



Personnel & Compensation

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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
- Compensation Information
- Vacancy Factor
- Full-time Equivalent (FTE) Position Information
- Benefits (Including the Health Care Fund)

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

1. Allocate funding for a 3% merit pool.
2. Allocate funding for step movement for the Sheriff's Civil Service staff.
3. Maintain the employer match for supplemental retirement at 3.0%.
4. Allocate funding for the implementation of an updated pay table in support of the County's compensation philosophy.

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.

As a result of the past few years of reducing the overall workforce at the County, current priorities going forward include retaining core service area staff; managing workload concerns, addressing morale issues and stemming healthcare costs. The pace of recovery is slow and the County continues to take a cautious approach to filling only positions deemed essential for service delivery.

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.

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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 3.0% merit increase pool for employees with competent to exceptional performance and \$39.7 million for the employer contribution to the Health Care Fund for 2017. A comparison of the pay ranges to comparable organizations indicated that the County needed to narrow the ranges for grades 11 to 15 from 75%-125% of the mid-point to 85%-115% and for grades 16 to 28 from 75%-125% of the mid-point to 80%-120%. In 2017 grades 11 to 15 were narrowed from 87%-117% of the mid-point to 85%-115% completing the narrowing of the ranges.

Changes in Budgeted Positions in the FY 2017 Budget

A total of 3,886.99 FTEs are included in the FY 2017 Budget. This is an increase of 46.01 FTEs from the FY 2016 budget of 3840.98 FTEs. The increase of 46.01 FTEs is a result of the following: decrease of 12.0 FTE at Johnson County Mental Health through the loss of state funding, the addition of 31.9 FTEs through Request for Additional Resources (RAR), and the remainder through the addition and elimination of grant-funded and seasonal positions outside of the budget process. The 31.9 FTE added in the FY 2017 Budget are shown in Table #1 below.

New Positions Included in the FY 2017 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 2017 Budget. The approved positions were submitted through the Request for Additional Resources (RAR) process. The new positions included in the FY 2017 Budget are listed in Table #1:

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Table #1: New FTE Positions in the FY 2017 Budget

Department	Description	FTEs	Property Tax Impact	Request Type
Board of County Commissioners	Senior Auditor	2.0	\$ 211,391	RAR
Appraiser	Administrative Support I	0.4	\$ 4,001	RAR
Appraiser	Residential Agricultural Land Specialist	1.0	\$ 68,573	RAR
District Court Administration	Interpreter	1.0	\$ —	RAR
Motor Vehicle	Motor Vehicle Specialist	0.5	\$ —	RAR
Technology & Innovation	Human Service Data Analyst	1.0	\$ 78,014	RAR
Technology & Innovation	Security Risk and Compliance Analyst	1.0	\$ 103,785	RAR
Technology & Innovation	Help Desk	2.0	\$ 148,522	RAR
Human Resources	Sr. Learning & Development Specialist	1.0	\$ 105,473	RAR
Developmental Supports	Community Employment Specialist	1.0	\$ 52,276	RAR
Developmental Supports	Senior Direct Support Professional	1.0	\$ 48,589	RAR
Developmental Supports	Direct Support Professional	2.0	\$ 83,615	RAR
JCW	Project Engineer	1.0	\$ —	RAR
JCW	Admin. Support III	1.0	\$ —	RAR
JIMS	Tech. LAN Analyst II	1.0	\$ 82,670	RAR
Mental Health	Front Desk Clerk	2.0	\$ 115,648	RAR
Park & Recreation	NW Regional Park Mgr.	1.0	\$ —	RAR
Park & Recreation	SW Regional Park Mgr.	1.0	\$ —	RAR
Park & Recreation	Park Police Officer I	2.0	\$ —	RAR
Park & Recreation	Digital Media Coordinator	1.0	\$ —	RAR
Park & Recreation	Finance Analyst	1.0	\$ —	RAR
Park & Recreation	Outdoor Education Specialist	1.0	\$ —	RAR
Park & Recreation	Web Administrator	1.0	\$ —	RAR
Park & Recreation	Fine Arts Specialist	1.0	\$ —	RAR
Park & Recreation	Production Manager	1.0	\$ —	RAR
Park & Recreation	Technical Director	1.0	\$ —	RAR
Park & Recreation	AHC Fac. Maint. Sup.	1.0	\$ —	RAR
Park & Recreation	Sr. Administrative Assist.	1.0	\$ —	RAR
		31.9		

Comparison of Budgeted FTE Positions since FY 2012

Since 2012 the number of budgeted FTE positions has decreased at an average annual rate of (0.92%). This change is reflected in Table #2 below:

