

# Seattle Department of Human Resources

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## Department Overview

The Seattle Department of Human Resources' goal is to promote an equitable and engaging work environment so employees can do their best work and make a difference for the people and communities we serve.

SDHR is currently structured into four primary areas of operation:

- The **Director's Office** establishes Citywide personnel rules; offers strategic consultative assistance to departments, policymakers and employees; provides human resources support to several executive offices; and spearheads Citywide programs and efforts such as the Human Resources Strategic Plan and the Workforce Equity Initiative. Included in the Director's Office are the Workforce Equity Unit, Director's Office, Finance and Business Operations Unit, and HR Service Delivery.
- The **Talent Acquisition and Development Division** includes two sub-divisions:
  - **Training Development and Organizational Effectiveness** has integrated Citywide employee training and development, including the City Leadership Academy.
  - **Recruitment and Retention** provides recruitment, staffing services and technical assistance to all City departments so that the City can meet its hiring needs efficiently, comply with legal guidelines, and accomplish its work.
- The **Administrative Services Division** administers Citywide quality and cost-effective employee benefits, including health care and workers' compensation; provides Citywide safety, classification/compensation and Human Resource Information System (HRIS) Management services; manages the City's voluntary deferred compensation plan; and handles absence management.
- The **Labor Relations Division** negotiates and implements collective bargaining agreements and administers the City's Personnel Rules.

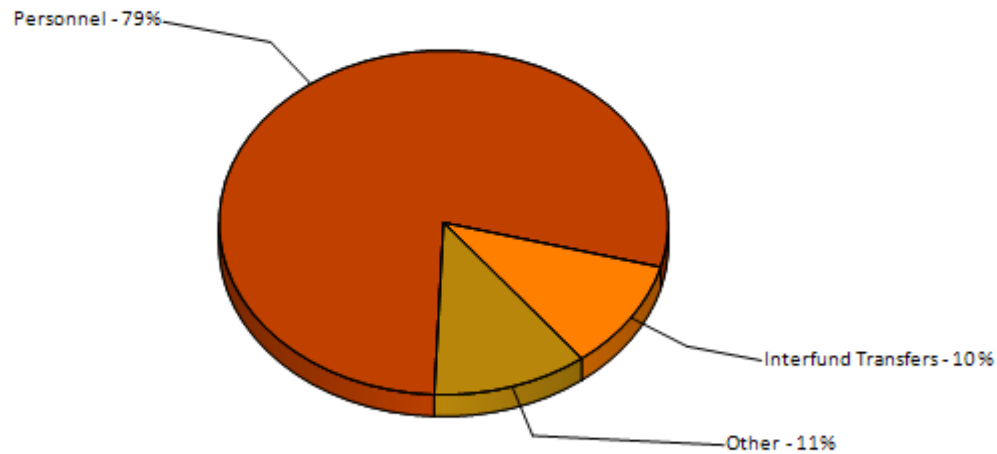
## Budget Snapshot

Department Support	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Proposed
General Fund Support	\$17,143,466	\$18,824,913	\$19,257,346	\$19,114,017
<b>Total Operations</b>	<b>\$17,143,466</b>	<b>\$18,824,913</b>	<b>\$19,257,346</b>	<b>\$19,114,017</b>
<b>Total Appropriations</b>	<b>\$17,143,466</b>	<b>\$18,824,913</b>	<b>\$19,257,346</b>	<b>\$19,114,017</b>
Full-time Equivalent Total*	148.25	158.75	158.75	158.50

\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here. The 2018 Proposed FTE totals includes 44 vacant Apprentice, Office Maintenance Aide and Contract-In positions that SDHR holds for Citywide use.

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## 2018 Proposed Budget - Expenditure by Category



## Budget Overview

Human resources (HR) at the City of Seattle have been delivered through a combination of central and departmental HR staff. The Seattle Human Resources Department (SDHR) provides direct, central HR support for the City's executive offices and smaller departments. The City's larger departments, however, have their own HR staffs which report to their specific department executives rather than to SDHR. A decentralized HR system creates the potential for varying levels of HR services and employee experiences across the City.

In 2014, the City asked SDHR to align services and policies across all City departments with the goal of providing an equitable and consistent experience to all City employees. SDHR developed a strategic plan for the delivery of Citywide HR services that will carry out the goals of workforce equity and improved HR service delivery. To reach these goals, the 2016 Workforce Equity (WFE) Plan recommended the City implement the following platform strategies that affect culture and sustainable change and workforce investments that fund employee benefits and opportunities:

- Sustained and accountable commitment by leadership
- Training to promote unbiased employment decisions
- Adoption of Citywide employee performance management
- Improved tracking of workforce demographic metrics
- Interactive employee web portal

A consolidated, Citywide HR system was identified as a critical component of workforce equity by creating a centrally accountable organization to deliver the platform strategies and workforce investments.

