

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 2020 budget
- Vacancy Factor
- Comparison of budgeted FTE since 2015
- 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 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%.

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 3.0% merit increase pool for employees with competent to exceptional performance and \$50 million for the employer contribution to the Health Care Fund for 2020.

Changes in Budgeted Positions in the FY 2020 Budget

A total of 4065.62 FTEs are included in the FY 2020 Budget. This is an increase of 57.58 FTEs from the FY 2019 budget of 4008.04 FTEs. The increase of 57.58 FTEs is a result of the following: decrease of 5.48 FTE combined in Corrections and Law Library, the addition of 54.03 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 2020 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 2020 Budget. The approved positions were submitted through the Request for Additional Resources (RAR) process. The new positions included in the FY 2020 Budget are listed in Table #1:

Table #1: New FTE Positions in the FY 2020 Budget

Department	Description	FTEs	Property Tax Impact	Request Type
Corrections	JIAC Supervisor	1	\$0	RAR
Corrections	Senior Juvenile Intake Specialist	1	\$0	RAR
District Attorney	Assistant District Attorney I	1	\$96,072	RAR
District Attorney	Victim Assistance Unit Supervisor	1	\$84,219	RAR
Med-Act	Lieutenant	4	\$469,370	RAR
Med-Act	Paramedic	3	\$312,028	RAR
Sheriff	Deputies	6	\$530,135	RAR
Sheriff	Toxicology Senior Forensic	1	\$110,635	RAR
Parks and Recreation	Park Police Officers (GF)	4	\$0	RAR
Parks and Recreation	NW Region Park Worker I (GF)	1	\$0	RAR
Parks and Recreation	SE Region Park Worker I (GF)	1	\$0	RAR
Parks and Recreation	Natural Resource Technician (GF)	1	\$0	RAR
Parks and Recreation	Technical Support Analyst I (GF)	1	\$0	RAR
Parks and Recreation	HR Clerical Assistant (GF)	0.35	\$0	RAR
Parks and Recreation	Recruiter/Volunteer Coord. (GF/EF)	1	\$0	RAR
Parks and Recreation	Visitors Services Coord. (EF)	1	\$0	RAR
Department of Health & Environment	Deputy Medical Examiner	1	\$251,470	RAR
Department of Health & Environment	Medicolegal Death Investigator	1	\$97,055	RAR
Department of Health & Environment	On Call Death Investigator	0.28	\$18,284	RAR
Department of Health & Environment	Forensic Autopsy Technician	1	\$79,924	RAR
Department of Health & Environment	Chief Toxicologist	1	\$158,613	RAR
Department of Health & Environment	Administrative Staff	1	\$67,590	RAR
Department of Health & Environment	Administrative Staff	1	\$67,590	RAR
Department of Health & Environment	On Call Death Investigator	0.28	\$18,284	RAR
Department of Health & Environment	On Call Death Investigator	0.28	\$18,284	RAR
Department of Health & Environment	On Call Death Investigator	0.28	\$18,284	RAR
Department of Health & Environment	On Call Death Investigator	0.28	\$18,284	RAR
Department of Health & Environment	On Call Death Investigator	0.28	\$18,284	RAR
Department of Health & Environment	Forensic Autopsy Technician	1	\$79,924	RAR
Department of Health & Environment	Toxicology Forensic Scientist	1	\$87,893	RAR
Mental Health	After Hours Clinician	1	\$93,348	RAR
Mental Health	Case Manager	1	\$48,428	RAR
Mental Health	Mobile Crisis Response Clinician	1	\$93,348	RAR
Mental Health	Deaf Services Clinician	1	\$98,200	RAR
Wastewater	Assistant Superintendents	3	\$0	RAR
Wastewater	Industrial Electricians	3	\$0	RAR
Wastewater	HVAC Technician	1	\$0	RAR
Wastewater	Maintenance Specialist	1	\$0	RAR
Wastewater	Project Engineer - Collections	1	\$0	RAR
Budget & Financial Planning	Performance Analyst	1	\$144,238	RAR
Facilities	Energy Manager	1	\$0	RAR
Facilities	Maintenance Technician	1	\$72,883	RAR
		54.03		

