elements of the County's total compensation package are the allocation of funds for a 2.0% merit increase pool for employees with competent to exceptional performance and \$52.3 million for the employer contribution to the Health Care Fund for 2021.

Changes in Budgeted Positions in the FY 2021 Budget

A total of 4107.69 FTEs are included in the FY 2021 budget. This is a decrease of (18.17) FTEs from the FY 2020 budget of 4125.86 FTEs. The decrease of (18.17) FTEs is a result of the following: decrease of 10.0 FTE combined in multiple departments from budget reductions, the addition of 36.8 FTEs through Request for Additional Resources (RAR), and the remainder through the addition and elimination of positions outside of the budget process and corrections to prior years.

New Positions Included in the FY 2021 Budget

To balance the Board's strategic goals to be responsible stewards of the taxpayers' money and to provide the best possible mandatory and discretionary services, only essential new positions have been included in the FY 2021 Budget. The approved positions were submitted through the Request for Additional Resources (RAR) process. The new positions included in the FY 2021 Budget are listed in Table #1:

Table #1: New FTE Positions in the FY 2021 Budget

Department	Description	FTEs	Property Tax Impact	Request Type
Health & Environment	Medicolegal Death Investigator II	1	\$82,403	RAR
Med-Act	Paramedic - Minimum Staffing	2.4	\$0	RAR
Med-Act	Lieutenant - Minimum Staffing	2.4	\$0	RAR
Med-Act	Paramedic	4	\$0	RAR
Med-Act	Lieutenant	3	\$0	RAR
JIMS	LAN Analyst I - Courthouse	2	\$156,000	RAR
Facilities	Custodial Tech II - Library	1	\$0	RAR
Sheriff	School Resource Officer	1	\$13,590	RAR
Wastewater	Treatment Crew Member I	13	\$0	RAR
Wastewater	Environmental Technologist I	1	\$0	RAR
Park & Recreation	Park Police	4	\$0	RAR
Park & Recreation	Children's Services Coordinator	2	\$0	RAR
		36.80		

Comparison of Budgeted FTE Positions since FY 2016

Since 2016 the number of budgeted FTE positions has increased at an average annual rate of 0.99%. This change is reflected in Table #2 below:

Table #2: Comparison of Budgeted FTE Positions Since FY 2016

Fiscal Year	Budgeted FTE Positions	Annual Increase	Annual % Increase
2016	3,840.98	(30.03)	(0.7)%
2017	3,886.99	46.01	1.2%
2018	3,949.72	62.73	1.6%
2019	4,010.04	60.32	1.5%
2020	4,125.86	115.82	2.9%
2021*	4,107.69	(18.17)	(0.4)%

Information on the net change from 2016 to 2021 for each strategic program is presented in Table #3 below.

Table #3: FY 2016 - FY 2021 Budgeted FTEs by Strategic Program

Strategic Program	2016 Budgeted FTE Positions	2021 Proposed FTE Positions	Increase	% Increase from 2016
Support Services	409.19	472.64	63.45	15.50%
Public Safety and Emergency Services	1,334.79	1,354.55	19.76	1.50%
Infrastructure	317.59	340.28	22.69	7.10%
Health and Human Services	868.39	882.70	14.31	1.60%
Culture & Recreation	703.02	860.02	157.00	22.30%
Records and Taxation	208.00	197.50	(10.50)	(5.00)%
Totals	3,840.98	4,107.69	266.71	6.94%

Overall, the budgeted FTEs have increased by 266.71 FTEs, or 6.94% since 2016.

In support services there has been growth in several departments since 2016. Within the Facilities department there have been added positions to provide service to new County facilities, centralization of Fleet and custodial and maintenance services from other departments within Facilities. Human resource functions have been centralized under Human Resources. Information Technology services have also been consolidated with the merger of ITS, OSC, and AIM into DTI and the transfer of IT FTEs from other departments. Board of County Commissioners, County Manager's Office, and Budget & Financial Planning have grown through the transfer of positions from other departments and addition of new positions.