Table #2: Comparison of Budgeted FTE Positions Since FY 2012

Fiscal Year	Budgeted FTE Positions	Annual Increase	Annual % Increase
2012	3,901.77	(198.16)	(4.9)%
2013	3,860.02	(41.75)	(1.1)%
2014	3,871.01	10.99	0.3%
2015	3,822.41	(48.60)	(1.3)%
2016	3,840.98	18.57	0.5%
2017	3,886.99	46.01	1.2%

Information on the net change from 2012 to 2017 for each strategic program is presented in Table #3 on the following page:

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Table #3: FY 2012 - FY 2017 Budgeted FTEs by Strategic Program

Strategic Program	2012 Budgeted FTE Positions	2017 Budgeted FTE Positions	Increase	% Increase from 2012
Support Services	386.26	417.66	31.40	8.1%
Public Safety and Emergency Services	1,317.31	1,337.56	20.25	1.5%
Infrastructure	344.59	318.49	(26.10)	(7.6)%
Health and Human Services	960.16	862.98	(97.18)	(10.1)%
Culture & Recreation	692.95	739.40	46.45	6.7%
Records and Taxation	200.50	210.90	10.40	5.2%
Totals	3,901.77	3,886.99	(14.78)	(0.4)%

Overall, the budgeted FTEs have decreased by 14.78 FTEs, or 4.3% since 2012.

Growth within Support Services has been largely within the Facilities department through added positions to provide service to new County facilities, centralization of Fleet and custodial services from other departments within Facilities. Growth has also occurred due to the merger of Treasurer and Office of Financial Management into Treasury and Financial Management. The Treasurer FTEs are now part of Support Services instead of Records and Taxation. Information Technology services have also been consolidated with the merger of ITS, OSC, and AIM into DTI and the transfer of FTEs from other departments.

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 2012 and FY 2017 FTE positions per 1,000 Johnson County's population:

Table #4: FY 2012 - FY 2017 Budgeted FTEs per 1,000 County Residents

Strategic Program	2012 Budgeted FTE Positions	2017 Budgeted FTE Positions	Increase	% Increase from 2012
Support Services	0.69	0.70	0.01	1.45%
Public Safety and Emergency Services	2.35	2.25	(0.10)	(4.26)%
Infrastructure	0.62	0.54	(0.08)	(12.90)%
Health and Human Services	1.72	1.45	(0.27)	(15.70)%
Culture & Recreation	1.24	1.25	0.01	1.00%
Records and Taxation	0.36	0.36	—	—%
Totals	6.98	6.55	(0.43)	(6.16)%

Vacancy Factor

Beginning in FY 2001, personal services funding was budgeted at less than full employment (i.e., budgeting for a vacancy factor). Historically through 2011, positions meeting specific criteria have been budgeted at 98% occupancy. Beginning with FY 2012, the adopted budget continues a more aggressive 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

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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 mandates by offsetting the increased claims costs to be borne by the County with plan design changes. The HCFMT continues to evaluate options to minimize the Excise Tax that is effective in 2020 in a methodical approach while minimizing disruption to employees and financial burden to the County. This methodical approach includes continuing benchmarking of peers to monitor changes and confirm that the County's plans are in line and compliant with Board's Compensation Philosophy. Major plan changes are considered and proposed every other year to maintain stability and minimize disruption to employees and family members.

Although the application of the Excise Tax was delayed for two years, the HCFMT continues to strategically plan that it will be applied. This is consistent with the recommendations of the County's Benefits Consultant and what most employers are doing. Having made plan design changes in 2015, no design changes were made in 2016 but changes are being addressed for 2017.

To allow for employees to make informed, educated decisions regarding the County's plan options, TFM-Benefits will conduct Benefit Plan educational presentations to the organization during the summer and fall, in addition to the annual Open Enrollment period. These meetings will supplement the several resources that are posted to 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.

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 double-digit health care cost increases. Highlights include:

- Continuation of a three-year wellness strategy applying a budget-neutral incentive fee (contribution differential) to employees who do meet the approved wellness engagement criteria. Final 2017 employee contribution rates will be reviewed and approved by the HCFMT at its July 19, 2016 meeting. To make the Legal-recommended incentive structure budget-neutral, all employee contribution rates are being increased by the amount of the incentive so employees who complete the Wellness Strategy will receive the \$95 per month Wellness and Tobacco incentives in 2017.
- Consideration of a new three-year wellness strategy based on an outcomes-based approach and design for the years 2017 through 2019. The program will include spouses and transition to a more physician-based approach.
- Members of the HCFMT served as the Project Manager and served on the Selection Committees for the following two separate and distinct Request for Proposals (RFPs) bids in 2016 for a January 1, 2017 effective date: 1) Dental Plan administrator; and 2) the Wellness Incentive Administrator.
- Continuation of employee benefit education programs focusing on 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.
- Continuation of the analysis and forecast of the costs to the County as a result of compliance with the Patient Protection and Affordable Care Act (PPACA). Employers continue to be charged a Reinsurance Tax, ACA Excise Tax, State Premium Tax, and a Patient-Centered Outcomes Research Institute (PCORI) tax. These taxes are estimated to total about \$382,000 in 2017.