Comparison of Budgeted FTE Positions since FY 2015

Since 2015 the number of budgeted FTE positions has increased at an average annual rate of 0.83%. This change is reflected in Table #2 below:

Table #2: Comparison of Budgeted FTE Positions Since FY 2015

Fiscal Year	Budgeted FTE Positions	Annual Increase	Annual % Increase
2015	3,822.41	(48.60)	(1.2)%
2016	3,840.98	18.57	0.5%
2017	3,886.99	46.01	1.2%
2018	3,949.72	62.73	1.6%
2019	4,008.04	58.32	1.5%
2020*	4,065.62	57.58	1.4%

Information on the net change from 2015 to 2020 for each strategic program is presented in Table #3 below.

Table #3: FY 2015 - FY 2020 Budgeted FTEs by Strategic Program

Strategic Program	2015 Budgeted FTE Positions	2020 Proposed FTE Positions	Increase	% Increase from 2015
Support Services	404.19	457.18	52.99	13.1%
Public Safety and Emergency Services	1,334.23	1,360.87	26.64	2.0%
Infrastructure	321.59	320.81	(0.78)	(0.2)%
Health and Human Services	859.38	880.81	21.43	2.5%
Culture & Recreation	695.02	841.45	146.43	21.1%
Records and Taxation	208.00	204.50	(3.50)	(1.7)%
Totals	3,822.41	4,065.62	243.21	6.4%

Overall, the budgeted FTEs have increased by 243.21 FTEs, or 3.54% since 2015.

In support services there has been growth in several departments since 2015. 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 Culture and Recreation has been in Library and Park & Recreation with the addition of staff tied to 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 2015 and FY 2020 FTE positions per 1,000 Johnson County's population:

Table #4: FY 2015 - FY 2020 Budgeted FTEs per 1,000 County Residents

Strategic Program	2015 Budgeted FTE Positions	2020 Budgeted FTE Positions	Increase	% Increase from 2015
Support Services	0.70	0.75	0.05	7.14%
Public Safety and Emergency Services	2.31	2.23	(0.08)	(3.46)%
Infrastructure	0.56	0.53	(0.03)	(5.36)%
Health and Human Services	1.48	1.44	(0.04)	(2.70)%
Culture & Recreation	1.20	1.38	0.18	15.00%
Records and Taxation	0.36	0.33	(0.03)	(8.33)%
Totals	6.61	6.66	0.05	0.76%

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 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. Since the current Presidential Administration failed to repeal the ACA, the HCFMT continues to evaluate options to minimize the Excise Tax that is effective in 2022 in a methodical approach while minimizing disruption to employees and financial burden to the County. This approach includes continuing benchmarking of peers to monitor changes and confirm that the County's plans are in line and compliant with the Board's Compensation Philosophy. Previously, major plan changes have been considered and proposed every other year to maintain stability and minimize disruption to employees and family members. Since significant changes were made in 2015, 2017 and 2018, beginning for 2019, the HCFMT added a high-performing, narrowed provider network and new drug formulary recommended by the County's Pharmacy Benefit Manager, MedTrakRx. For 2020, the HCFMT will be considering a value-based reimbursement arrangement through SPEC*KC to offer more affordable specialty care with improved outcomes.

Although the application of the Excise Tax was delayed for two years, the HCFMT continues to strategically plan with the expectation that it will be applied. This is consistent with the recommendations of the County's Benefits Consultant and what most employers are doing.

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 will be recommending the County contract with a third party vendor that will 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 either 25% or 40% subsidy to lower the cost to early retirees with Public Safety or other employees who are eligible for a KPERS/KPF retirement or disability benefit.

