

2009-2010 Business Plan Human Resources Department







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Executive Summary

The Human Resources Department (HRD) was reestablished as a stand-alone department in January, 2004. The shift was designed to improve the County's, as well as its agencies' and departments', effectiveness of operations while increasing efficiencies.

The department is arranged around five internal functions: Employee Benefits, Services and Support, Human Resources Administration and Employee Relations, Equal Employment Opportunity, and an internal Information Technology group. Forty-three (43) positions make up the team that is comprised of these five groups. HRD is located in the County's Hall of Administration.

The department receives funding from the Human Resources General Fund budget for the Human Resources Administration function and the Benefits General Fund budget for the Employee Benefits Administration function. The department also receives funding for the County's Benefits programs through seven (7) Internal Service Funds. The department must seek additional funding, from the Board of Supervisors, on any special projects and/or new Benefits Programs that it undertakes.

HRD delivers core services to the County within four key areas: as the Human Resources corporate leader; in delivering employee excellence; recommending, supporting, and implementing policies and procedures to/and for the Board of Supervisors and the County Executive Officer; and in partnering with the County's agencies, departments, and other stakeholders to attract and retain a qualified workforce. In applying these core services, the department is working to advance Orange County's strategic initiative of building for the future. Each core service area provides benefit to this end.

The Human Resources Department provides its services to a large array of clients including the Board of Supervisors (BOS), County Executive Officer (CEO), internal agency/department heads, Human Resource managers, recruitment managers, staffing specialists, employees, retirees, the general public, external governmental agencies, vendors, and a variety of contractors. The focus of the HRD team is always to deliver quality service to these clients and stakeholders.

The Human Resources Department must confront many business challenges in its operational activities. In order to overcome these hurdles, the department must identify and plan for the subjugation of them. Challenges to the business plan are outlined below.

- Budget Constraints
 - o State Budget Shortfall/Economic Recession/Housing Crisis
- Staffing Considerations
 - o Changing Workforce Expectations
 - o Employee Retention

- o Succession Planning
- o Orange County Cost of Living
- o Changing Staffing Options
- o Technological Complexity
- Legal Mandates
 - o Federal and State Governments Legislative Mandates
 - o Internal County Labor Agreements
 - o Equal Employment Opportunity (EEO) Laws and Mandates
- Information Technology Systems
 - o Advantage Human Resources/Payroll System Obsolescence
 - o Online Recruitment System Re-compete Considerations
 - o Business Process Improvement through Automation
- Employee and Retiree Health Care Costs
 - o Employee and Retiree Medical Coverage and Pension Obligations

HRD continuously monitors and develops solutions to mitigate these challenges.

In setting its goals for 2009, the Human Resources Department maintained focus on the current economic environment and its impact upon the County. This impact includes a County workforce reduction. However, the department also weighed future requirements. At some point economic indicators will move into positive territory and the demand for recruiting new employees will move with it. A recruiting program is not a simple activity that can be started and stopped in random fashion. A program must be maintained even when hiring activities are low. The County must maintain its name and image in the marketplace as an employer of choice. Further, the aforementioned workforce reduction will have an impact upon those employees who remain. The department must mitigate the impact to labor. Contract negotiations must be managed through this time period. Additionally, the department will continue to measure its customer satisfaction rating and the use of its Web services by the County's employees. Finally, the 2009 business plan has five new goals. These goals are divided across the five internal HRD groups and will be tracked along those lines. These goals are outlined below. The intent is to provide new department metrics and prepare for future "Balanced Scorecard" processes.

2009 HRD Goals:

- Conduct a "Dependent Eligibility" audit for all dependents enrolled in the County's health plans by the middle of 2009;
- Negotiate and implement twelve (12) new labor contracts;
- Enhance relationships and increase cooperation with federal and state compliance agencies (EEOC and DFEH) by establishing a "refer back" agreement to reduce

the number of formal complaints filed and cases sent to accusation, thereby reducing potential County legal liability;

- Initiate upgrade efforts on the Human Resources/Payroll Advantage system;
- Complete a County-wide "Position Action Workflow II" roll-out effort.