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- Increase funding of wellness programs approved by the Board of County Commissioners or the Wellness 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, MedTrak Services. The estimated rebates for 2016 and 2017 are projected to be approximately \$1.5 million.

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 2017 Budget includes a recommendation to allocate \$39.7 million for the employer contribution to the Health Care Fund. This amount represents 18% increase in employer contribution rates from FY 2016. Staff anticipates that employee contribution rates, set in the fall, will need to be increased by roughly 36% but will be significantly offset by plan design changes, to maintain the long-term stability of the fund.

Additional important focuses for 2017 involve:

- To address the significant health risks of covered spouses as evidenced by the fact that spouses have historically had a Per Member Per Month cost double-digits higher than employees, begin the formal inclusion of spouses in the County's wellness programs beginning in 2016 with full inclusion beginning in 2017.
- Increasing participation in the Patient-Centered Medical Home (PCMH) health care delivery system for 2017 through continued educational efforts. Preliminary analyses indicate that the increased coordination of care expected from the PCMH model did result in over \$300K in estimated reduced claims costs.
- Continue the Implementation of the outcomes-based component of the wellness strategy with 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 to better position the County to address the looming PPACA Excise Tax in 2020.
- Implementing the 2017 employee contribution rates and plan design changes.

As required under by policy, the ending fund balance as of December 31, 2015 is in excess of the 135% threshold; however, projected reserves of \$3.1 million as of December 31, 2017 are anticipated to be significantly below the secured funding level required by Board policy. Built into the five-year Health Care Fund model for FY 2017 - FY 2021 are anticipated rate increases sufficient to allow the reserves to reach the minimum estimated secure funding level by 2021. These cash reserves are needed to cover incurred but not reported claims as well as provide a "secured funding" contingency reserve in accordance with County policy.

Current projections for the Health Care Fund are provided for FY 2016 and 2017 on Table #5, shown on the following page:

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Table #5: Health Care Fund - FY 2016 and FY 2017 Budgetary Projections

	<u>FY 2016</u>	<u>FY 2017</u>
<u>Receipts</u>		
Employer Contributions for Medical Claims and Administrative Costs	\$ 31,893,165	\$ 37,918,007
Employer Contributions for Dental Claims and Administrative Costs	1,764,737	1,829,024
Employee Contributions for Medical Claims and Administrative Costs	5,031,922	6,895,070
Employee Contributions for Dental Claims and Administrative Costs	441,184	457,256
Pharmacy Rebate	500,000	1,000,000
Contribution for Voluntary Retirement Incentive Program participants	561,765	—
Investment Income and Other	94,252	120,188
Total Estimated Receipts	\$ 40,287,025	\$ 48,219,545
<u>Disbursements</u>		
Estimated Medical and Pharmacy Claims	39,355,868	41,617,916
Estimated Reinsurance and Claims Processing	3,847,942	4,031,080
Estimated Pharmacy and Medication Management Administrative Fees	—	—
Estimated Dental claims and Administrative Costs	2,130,922	2,211,281
Estimated Vision Plan Premiums	382,484	381,787
Estimated Affordable Care Act Fees	395,082	170,400
Estimated Fees for Professional Services	95,456	95,456
Estimated Miscellaneous Expenses	37,505	37,505
Total Estimated Disbursements	\$ 46,245,259	\$ 48,545,425
Receipts Less Disbursements	\$ (5,958,234)	\$ (325,880)
Beginning Cash Balance, January 1st	\$ 9,392,141	\$ 3,433,907
Projected End Cash Balance, December 31st	\$ 3,433,907	\$ 3,108,027
Estimated Secure Funding	\$ 8,685,017	\$ 9,214,713