The HCFMT determined that it 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 sufficient claim data available to verify that it provides higher quality health care than the Medical Homes at a lower cost. The HCFMT will re-visit 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 double-digit health care cost increases. Highlights include:

- Continue to offer a competitive and reasonably-priced health plan that encourages employees to be judicious and consumerist when seeking medical services to reduce health care costs. It is becoming less common in the marketplace to offer more than one PPO plan option so the HCFMT is recommending combining the two existing PPO plans and offering only one PPO plan along with the Qualified High Deductible Health Plan (QHDHP) option.
- Continuation of a three-year wellness strategy applying a budget-neutral incentive fee (contribution differential) to employees who meet the approved wellness engagement criteria. Final 2020 employee contribution rates will be based on recommendations developed by the HCFMT at its July, 2019 meeting. To make the incentive structure budget-neutral, all employee contribution rates are being increased by the amount of the incentives so employees and covered spouses who complete the Wellness Strategy will receive \$150 per month Wellness and Tobacco incentives in 2020. The Wellness Committee is recommending a one-year extension of the current three-year wellness strategy to 2021 awaiting the filling of vacancies on the Equal Employment Opportunity Commission (EEOC) enabling the promulgation of new wellness guidelines. Until new guidelines are created to fill existing gaps in policy, the HCFMT believes it is premature to propose a new three-year wellness strategy before fully understanding a settled wellness market.
- 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 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. Since the County has high utilization of the program, the \$100 incentive to new members offered in 2017 and 2018 was discontinued in 2019.

- Continuation of the pharmacy manufacturer rebate program with the County's Pharmacy Benefit Manager, MedTrakRx Services. The estimated rebates for 2019 and 2020 are projected to be approximately \$1 million each year.

Members of the HCFMT served as the Project Manager and served on the Evaluation Committees for the following two separate and distinct Request for Proposals (RFPs) bids in 2018 for a January 1, 2019 effective date: 1) Vision Plan insurer or administrator; and 2) the claim auditor to review the County's medical, dental and drug plans as part of the County's fiduciary responsibilities.

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 2020 Budget includes a recommendation to allocate \$53 million for the employer contribution to the Health Care Fund. This amount represents a 3% increase in employer contribution rates from FY 2019. Staff anticipates that employee contribution rates, set in the fall, will be increased 3% as well.

Additional important focuses for 2020 involve:

- The County began the formal inclusion of spouses in the County's wellness programs in 2016 with the possible full inclusion beginning in 2020. The County will continue to explore different incentive options in light of 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 2018 and 2019 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.
- 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 2022.
- Implementing the 2020 employee contribution rates and plan design changes.

The projected 2019 ending fund balance of \$19.7 million is well above the secured funding level targeted by Board policy. Staff intends to bring a new funding 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 2020 - FY 2024 anticipates rate increases sufficient to build the reserves in excess of the minimum estimated secure funding level. The new policy will look to keep the funds in excess of the secure level in the General Fund as 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 2019 and 2020 on Table #5, shown on the following page.

Table #5: Health Care Fund - FY 2019 and FY 2020 Budgetary Projections

	<u>FY 2019</u>	<u>FY 2020</u>
<u>Receipts</u>		
Employer Contributions for Medical Claims and Administrative Costs	\$ 51,195,252	\$ 53,120,326
Employer Contributions for Dental Claims and Administrative Costs	1,994,859	2,108,790
Employee Contributions for Medical Claims and Administrative Costs	6,484,054	6,727,871
Employee Contributions for Dental Claims and Administrative Costs	498,715	527,197
Pharmacy Rebate	1,000,000	1,000,000
Investment Income and Other	164,852	181,602
Total Estimated Receipts	\$ 61,337,731	\$ 63,665,786
<u>Disbursements</u>		
Estimated Medical and Pharmacy Claims	\$ 44,968,124	\$ 48,976,451
Estimated Reinsurance and Claims Processing	5,625,109	6,410,149
Estimated Dental claims and Administrative Costs	2,418,573	2,560,987
Estimated Vision Plan Premiums	398,491	405,881
Estimated Affordable Care Act Fees	568,000	568,000
Estimated Fees for Professional Services	361,986	361,986
Estimated Miscellaneous Expenses	75,000	75,000
Total Estimated Disbursements	\$ 54,415,284	\$ 59,358,455
Receipts Less Disbursements	\$ 6,922,446	\$ 4,307,331
Beginning Cash Balance, January 1st	\$ 12,832,586	\$ 19,755,032
Projected End Cash Balance, December 31st	\$ 19,755,032	\$ 24,062,364
Estimated Secure Funding	\$ 10,301,375	\$ 11,276,691