HRD believes that completion of the outlined goals will assist in its endeavor to deliver upon its core services. In turn, by delivering on these services, the department will add to the County's strategic initiative of "Building for the Future of Our Community".

The past year has been a successful one for the Human Resources Department. The various internal groups have worked hard toward achieving mutual goals. Some of these successes are outlined for review.

HRD Successes:

- Successfully negotiated a contract, with Walgreens, saving the County and its Premier Wellwise participants an estimated \$1.6 million in prescription drug costs over the next three years of the contract term.
- Successfully negotiated a contract, with Hartford Insurance, saving the County approximately \$203,000 over the next three-years on its Accidental Death and Dismemberment insurance.
- Developed a Customer Service program that allows for regularly scheduled meetings, site visits, and forum events with departmental and agency HR teams and key members of management. The goal of the program is to identify partnering opportunities and to gain a better understand departmental operations.
- Reviewed and modified the County's "Rideshare" program. This action was taken to assist the County's employees during the drastic surge in oil prices.
- Secured the services of an online application service provider to provide Equal Employment Opportunity training. This format will allow managers and supervisors to receive this mandatory training at their desk, within their own time schedule, thus eliminating manual training that was held in large forum settings.
- The department prioritized policies and procedures that needed to be changed and/or updated and are now posted on the department's website:
 - Administrative Leave
 - Catastrophic Leave
 - Military Leave
 - Working Retirees

• Negotiated a Fit Analysis contract on the County's Human Resources/Payroll Advantage system. This fit analysis will be used to determine the scope of an upgrade to the current system.

In summary, the Human Resources Department's FY 2009 business plan provides a formal definition of the department's purpose and direction in the coming year. All challenges are recognized and goals defined. The HRD team is committed to achieving its goals and to serving its customers and stakeholders.

Section I – Agency Overview

Vision Statement

One Team – a leader in developing employee excellence and high quality service to the citizens of Orange County.

Mission Statement

Our mission, as the County's Human Resources Department, is to foster business and customer partnerships, provide exceptional customer service, and to proactively lead in the creation and use of effective organizational systems within a dynamic and diverse environment.

Core Services

Orange County's Human Resources function operates within a decentralized business model. This model is designed to improve the County's, as well as its agencies' and departments', effectiveness of operations while increasing efficiencies. The Human Resources Department plays a central role within this model.

The Human Resources Department (HRD) delivers core services to the County within four key areas: as the Human Resources corporate leader; in delivering employee excellence; recommending, supporting, and implementing policies and procedures to/and for the Board of Supervisors and the County Executive Officer; and in partnering with the County's agencies, departments, and other stakeholders to attract and retain a qualified workforce. In applying these core services, HRD is working to advance Orange County's strategic initiative of building for the future. Each core service area provides benefit to this end.

Corporate Leader

The Board of Supervisors, County Executive Officer and the County's agencies look to the Human Resources Department to act as a corporate leader within the Human Resources and Benefits environment. In fulfilling this core service obligation, the Department has a variety of responsibilities. Those responsibilities include: management of labor contracts, labor relations consulting, over view of external regulatory compliance, dispute/grievance resolution, management of Countywide Benefits Programs, and management of business processes associated with the information systems. The County relies upon HRD within these roles.

The Human Resources Department represents the Board of Supervisors in its management of the County's labor contracts. The department maintains the authority to negotiate labor contracts on behalf of the Board. There are many stakeholders, beyond the Board, who are dependent upon the proper execution of this responsibility. Compliance to these agreements must be assured.

The County's agencies and departments depend upon the Human Resources Department to act as an interpreter of internally negotiated labor agreements and the associated Memorandums of Understanding (MOU). Advice is often required on other labor issues as well. Counseling does not stop at internal agreements, but is often sought on external compliance matters as well.