The 2018 Proposed Budget does not transfer any FTEs or include appropriation from other City departments into

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SDHR. Instead, 2018 is focused on implementing changes to move away from the current decentralized HR service model. Once the foundational work of a centralized HR is underway, transferring Citywide HR resources under One HR may begin in the 2019 budget.

## Service Delivery Model

A centralized service delivery model reconfigures the Citywide community of HR professionals with a focus on creating consistent and equitable HR services for all City employees. The 2018 Proposed Budget adds a staff position to support the work of SDHR's Director of Service Delivery. The position will manage the partnerships between SDHR and the Citywide network of HR professionals and provide counsel on the direction of service delivery.

The implementation of One HR follows a model based on four service areas that support HR best practices:

1. **People Strategy, Policy, Governance & Workforce Equity, and Labor Relations** – This addresses the creation of Citywide policies and procedures, the development of strategic HR initiatives, compliance to local and federal rules, and provides support and governance to the other three areas.
2. **Shared Administrative Services** – This group builds and expands on the existing functions in SDHR's Division of Administrative Services. The objective for shared administrative services is to manage administrative, repetitive, and transactional functions. It will also provide the foundation for Citywide HR fundamentals, such as employee benefits and job classification and compensation.
3. **Service Delivery Directors/Managers and Teams** – One HR will create a structure of service delivery directors/managers and teams that have both the authority and autonomy to deliver HR services across the City, and are accountable to SDHR in governance, direction, and consistency.
4. **Practice Leaders and Teams** – This area pulls together Citywide HR professionals who support specific functions to develop action plans to address common pain points in HR services, such as recruitment and retention, workforce equity, training, and development.

## One HR Operations

The first year of One HR focuses on continued refinement of central versus local service delivery, while maintaining current service levels to departments.

Over time, SDHR will improve HR services' consistency and quality, focusing first on opportunities that have the greatest impacts on workforce equity and City departments' needs.

### Joint Accountability Agreement Memorandums

SDHR facilitated a series of workshops throughout 2017 to analyze existing HR service needs and identify gaps in City department HR services. The primary outcome of this comprehensive effort is the creation of joint accountability agreements between SDHR and departments, effective January 1, 2018.

HR professionals at City departments outside of SDHR will remain employees at those departments throughout 2018. Instead, the joint accountability agreements create the operational basis of HR consolidation in 2018 for effective management of HR professionals and service standards. The agreements create a matrix structure that recognizes the mutual commitment and business partnership between SDHR and departments.

## Workforce Equity

Greater workforce equity is the primary objective of One HR. The 2016 Workforce Equity Strategic Plan provided a roadmap of platform and workforce investment strategies to foster organizational and programmatic changes. Aside from resources dedicated to the structural shifts towards a One HR model, SDHR is engaged with several program improvements to advance workforce equity using resources added in recent budgets.

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## Workforce Development

An employment pathways and green jobs specialist was added in 2017 to create an inventory of entry-level jobs across the City, particularly ones that support the City's commitment to environmental justice. This position will promote opportunities to help develop a workforce inclusive of Seattle's communities, particularly underserved communities. In 2018, SDHR will expand its equity based trainings by launching a new training curriculum to reduce implicit bias in employment decisions.

## Management of Employee Leave Benefits

In 2017, the City expanded its paid parental leave benefit from four weeks up to 12 weeks and created a new benefit of up to four weeks of paid family care leave. SDHR's new Leave Administrator is developing programs to support employees' understanding and use of their benefits.

In June 2017, the Washington Legislature approved a 12- to 16-week paid family leave program. The state will begin collecting premiums from employees and employers beginning in January 2019 to fund the benefit that begins in 2020. Throughout 2017 and 2018, the Leave Administrator will analyze intersections between the State and City's paid extended leave programs and make recommendations to joint labor-management conversations on necessary adjustments to the City's benefits to ensure compliance.