Growth in the Public Safety and Emergency Services area has been largely within Med-Act as staff was added to provide needed services. District Attorney and Sheriff's office have also added positions to meet the needs of a growing population.

Growth in Infrastructure has been primarily within Wastewater due to the modernization and expansion of their facilities.

Growth in Culture and Recreation has been in Library and Park & Recreation with the addition of staff tied to new services, new facilities, and their strategic master plans.

Another measure of budgeted FTE positions is the number of positions per County resident. Table #4 on the following page presents a comparison of FY 2016 and FY 2021 FTE positions per 1,000 Johnson County's population:

Table #4: FY 2016 - FY 2021 Budgeted FTEs per 1,000 County Residents

Strategic Program	2016 Budgeted FTE Positions	2020 Budgeted FTE Positions	Increase	% Increase from 2016
Support Services	0.70	0.77	0.07	10.00%
Public Safety and Emergency Services	2.28	2.20	(0.08)	(3.51)%
Infrastructure	0.54	0.55	0.01	1.85%
Health and Human Services	1.49	1.43	(0.06)	(4.03)%
Culture & Recreation	1.20	1.40	0.20	17.00%
Records and Taxation	0.36	0.32	(0.04)	(11.11)%
Totals	6.57	6.67	0.10	1.52%

Vacancy Factor

The adopted budget continues a vacancy factor by budgeting positions meeting the criteria at 97% occupancy. Generally, coverage positions where on-call hours are used to cover absences are exempted from the vacancy factor calculation. Departments with less than ten (10) FTE positions are also exempted.

Benefits and Health Care

The County seeks to attract and retain quality employees with its indirect compensation package, recognizing that current and potential employees often consider benefits a primary factor when choosing employment. It is the County's goal to help employees achieve a positive balance between their work and personal lives by providing plans and programs that meet the needs of a diverse workforce and by educating employees to assist them in making choices that meet their needs.

To remain competitive, the County will provide ongoing analysis of the level, nature, and variety of benefits offered to employees, with a long-term focus on monitoring trends, costs, and options. The scope and value of the benefit plans and programs are reviewed regularly.

Medical and Dental Plan Redesign and Funding

The Health Care Fund Management Team (HCFMT) addressed Affordable Care Act (ACA) mandates by offsetting the increased claims costs to be borne by the County with plan design changes. In December, 2019, the federal government repealed the ACA Excise Tax that was to be effective in 2022. The HCFMT continues to comply with the remaining provisions of the ACA and continues benchmarking of peers to monitor changes and confirm that the County's plans are in line and compliant with the Board's Compensation Philosophy.

To allow for employees to make informed, educated decisions regarding the County's plan options, TFM-Benefits maintains several resources posted on the Benefits web-site for use by employees including a Plan Calculator that assists employees with calculating the out-of-pocket expenses for each plan option to enable them to be informed consumerists. The HCFMT continues to review and consider the feasibility of recommending the County contract with a third-party vendor to assist plan participants with navigating the increasingly complex health care market by providing second opinion services and steerage capabilities to higher-performing medical providers.

The HCFMT is also exploring the feasibility of a subsidized retiree health plan that is compliant with Kansas Statute 12-5040. In past years, the County charged 102% of the full funding rate. The HCFMT is analyzing the financial cost of providing lower cost options to early retirees with Public Safety or other employees who are eligible for a KPERs/KPF retirement or disability benefit.

The HCFMT remains committed to the Patient-Centered Medical Home (Blue Distinction Total Care) to provide County employees and their families with proven quality primary care with a focus on preventive services and comprehensive health care. BlueKC continues to solicit the County to access their proprietary near-site health clinics but the HCFMT reports that there is not enough claim data available to verify that it provides higher quality health care than the Medical Homes at a lower cost. The HCFMT will revisit this plan design for 2021.