Agencies and departments often turn to the Human Resources Department for interpretation and application of external labor regulations. Compliance considerations center upon the following regulations: Equal Employment Opportunity (EEO); Health Insurance Portability and Accountability Act (HIPAA); the Meyers-Milias-Brown Act (MMBA); the Weingarten Rights ruling; Fair Labor Standards Act (FLSA); Family Medical Leave Act (FMLA); Unemployment regulations, "Leave" laws; and local merit rules. Within this role, the agencies and departments are kept abreast of developments within these areas as HRD becomes a conduit for information.

The agencies and departments expand the Human Resources Department's role within dispute/grievance resolution by turning to HRD as a resource and subject expert. The department marries labor regulation information with recent rulings to formulate a definite and positive course of action within a dispute/grievance event. One of the goals of this process is to provide education and guidance within this challenging area.

Agencies and departments rely upon HRD to provide quality and affordable benefits programs for all County employees. HRD must also develop and manage benefits programs that are attractive to the diverse needs of applicants and employees. These requirements must be met during a time of increasing costs and decreasing budgets.

Finally, as the corporate leader, the agencies and departments look to HRD to act as a service provider that manages the systems necessary to transact business. These systems include the technical infrastructure and the business processes that insure compliance to the County's policies and procedures. Workflow must run through and between the technical system and the business processes in order to be successful. Guidance is expected on the use of the systems. When issues exist, the agencies and departments expect HRD to identify these issues and to apply appropriate training as necessary.

Define and Support Employee Excellence

Agencies and departments expect the Human Resources Department to maintain classification, pay, and equity standards that allow them to recruit, develop, and promote top candidates. HRD ensures that wages and benefits are competitive and that opportunities for skill maintenance and enhancement are available. This environment is conducive to the employees' professional growth with challenging work and opportunities for advancement. Consequently, agencies are able to meet their goals and establish mid- to long-range succession plans.

Successful delivery of services to County residents, visitors and employees is the goal of every County program. Skilled and valued County staff is vital to that success. The Human Resources Department provides collaborative leadership to agencies, departments, and labor organizations to define the standards and the criteria for measuring employee excellence and to ensure their consistent application.

Agencies and departments rely upon the Human Resources Department to provide consistent informed advice on the changing trends and laws that impact their staff. In order to do so, HRD must have timely and accurate information that comes through coordinated training. Agencies depend upon HRD to provide legally mandated training (e.g. Equal Employment Opportunity) to keep the agencies' workplaces are in compliance with policies, and to keep their employees informed of their rights and obligations.

Recommend/Support/Implement County Policies & Procedures

The Human Resources Department seeks to integrate people, systems and business processes into knowledge that empowers the County. HRD must review the approach and the channels that are used in addressing the Human Resource community and the manner in which its representatives address these customers.

An important part of HRD management is creating and enforcing policies and procedures. Policies and procedures are essential to the successful and proper implementation of business processes and applications. The policies and procedures should incorporate best practices into the process and must be thoroughly tested to assure the desired results are attained. Established standards for the development and

maintenance of business processes, documentation, policies and procedures accelerate the pace at which the County can adapt to evolving business conditions. These standards ensure that documentation maintains its structure and responsiveness to an always-changing business environment.

As the Board of Supervisors (BOS) oversees the management of the County, correspondingly HRD management serves the Board in a variety of roles in highly specialized matters and projects. Like any resource that needs to be managed effectively, the Human Resources Department helps manage County cross-functional staffing resources in the areas of human relations, classification, compensation, benefits and labor negotiations. HRD contributes to the County's performance by promoting a culture that encourages information sharing.

Agency/Stakeholder Partner

The County of Orange employs over 18,000 employees representing a broad range of occupations that deliver programs and services to the community. The County's agencies and departments, as well as other customers and stakeholders, look to partner with the Human Resources Department to implement employee programs and initiatives that enable the County to attract and retain its highly-skilled and diverse workforce in a rapidly changing environment. The agencies and departments need to preserve this diverse work force in a cost effective manner. HRD is expected to develop and implement competitive strategies in the areas of recruiting, benefits, compensation, classification, and performance management. Finally, the agencies and departments count on the Human Resources Department to provide the framework in which to operate by setting and implementing human resources-related business policies and procedures.