FY 2017 Budget - FTEs by Type

<u>Agency/Department</u>	<u>Other</u>	<u>Grant</u>	<u>Fee</u>	<u>Total</u>
Airport	18.80	0.00	0.00	18.80
Appraiser	87.40	0.00	0.00	87.40
Board of County Commissioners	14.00	0.00	0.00	14.00
Budget and Financial Planning	9.00	0.00	0.00	9.00
Contractor Licensing	0.00	0.00	5.45	5.45
Corrections	246.30	58.73	8.61	313.64
County Manager's Office	20.85	0.00	1.00	21.85
Countywide support	20.00	0.00	0.00	20.00
Courts Law Library	4.96	0.00	0.00	4.96
Department of Health & Environment	84.19	55.16	0.00	139.35
Department of Technology & Innovation	94.55	0.00	0.00	94.55
Developmental Supports	281.40	13.00	0.00	294.40
District Attorney	91.71	0.75	0.00	92.46
District Court Trustee	27.50	0.00	0.00	27.50
District Courts	14.00	7.50	15.94	37.44
Elections/Registration	17.00	0.00	0.00	17.00
Emergency Management & Communications	48.00	1.00	0.00	49.00
Facilities	157.70	0.00	0.00	157.70
Facilities - Fleet	13.80	0.00	0.00	13.80
Human Resources	20.01	0.00	0.00	20.01
Human Services Department	37.94	87.01	0.00	124.95
JIMS	19.00	0.00	0.00	19.00
Legal	14.50	0.00	0.00	14.50
Library Operating	262.90	0.00	0.00	262.90
Med-Act	136.53	0.00	0.00	136.53
Mental Health	245.36	58.92	0.00	304.28
Motor Vehicle	68.50	0.00	0.00	68.50
Museums	7.25	0.55	0.00	7.80
Park & Recreation Employee Benefit	0.00	0.00	0.00	0.00
Park & Recreation Enterprise	0.00	0.00	331.63	331.63
Park & Recreation General	137.07	0.00	0.00	137.07
Planning	12.65	0.00	0.00	12.65
Public Works	63.14	0.00	0.00	63.14
Risk Management	4.50	0.00	0.00	4.50
RTA	38.00	0.00	0.00	38.00
Sheriff	656.03	1.00	0.00	657.03
Stormwater	2.80	0.00	0.00	2.80
Transportation	0.00	0.00	0.00	0.00
Treasurer & Financial Management	47.75	0.00	0.00	47.75
Wastewater	215.65	0.00	0.00	215.65
Total	3,240.74	283.62	362.63	3,886.99

FTEs By Department and Strategic Program Area

Department	2017	2016	2015
Board of County Commissioners	14.00	12.00	12.00
Budget & Financial Planning	9.00	9.00	9.00
County Manager's Office	21.85	21.50	21.50
Countywide	20.00	20.00	20.00
Facilities	157.70	156.70	155.70
Facilities - Fleet	13.80	13.80	14.80
Human Resources	20.01	18.81	18.81
Technology & Innovation	94.55	90.63	84.63
Legal	14.50	14.50	15.50
Treasurer & Financial Mgmt	47.75	47.75	47.75
Special Liability/Risk Management	4.50	4.50	4.50
Total Support Services	417.66	409.19	404.19
Appraiser	87.40	86.00	86.00
Election & Registration	17.00	17.00	17.00
Motor Vehicle	68.50	68.00	68.00
RTA	38.00	37.00	37.00
Total Records and Taxation	210.90	208.00	208.00
Community Corrections	313.64	308.65	308.15
Courts Law Library	4.96	4.96	4.96
District Attorney	92.46	92.46	92.58
District Court Trustee	27.50	29.50	29.50
District Courts	37.44	39.16	38.01
Emergency Management & Communications	49.00	49.00	47.00
JIMS	19.00	18.00	18.00
MedAct	136.53	136.53	139.53
Sheriff	657.03	656.53	656.50
Total Public Safety & Emergency Services	1,337.56	1,334.79	1,334.23
Airport	18.80	18.80	18.80
Contractor Licensing	5.45	5.30	5.30
Planning, Development and Codes	12.65	12.55	12.55
Public Works	63.14	63.14	62.54
Stormwater Management	2.80	2.80	3.40
Transportation	0.00	1.00	9.00
Wastewater	215.65	214.00	210.00
Total Infrastructure Services	318.49	317.59	321.59
Developmental Supports	294.40	291.16	292.16
Human Services	124.95	124.21	124.22
Mental Health	304.28	314.23	307.33
Health & Environment	139.35	138.79	135.67
Total Health & Human Services	862.98	868.39	859.38
Library	262.90	262.75	262.75
Museum	7.80	7.80	7.80
Park & Recreation Enterprise	331.63	304.85	301.85
Park & Recreation Employee Benefit	0.00	0.00	0.80
Park & Recreation General	137.07	127.62	121.82
Total Culture & Recreation	739.40	703.02	695.02
Total County	3,886.99	3,840.98	3,822.41