Administration of the Health Care Program

The Health Care Fund Management Team (HCFMT) was created to review healthcare utilization, identify trends, analyze data, estimate costs, recommend premiums and cost sharing, and to consider plan design modifications for the County's health insurance program. The HCFMT faces many ongoing fund issues while addressing continued health care cost increases. Highlights include:

- Continue to offer competitive and reasonably priced health plans that encourage employees to be judicious and consumerist when seeking medical services to reduce health care costs. The County offers one PPO plan along with the Qualified High Deductible Health Plan (QHDHP) option. Employees have two provider networks to choose from: 1) a broader network called Preferred Care Blue; and 2) a narrow, higher-performing network that allows great discounts called Blue Select Plus.
- The County made the decision to suspend the wellness program in 2020 due to the COVID-19 pandemic that prevented participants from having adequate access to health care providers or on-site health screenings. As a result, Benefits staff recommended and the HCFMT concurred with the implementation of a new three-year wellness strategy applying a budget-neutral incentive fee (contribution differential) to employees who meet the approved wellness engagement criteria. Final 2021 employee contribution rates will be based on recommendations developed by the HCFMT at its August, 2020 meeting. All employees and spouses covered on January 1, 2021 will automatically receive the Wellness and Tobacco Incentives in 2021.

The HCFMT Committee is recommending a points-based wellness program to replace the current two-option program that includes both an outcomes-based and a point-based program. To earn the Wellness Incentive, employees and spouses must earn 100 points; points are awarded based on completion of activities or attaining the desired range for biometric values. A points-based program will be clearer and more defined than the outcomes-based program and has a lower probability of running afoul of any new wellness guidelines that are anticipated from the Equal Employment Opportunity Commission (EEOC) in late 2020 or 2021.

- Continuation of employee benefit education programs summarizing the value of all compensation and benefits offered through the County with a focus on the amount the County contributes by sending an annual Benefit Claim Summary through Blue Cross Blue Shield of Kansas City (BCBSKC) and a Total Compensation Statement summarizing the value of all compensation and benefits offered through the County.
- Increase funding of wellness programs approved by the Board of County Commissioners or the HCFMT Committee to provide opportunities for employees and spouses to improve their health and wellness with the overall goal of reducing health care claims costs.
- Continuation of the value-based pharmacy clinical management program administered by Tria Health where targeted Members on specific medications receive counseling to improve medication regimen and adherence. Participation enables members to receive reduced drug copayments for the specific medications. The program reduced County drug claim costs and led to decreased emergency room use and fewer inpatient hospital confinements.
- Continuation of the pharmacy manufacturer rebate program with the County's Pharmacy Benefit Manager, MedTrakRx Services. The estimated rebates for 2020 and 2021 are projected to be approximately \$1.4 million each year.

Members of the HCFMT served as the Project Manager and served on the Evaluation Committees for the following four separate and distinct Request for Proposals (RFPs) bids in 2020 for a January 1, 2021 effective date: 1) Medical Plan insurer or administrator; and 2) Pharmacy Benefit Plan insurer or administrator; 3) Wellness Plan administrator; 4) Flexible Spending Account administrator.

By implementing a dynamic, five-year budget model for the Health Care Fund, the County anticipates having the ability to respond appropriately to market and inflationary trends without the potential for dramatic fluctuations in employer or employee contributions. The FY 2021 Budget includes a recommendation to allocate \$54.4 million for the employer contribution to the Health Care Fund. This amount represents no increase in employer contribution rates from FY 2020. Staff anticipates that employee contribution rates, set in the fall, will not be increased as well, although there will be consideration to modifying the contribution differential based on provider network chosen by employee.

Additional important focuses for 2021 include:

- The County began the formal inclusion of spouses in the County's wellness programs in 2016 with the full inclusion beginning in 2019. The County will continue to explore different incentive options considering the remanding and eventual replacement of EEOC guidelines which restricts an employer's ability to impact an employees' incentive due to what a spouse does or does not do.
- Increasing participation in the Patient-Centered Medical Home (PCMH) health care delivery system for 2020 and 2021 through continued educational efforts. Preliminary analysis indicate that the increased coordination of care expected from the PCMH model did result in reduced claims costs while providing higher quality of care.
- Consideration of a points-based wellness program which retains an emphasis on the main components of the previous outcomes-based program, which focus on improving employee health risks with targeted biometric goals. This component is a critical contributor to the HCFMT's strategy to slow down health care cost increases and improve the overall health of plan participants.