Section II – Operational Plan

Part A – Environment

The Human Resources Department operates in a broad, dynamic environment. HRD is responsible to a long list of customers and stakeholders. Challenges and opportunities arise on a continuous basis. The Department must maintain an operational plan that provides guidance while remaining flexible at all times. HRD is always cognizant of its clients, challenges, and available resources.

Clients

The Human Resources Department provides a variety of services to a large array of clients including the Board of Supervisors (BOS), County Executive Officer (CEO), internal agency/department heads, HR managers, recruitment managers, employees,

retirees, the general public, external governmental agencies, vendors, and a variety of contractors. In order to effectively address the needs of this large body of stakeholders, HRD is formed around five internal groups: Employee Benefits, Services and Support, Human Resources Administration and Employee Relations, Equal Employment Opportunity (EEO), and an internal Information Technology group. Their focus always is to address the County's and stakeholders' needs.

The Board of Supervisors and the CEO set the parameters in which HRD operates. At the same time, HRD partners with these management groups to ensure that HR program priorities are appropriately aligned with the County's business needs and that these programs are properly understood. Responsibilities include:

- Negotiations Representative:
 - Work with the CEO in the development and negotiation of Memoranda of Understanding (MOU) with the labor organizations that represent the County's employees;
 - Act as CEO representative and conduct meet-and-confer sessions with the labor organizations;
 - Provides consultation on MOU provisions to Agency/Department level HR staff and labor organizations;
- HRD facilitates consistent compliance with HR policies and regulations
 throughout the County. The department accomplishes this through the
 management of higher-level grievances and arbitrations; administration and
 interpretation of the selection rules; negotiation, development and interpretation
 of the Personnel and Salary Resolution (PSR) and MOUs that are maintained with
 various labor organizations; management of the County's master position control;
 periodic audits for compliance; and identifying opportunities for HR process
 improvement.

The Human Resources Department partners with agency/department heads, their HR and recruitment managers, and the various other HR professionals who deliver the essential services/areas that keep the County competitive within the labor market. These areas include recruiting, compensation and benefits, employee relations, and training. HRD leads cross-agency committees on corporate issues of interest.

• Within the recruiting environment, the department provides standard applicant recruitment, screening services, and support to all agencies and departments. The department acts as a single point of contact for applicants, which eliminates the need for any particular agency to shoulder the responsibility on large scale recruitments, when those classes are utilized Countywide. This service enhances the agencies' and departments' ability to fill vacancies quickly with qualified staff and to aid in the strategic development of staff for possible promotion or transfer within the County thus reducing the cost of turnover within those classes.

- The department supports the classification and compensation standardization efforts throughout the County. HRD conducts salary surveys of both public and private businesses to ensure a "right fit" for staff skills and abilities in relation to compensation. HRD staff research, develop, and, when appropriate, negotiate market salary adjustments. These activities allow agencies and departments to attract and keep the "best" and "brightest" talent. HRD staff also performs limited classification analysis/studies in response to requests from agencies and departments and provides guidance to other jurisdictions on classification/compensation enquiries.
- The department regularly leads inter-agency forums including the HR Leadership Forum, OCHR Talent Seekers, the Recruitment Task Force, and Best Practices in the selection process. The sole purpose of these discussions is to promote cross-County collaboration on all aspects of the HR environment.
- HRD works with a variety of professionals to research, develop, refine, and promulgate relevant best practices to each other and agency HR staff. This is done to promote consistency and fairness in the HR processes.
- The County's agencies and departments seek the Human Resources Department's guidance and direction in the definition, development, and implementation of policies and programs and the continuous assessment of HR programs relative to organizational values.
- HRD focuses on the professional development of the County's HR professionals through the coordination of training opportunities (i.e. Liebert Cassidy Whitmore's regular workshops).