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## Incremental Budget Changes

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	2018	
	Budget	FTE
<b>Total 2018 Endorsed Budget</b>	<b>\$ 19,257,346</b>	<b>158.75</b>
<b>Baseline Changes</b>		
Baseline Technical Adjustments	\$ 0	0.00
Citywide Adjustments for Standard Cost Changes	-\$ 71,517	0.00
Supplemental Budget Changes	\$ 189,954	1.75
<b>Proposed Changes</b>		
Abrogate HRIS Specialist	-\$ 111,959	-1.00
Seattle Shares Program	-\$ 143,203	-1.00
Add Service Delivery Advisor for HR Consolidation	\$ 148,627	1.00
Abrogate Finance Unit Accountant	-\$ 100,231	-1.00
Workers' Compensation System Replacement	\$ 145,000	0.00
<b>Proposed Technical Changes</b>		
Technical Adjustment to Reflect Internal Reorganization	\$ 0	0.00
2018 SRI Funding Changes	-\$ 200,000	0.00
<b>Total Incremental Changes</b>	<b>-\$ 143,329</b>	<b>-0.25</b>
<b>2018 Proposed Budget</b>	<b>\$ 19,114,017</b>	<b>158.50</b>

## Descriptions of Incremental Budget Changes

### Baseline Changes

#### Baseline Technical Adjustments

This adjustment reflects the net-zero allocation of existing resources to support the continued improvements to the internal organizational structure SDHR made in 2016 and 2017.

#### Citywide Adjustments for Standard Cost Changes - (\$71,517)

Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, health care, and industrial insurance charges for the department. These adjustments reflect initial assumptions about these

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costs and inflators early in the budget process.

## **Supplemental Budget Changes - \$189,954/1.75 FTE**

This adjustment reflects changes made through supplemental budget legislation since the last adopted budget. Supplemental budget legislation is developed by the Executive and adopted by the City Council four times a year to provide for corrections to the adopted budget, unforeseen changes in circumstance, new funding opportunities or new policy priorities. These changes may include additions or reductions in appropriations and FTEs. The 2017 1st Quarter Supplemental Budget Ordinance increased an existing workers' compensation analyst from 0.5 FTE to 1.0 FTE and increased an existing financial analyst from 0.75 FTE to 1.0 FTE. The 2017 2nd Quarter Supplemental Budget Ordinance added a personnel analyst to the benefits unit to manage retiree medical plan administration, a body of work that transferred out of the Employees' Retirement Department to SDHR in 2017. The Retirement Department will cover the costs for this position.

## **Proposed Changes**

### **Abrogate HRIS Specialist - (\$111,959)/(1.00) FTE**

This adjustment abrogates a vacant 1.0 FTE HRIS specialist position in the information management unit. Recent reorganization in the division of administration created efficiencies that allow this abrogation.

### **Seattle Shares Program - (\$143,203)/(1.00) FTE**

This adjustment reduces the staffing and management that supports Seattle Shares, the City's employee giving program. SDHR will transfer the administration and management of Seattle Shares to a structured organization that specializes in charitable giving. The Seattle Shares program expanded in two areas in recent years, causing it to outgrow existing resources. First, participation of City employees increased dramatically after the reboot of Seattle Shares following the economic downturn of 2008. Second, the program was enhanced to encourage participation by allowing employees to add and give to organizations of their choice.

These changes elevated the City's risks related to the program's financial administration and required the City to conduct on-going validation that employee-added organizations are active and meet the legal requirements to receive contributions through Seattle Shares.

To mitigate these risks, SDHR will transfer the program and financial administration to an organization that can provide proper management without significant loss of the current program's features or employee participation. A vendor, such as United Way of King County, is expected to provide full giving campaign support and maintain the existing direct-donation model through a City-branded website.

### **Add Service Delivery Advisor for HR Consolidation - \$148,627/1.00 FTE**

The 2018 Proposed Budget adds a 1.0 FTE Strategic Advisor 2 to support the Deputy Director of Service Delivery for the multi-year phase in the "One HR" consolidation of Citywide HR services. This position will be primarily responsible for managing the joint accountability agreements between SDHR and City departments and provide counsel on key decision points to maintain current levels of HR services during the consolidation implementation.

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## **Abrogate Finance Unit Accountant - (\$100,231)/(1.00) FTE**

The workers' compensation unit transferred its medical billing review and administration to an outside vendor beginning July 2017. This adjustment abrogates a position in SDHR's finance unit because of efficiencies created from SDHR's workers' compensation program management.

## **Workers' Compensation System Replacement - \$145,000**

SDHR is currently engaged with the Seattle Information Technology Department (SeattleIT) to replace the City's aging workers' compensation system. SeattleIT will provide the technical program management through implementation of the new system in 2019. This adjustment adds a temporary resource to ensure the new system satisfies SDHR's business needs and provide backfill, as needed. This resource is added into the pooled costs billed to City departments during 2018 and 2019 and collected into the industrial insurance subfund in the Personnel Compensation Trust Fund. The Personnel Compensation Trust Fund budget book section provides the full costs of the new system, including the purchase and SeattleIT's partnership.