Implementing the 2021 employee contribution rates and plan design changes.

The projected 2021 ending fund balance of \$32.2 million is well above the secured funding level targeted by Board policy. Staff intends to bring a revised financial policy for the Health Care Fund to the Board subsequent to the budget process. Extreme volatility in health care expenses, coupled with the size of the fund and historical inflation rates, have necessitated a rethinking of the metrics and methods used for management of the fund.

The five-year Health Care Fund model for FY 2021 - FY 2025 anticipates rate increases enough to build the reserves in excess of the minimum estimated secure funding level. A new reserve policy, proposed by Budget, will look to keep the funds in excess of the secure level in the General Fund as committed (designated) reserves. This will allow the County to better manage the balance and outcomes of the Health Care Fund, optimize the utilization of the reserves kept in the General Fund, and be more fully prepared for extreme outcomes.

Current projections for the Health Care Fund are provided for FY 2020 and 2021 on Table #5, shown on the following page.

Table #5: Health Care Fund - FY 2020 and FY 2021 Budgetary Projections

	<u>FY 2020</u>	<u>FY 2021</u>
<u>Receipts</u>		
Employer Contributions for Medical Claims and Administrative Costs	\$ 53,368,133	\$ 52,273,242
Employer Contributions for Dental Claims and Administrative Costs	2,083,304	2,134,565
Employee Contributions	6,068,545	5,944,044
Employee Contributions for Dental Claims and Administrative Costs	520,826	533,641
Pharmacy Rebate	1,400,000	1,400,000
Investment Income and Other	234,101	111,859
Total Estimated Receipts	\$ 63,674,909	\$ 62,397,351
<u>Disbursements</u>		
Estimated Medical and Pharmacy Claims	\$ 45,704,448	\$ 49,093,939
Estimated Reinsurance and Claims Processing	6,374,778	7,034,290
Estimated Dental claims and Administrative Costs	2,529,129	2,593,206
Estimated Vision Plan Premiums	401,173	395,667
Estimated Fees for Professional Services	323,312	323,312
Estimated Miscellaneous Expenses	—	—
Total Estimated Disbursements	\$ 55,332,840	\$ 59,440,414
Receipts Less Disbursements	\$ 8,342,069	\$ 2,956,937
Beginning Cash Balance, January 1st	\$ 23,835,113	\$ 11,177,182
Less: Auxiliary Fund (Deferred Employer Contributions)	\$ (21,000,000)	\$ (2,000,000)
Projected Ending Cash Balance, December 31st	\$ 11,177,182	\$ 12,134,119
Estimated Secure Funding	\$ 10,609,195	\$ 11,387,079