The Human Resources Department serves the County's employees, retirees, and the general public by ensuring that benefits and other program information is effectively communicated and readily available. HRD staff is available to answer employees' and management's questions pertaining to policy, benefits, and basic employment law. The department processes new-hire and separation documentation. Information systems are used to manage the recruitment process. These systems allow applicants to browse County employment opportunities from the comfort of their homes.

The Human Resources Department is also responsible to other external governmental agencies. The County completes a variety of mandatory filings with both the state and federal governments. These same entities use the County's category classifications and salary schedules for comparison purposes.

Finally, the department manages a variety of HR information systems that are utilized by the County's agencies and departments to deliver daily service. Additionally, a variety of

short-term HR projects of varying nature often are undertaken for which current staff may not have the skills or availability. In order to meet these needs in a fiscally responsible manner HRD interfaces with outside vendors and contractors.

Challenges

The Human Resources Department must confront many business challenges in the delivery of its core services to its customer base. In order to overcome these hurdles, the department must identify them and plan for their conquest. Challenges to meeting the 2009 business plan goals and objectives are outlined herein. The actions to mitigate these challenges are also provided.

• Budgetary Constraints

- The state has a significant budget shortfall. This issue is being compounded by a recession that is expected to be severe and the current housing mortgage crisis.
 - The department has developed a budget for the coming year that includes spending cuts. The cuts are designed to meet the decline in County revenues. .
 - Due to the current economic recession and budget shortfall, recruitment efforts will decrease in 2009; however, this environment will not last forever. Recruitment efforts will need to be undertaken when the environment improves. The department will need to be ready and will need to have its name in the marketplace. HRD continues to investigate improved methods of marketing itself and for better ways of enticing potential applicants to the County for employment.
- Human Resources and Benefits Fund Financial Restrictions: the organization has not been provided with the budget to take on new projects and/or new programs.
 - The department will utilize the strategic plan to identify future projects and/or new programs and to seek funding for these efforts.

• Staffing Considerations

Changing Workforce Expectations: today's workforce has an increasing desire for professional development and recognition of excellence in the workplace. The new workforce also expects to use cutting edge technology and work for an organization that operates with employment policies that permit a greater work/life balance. The majority of new workforce entrants expect to have multiple careers and employers in their lifetimes.

- The County maintains various "flexible" work schedules across many of its agencies and departments.
- The department is expecting to upgrade the County's AHRS. A fit analysis will be completed in 2009, on the potential system, with an upgrade to start shortly thereafter. This upgraded system would utilize the newest technologies.
- o Employee Retention: The retention of highly-skilled employees in specific occupations requires that time and attention be paid to compensation and working conditions so that the County remains an attractive employer.
 - The department is working with the County's agencies and departments in an effort to identify methods for retaining current employees and increasing efficiencies overall through a revision of the selection rules.
- O Succession Planning: As the County's workforce continues to age and retire, the County will experience a critical loss of expertise and knowledge while the job market for skilled employees becomes increasingly more competitive. Having evolved over time, many of these positions will be relatively difficult to fill because the skill requirements are unique to the County. The corporate knowledge that departs with the employee will be irreplaceable in the near term. The high rate of employee retirements will create more work in the recruitment and professional development areas. (*Graphs A & B: pgs 24 & 25*)
 - The department encourages and provides cross-training opportunities and continues to set aside resources for continuing education of staff. This path insures the transfer of knowledge in areas such as the law, Merit System Rules, policies and procedures, HR best practices, and technical HR practices.
 - The department is currently working on a Human Resources policies and procedures manual that will allow for greater consistency in the County-wide application of HR policies and procedures. The procedures manual will also provide documented guidelines which will be beneficial over the years as turnover throughout Human Resources occurs.
- Orange County Cost of Living: The cost of living in the County, particularly the cost of housing, further reduces the availability of skilled staff. Often they are attracted to other parts of the state and the country where the relationship between compensation and cost of living is more favorable. (*Graph D, E, & F: pgs* 27,28, & 29)
 - HRD continues to research alternative means of attracting skilled talent.