FY 2020 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	83.40	0.00	0.00	83.40
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	5.35	5.35
Corrections	250.30	46.87	12.47	309.64
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	97.68	48.88	0.00	146.56
Department of Technology & Innovation	117.48	0.00	0.00	117.48
Developmental Supports	287.16	19.00	0.00	306.16
District Attorney	97.50	1.75	0.00	99.25
District Court Trustee	18.00	0.00	0.00	18.00
District Courts	12.24	4.70	16.81	33.75
Elections	16.00	0.00	0.00	16.00
Emergency Management & Communications	51.00	1.00	0.00	52.00
Facilities	164.74	0.00	0.00	164.74
Facilities - Fleet	12.80	0.00	0.00	12.80
Human Resources	27.01	0.00	0.00	27.01
Human Services Department	40.74	57.75	0.00	98.49
JIMS	26.00	0.00	0.00	26.00
Legal	14.00	0.00	0.00	14.00
Library Operating	325.79	0.00	0.00	325.79
Med-Act	151.80	0.00	0.00	151.80
Mental Health	264.39	65.21	0.00	329.60
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	350.16	350.16
Park & Recreation General	165.50	0.00	0.00	165.50
Planning	14.00	0.00	0.00	14.00
Public Works	62.93	0.00	0.00	62.93
Risk Management	4.50	0.00	0.00	4.50
RTA	36.00	0.00	0.00	36.00
Sheriff	663.95	2.00	0.00	665.95
Stormwater	2.75	0.00	0.00	2.75
Transportation	0.00	0.00	0.00	0.00
Treasurer & Financial Management	48.15	0.00	0.00	48.15
Wastewater	217.53	0.00	0.00	217.53
Total	3,432.67	247.16	385.79	4,065.62

FTEs By Department and Strategic Program Area

Department	2020	2019	2018
Board of County Commissioners	14.00	14.00	14.00
Budget & Financial Planning	11.00	9.00	9.00
County Manager's Office	23.50	24.50	23.50
Countywide	20.00	20.00	20.00
Facilities	164.74	160.66	160.70
Facilities - Fleet	12.80	12.80	12.80
Human Resources	27.01	27.01	26.01
Technology & Innovation	117.48	98.63	93.63
Legal	14.00	14.00	13.50
Treasurer & Financial Management	48.15	48.15	49.25
Special Liability/Risk Management	4.50	4.50	4.50
Total Support Services	457.18	433.25	426.89
Appraiser	83.40	87.40	87.40
Election & Registration	16.00	17.00	17.00
Motor Vehicle	69.10	69.10	68.00
RTA	36.00	38.00	38.00
Total Records and Taxation	204.50	211.50	210.40
Community Corrections	309.64	312.64	311.64
Courts Law Library	4.48	4.96	4.96
District Attorney	99.25	97.25	96.25
District Court Trustee	18.00	19.00	21.00
District Courts	33.75	27.70	37.12
Emergency Management & Communications	52.00	53.00	53.00
JIMS	26.00	25.00	25.00
Med-Act	151.80	144.53	143.53
Sheriff	665.95	659.99	651.95
Total Public Safety & Emergency Services	1,360.87	1,344.07	1,344.45
Airport	18.25	18.25	18.25
Contractor Licensing	5.35	5.35	5.10
Planning, Development and Codes	14.00	12.75	12.90
Public Works	62.93	62.93	63.19
Stormwater Management	2.75	2.75	2.75
Transportation	0.00	0.00	0.00
Wastewater	217.53	219.23	215.00
Total Infrastructure Services	320.81	321.26	317.19
Developmental Supports	306.16	307.16	304.16
Human Services	98.49	98.68	117.42
Mental Health	329.60	322.38	307.63
Health & Environment	146.56	137.31	140.95
Total Health & Human Services	880.81	865.53	870.16
Library	325.79	327.79	303.68
Museum	0.00	0.00	0.00
Park & Recreation Enterprise	350.16	352.05	333.63
Park & Recreation Employee Benefit	0.00	0.00	0.00
Park & Recreation General	165.50	152.59	143.32
Total Culture & Recreation	841.45	832.43	780.63
Total County	4,065.62	4,008.04	3,949.72