FY 2021 Proposed Budget - FTEs by Type

<u>Agency/Department</u>	<u>Other</u>	<u>Grant</u>	<u>Fee</u>	<u>Total</u>
Airport	18.25	0.00	0.00	18.25
Appraiser	82.40	0.00	0.00	82.40
Board of County Commissioners	14.00	0.00	0.00	14.00
Budget and Financial Planning	11.00	0.00	0.00	11.00
Contractor Licensing	0.00	0.00	5.55	5.55
Corrections	235.30	43.08	12.26	290.64
County Manager's Office	22.50	0.00	1.00	23.50
Countywide support	20.00	0.00	0.00	20.00
Courts Law Library	4.48	0.00	0.00	4.48
Department of Health & Environment	108.10	41.25	0.00	149.35
Department of Technology & Innovation	115.48	0.00	0.00	115.48
Developmental Supports	287.66	14.00	0.00	301.66
District Attorney	101.50	3.75	1.91	107.16
District Court Trustee	17.00	0.00	0.00	17.00
District Courts	8.24	1.00	10.22	19.46
Elections	16.00	0.00	0.00	16.00
Emergency Management & Communications	51.00	1.00	0.00	52.00
Facilities	183.20	0.00	0.00	183.20
Facilities - Fleet	12.80	0.00	0.00	12.80
Human Resources	27.01	0.00	0.00	27.01
Human Services Department	41.76	48.75	0.00	90.51
JIMS	29.00	0.00	0.00	29.00
Legal	14.00	0.00	0.00	14.00
Library Operating	304.79	0.00	0.00	304.79
Med-Act	158.88	0.00	0.00	158.88
Mental Health	277.42	63.76	0.00	341.18
Motor Vehicle	69.10	0.00	0.00	69.10
Museums	0.00	0.00	0.00	0.00
Park & Recreation Enterprise	0.00	0.00	384.14	384.14
Park & Recreation General	171.09	0.00	0.00	171.09
Planning	13.80	0.00	0.00	13.80
Public Works	61.43	0.00	0.00	61.43
Risk Management	4.50	0.00	0.00	4.50
RTA	30.00	0.00	0.00	30.00
Sheriff	674.93	1.00	0.00	675.93
Stormwater	4.25	0.00	0.00	4.25
Transportation	0.00	0.00	0.00	0.00
Treasurer & Financial Management	47.15	0.00	0.00	47.15
Wastewater	237.00	0.00	0.00	237.00
Total	3,475.02	217.59	415.08	4,107.69

FTEs By Department and Strategic Program Area

Department	2021	2020	2019
Board of County Commissioners	14.00	14.00	14.00
Budget & Financial Planning	11.00	11.00	9.00
County Manager's Office	23.50	23.50	24.50
Countywide	20.00	20.00	20.00
Facilities	183.20	161.74	162.66
Facilities - Fleet	12.80	12.80	12.80
Human Resources	27.01	27.01	27.01
Technology & Innovation	115.48	117.48	98.63
Legal	14.00	14.00	14.00
Treasurer & Financial Management	47.15	48.15	48.15
Special Liability/Risk Management	4.50	4.50	4.50
Total Support Services	472.64	454.18	435.25
Appraiser	82.40	83.40	87.40
Election & Registration	16.00	16.00	17.00
Motor Vehicle	69.10	69.10	69.10
RTA	30.00	36.00	38.00
Total Records and Taxation	197.50	204.50	211.50
Community Corrections	290.64	307.64	312.64
Courts Law Library	4.48	4.48	4.96
District Attorney	107.16	99.25	97.25
District Court Trustee	17.00	18.00	19.00
District Courts	19.46	33.75	27.70
Emergency Management & Communications	52.00	52.00	53.00
JIMS	29.00	26.00	25.00
Med-Act	158.88	151.80	144.53
Sheriff	675.93	665.95	659.99
Total Public Safety & Emergency Services	1,354.55	1,358.87	1,344.07
Airport	18.25	18.25	18.25
Contractor Licensing	5.55	5.35	5.35
Planning, Development and Codes	13.80	14.00	12.75
Public Works	61.43	62.93	62.93
Stormwater Management	4.25	2.75	2.75
Transportation	0.00	0.00	0.00
Wastewater	237.00	217.53	219.23
Total Infrastructure Services	340.28	320.81	321.26
Developmental Supports	301.66	306.16	307.16
Human Services	90.51	99.49	98.68
Mental Health	341.18	330.60	322.38
Health & Environment	149.35	146.56	137.31
Total Health & Human Services	882.70	882.81	865.53
Library	304.79	325.79	327.79
Museum	0.00	0.00	0.00
Park & Recreation Enterprise	384.14	413.40	352.05
Park & Recreation Employee Benefit	0.00	0.00	0.00
Park & Recreation General	171.09	165.50	152.59
Total Culture & Recreation	860.02	904.69	832.43
Total County	4,107.69	4,125.86	4,010.04