### **Proposed Technical Changes**

#### **Technical Adjustment to Reflect Internal Reorganization**

This adjustment reflects the alignment of SDHR's budget and finance services to support the HR Consolidation process. The Finance unit will move from the Administrative Services BCL to the Director's Office BCL under the Business Operations Unit and work closely with SDHR's chief of staff and director to develop an internal services fund rate structure that will be implemented Citywide in the 2019 budget.

#### **2018 SRI Funding Changes - (\$200,000)**

This adjustment reduces the 2018 level of funding for the Summit Reimplementation (SRI) project as compared to the 2018 Endorsed Budget. This reduction reflects the expected remaining 2018 implementation costs supported by bond funding at SDHR.

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## Expenditure Overview

Appropriations	Summit Code	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Proposed
Administrative Services Budget Control Level	N2000	7,071,281	7,579,940	7,987,549	6,149,374
Director's Office Budget Control Level	N3000	2,236,468	3,905,491	3,765,479	6,103,394
Labor Relations Budget Control Level	N4000	2,043,435	2,027,235	2,078,994	1,832,038
Talent Management and Development Budget Control Level	N1000	5,792,282	5,312,247	5,425,324	5,029,211
<b>Department Total</b>		<b>17,143,466</b>	<b>18,824,913</b>	<b>19,257,346</b>	<b>19,114,017</b>

<b>Department Full-time Equivalents Total*</b>	<b>148.25</b>	<b>158.75</b>	<b>158.75</b>	<b>158.50</b>
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\* FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here. The 2018 Proposed FTE totals includes 44 vacant Apprentice, Office Maintenance Aide and Contract-In positions that SDHR holds for Citywide use.

## Appropriations By Budget Control Level (BCL) and Program

### Administrative Services Budget Control Level

The purpose of the Administrative Services Budget Control Level is to administer employee benefits, including health care and workers' compensation, and provide safety services to promote employee health and productivity. This Budget Control Level also provides services that support City department management including financial and accounting services, information management, and classification and compensation services.

	2016 Actuals	2017 Adopted	2018 Endorsed	2018 Proposed
<b>Program Expenditures</b>				
Administrative Services	7,071,281	7,579,940	7,987,549	6,149,374
<b>Total</b>	<b>7,071,281</b>	<b>7,579,940</b>	<b>7,987,549</b>	<b>6,149,374</b>
Full-time Equivalents Total*	50.75	55.25	55.25	43.00

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## Director's Office Budget Control Level

The purpose of the Director's Office Budget Control Level is to establish Citywide personnel rules; offer strategic consultative assistance to departments, policymakers and employees; provide human resources support to several executive offices; and spearhead Citywide programs and efforts such as the Human Resources Consolidation Strategic Plan.

Program Expenditures	2016	2017	2018	2018
	Actuals	Adopted	Endorsed	Proposed
Director's Office	2,236,468	3,905,491	3,765,479	6,103,394
<b>Total</b>	<b>2,236,468</b>	<b>3,905,491</b>	<b>3,765,479</b>	<b>6,103,394</b>
Full-time Equivalents Total*	39.00	25.00	25.00	39.00

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## Labor Relations Budget Control Level

The purpose of the Labor Relations Budget Control Level is to provide technical and professional labor-relations services to policymakers and management staff of all City departments. This Budget Control Level implements collective bargaining agreements and administers the City's Personnel Rules.

Program Expenditures	2016	2017	2018	2018
	Actuals	Adopted	Endorsed	Proposed
Labor Relations	2,043,435	2,027,235	2,078,994	1,832,038
<b>Total</b>	<b>2,043,435</b>	<b>2,027,235</b>	<b>2,078,994</b>	<b>1,832,038</b>
Full-time Equivalents Total*	10.00	11.00	11.00	10.00

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## Talent Management and Development Budget Control Level

The purpose of the Talent Management & Development Budget Control Level is to provide staffing services, employee development opportunities, and technical assistance to all City departments. This Budget Control Level includes the Talent Acquisition and Training, Development & Organizational Effectiveness divisions and services such as Equal Employment Opportunity and Police and Fire Exams. This Budget Control Level also includes Supported Employment, Alternative Dispute Resolution and Career Quest units that are under the Workforce Equity division.

Program Expenditures	2016	2017	2018	2018
	Actuals	Adopted	Endorsed	Proposed
Talent Acquisition and Management	5,792,282	5,312,247	5,425,324	5,029,211
<b>Total</b>	<b>5,792,282</b>	<b>5,312,247</b>	<b>5,425,324</b>	<b>5,029,211</b>
Full-time Equivalents Total*	48.50	67.50	67.50	66.50

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