- O Changing Staffing Options: Contract personnel, temporary help, and parttime employees are options that must be considered and utilized for the cost-effective management of County resources. However, usage must be balanced against County needs and legal obligations. New workforce policies and practices need to appropriately address this workforce shift.
 - The Human Resources Department reviews staffing needs throughout the year and identifies the best way to fill vacancies. The department has and will continue to utilize temporary help or extra help employees for short-term needs and employ part-time employees when practical.
- Technological Complexity: The County's employees must operate in a complex, rapidly changing, information-rich, and technologically-sophisticated environment. This requires continuing investment in technical solutions and the training and development of staff.
 - The department is continuing to pursue opportunities to maximize the use of available technology to streamline and automate the entry and approval of position actions on a County-wide basis.
 - The department will continue to make resources available to insure necessary training for staff is accessible.

• Legal Mandates

- The Human Resources Department faces a legal environment that is dynamic and rapidly changing. This fact places pressure on all sides of the department including Benefits. Mandates are generated both externally and internally.
 - The federal and state governments regularly pass legislative mandates, such as HIPAA and COBRA, which offer ongoing challenges and opportunities. These mandates must be managed in terms of timely and effective feedback to legislators and implementation of legal requirements. The department confronts these demands with policies and procedures that are flexible in nature and a team that works as a single unit. Effective communications are a must.
 - Internal County labor agreements often exert greater pressure than external forces. These agreements take the form of salary schedule changes, title changes, Memorandums of Understanding (MOUs by representative unit), and Personnel Salary Resolution (for items not covered by an MOU). These mandates have a definite impact upon HRD at several levels and to the department's daily operations. Each new mandate or change to a labor agreement requires the department's various

internal groups to work together to address the change. The County's agencies and departments are educated on the event while information systems are updated. As with the addressing of external events, clear communications are imperative.

- O Adherence to Equal Employment Opportunity (EEO) laws and mandates can be a daunting challenge in an organization the size of Orange County. All executives, managers, supervisors, and employees must be continuously trained in the principals of EEO. This challenge increases when the office that is responsible for maintaining EEO standards is staffed by a single full-time position.
 - Regular training sessions are scheduled and maintained.
 - The County's EEO Access office works in collaboration with agencies' and departments' human resources teams.
- Information Technology Systems
 - The Advantage Human Resources/Payroll System 2.x is facing obsolescence. The system needs to be upgraded. The department is working, in conjunction with the Auditor-Controller's office, to complete a fit analysis and to start an upgrade effort.
 - HRD continues to modernize its business processes by implementing new procedures that automate these processes and digitize the documentation associated with the position approval process.
 - The department's online recruitment system is in the final year of its contracted term. The services provided by this system will need to be opened for bid and/or renegotiated.
 - The department's reporting tools are becoming obsolete. This is a long-term problem.
 - The department will begin efforts to educate itself on possible replacement solutions.
- Employee and Retiree Health Care Costs
 - The County, along with other employers nationwide, must identify and implement strategies to effectively manage the rising costs associated with employee and retiree medical coverage and pension funding obligations.
 - Employee Benefits will continue to work with stakeholder groups to identify and evaluate County Benefit programs for cost-saving strategies for the County and its employees and retirees and at the same time provide quality and affordable Benefits.

Resources

The department's physical office space is limited. HRD has been remodeling conference rooms to make way for staff seating; however, this factor may grow in significance and pressure may increase as the demand for space increases within the Hall of Administration. Further, HRD is also exploiting technology to maximize its ability to communicate effectively with current and potential employees, agencies, and the public at large. Finally, the need to kick-off efforts on an upgrade to the existing enterprise system will be required in the coming year. Funding for this effort will be sought at the appropriate time.

Part B – Action Plan

In the development of its action plan, the Human Resources Department made the achievement of its "Core Services" the focal point of that plan. In presenting this material, HRD segregated the individual functional groups and their plans. This approach does not signify that these five groups operate within a silo where they are unaware of each others' actions. In fact, these groups work day-in and day-out as a team. Each of these teams assists the others on the achievement of their mutual goal. The department's successful fulfillment of its core services is that primary target. The objective of this written approach is to highlight the services that each group provides and to outline the path that will be taken in assisting the County in achieving its strategic initiative of "Building for the Future of Our Community".

Employee Benefits

Goal #1:

Conduct a Dependent Eligibility Audit for all dependents enrolled in the County health plans by the middle of 2009.

Strategies to meet Goal #1:

- Discuss with Employee Organizations and the Retired Employees Association of Orange County the need to conduct an eligibility audit and the potential impact to employees and retirees
- Develop a Request for Proposal (RFP) to select the company to conduct the Dependent Eligibility Audit
- Bring the Dependent Eligibility Audit contract to the Board of Supervisors for approval by June 2009

PERFORMANCE MEASURE:

- Perform a Request for Proposal (RFP) to select a vendor to perform the Dependent Eligibility Audit.
- Completion of the Dependent Eligibility Audit with savings to the County and employees/retirees for the termination of ineligible dependents, approximately 1% of total health-plan premiums or \$1.3 million.

WHAT: Documentation will be requested for all covered dependents and could include but not be limited to, birth and marriage certificates, legal guardianship documents, and documentation from your dependent(s) college reflecting full time student status. Dependents found to be ineligible will be removed from the plan and the employee/retiree may be responsible for the portion of premiums paid by the County for this ineligible dependent, retroactive to the date of ineligibility.

WHY: Ineligible dependents enrolled in County health plans increase the costs of health care for the County, employees and retirees.

FY '07	FY '08	FY '09 Anticipated Results	FY '09	How are
Results	Results			we doing?
New	New	Dependents found to be ineligible will be removed from the plan. Potential savings to the County, employees and retirees may be approximately 1% of total health plan premiums or \$1.3 million.	New	New

Services and Support/Human Resources and Employee Relations

Goal #1:

Negotiate and implement twelve (12) labor contracts

Strategies to meet Goal #1:

- The "Services and Support" and "Human Resources and Employee Relations" groups will work collaboratively on the negotiation effort.
- Review previous negotiations notes
- Meet with various stakeholders such as County Executive Officer, Chief Financial Officer, Department Heads, Department Operations Managers, and HR Managers to discuss the current contracts impact on budget, operations, quality and productivity
- Generate wage and benefits data
- Present recommendations to the Board of Supervisors for negotiation parameters

PERFORMANCE MEASURE: Labor negotiations concluded before contracts expire

WHAT: Negotiate and implement twelve (12) labor contracts

WHY: Maintaining a competitive employment package is important in attracting, retaining and developing talent. Negotiating in good faith with labor organizations, especially during hard economic times, ensures that this is done even if salary and benefits increases are not possible.

FY '07	FY '08	FY '09 Anticipated Results	FY '09	How are
Results	Results			we doing?
New	New		New	

Services and Support

Goal #1: Develop a Countywide Outreach Plan

Strategies to meet Goal #1:

Work with the Recruitment Task Force and other Department HR representatives to:

- Develop and administer a countywide Outreach Survey
- Conduct an outreach gap analysis
- Develop an Outreach Plan with associated timeline/milestones

PERFORMANCE MEASURE: Outreach Plan implementation will be in progress

WHAT: Develop a Countywide Outreach Plan

WHY: Developing a Countywide Outreach Plan will create an enhanced community network with an understanding of the benefits of working for the County of Orange. Having such a Plan will enhance our ability to attract and retain talent over the long term.

FY '07	FY '08	FY '09 Anticipated Results	FY '09	How are
Results	Results			we doing?
New	New	The County will have a new recruiting program that will allow it to attract and retain	New	
		talent over the long term		

Equal Employment Opportunity

Goal #1:

Enhance relationships and increase cooperation with federal and state compliance agencies (EEOC & DFEH) by establishing a "refer back" agreement to reduce number of formal complaints filed and cases sent to accusation, thereby reducing potential county legal liability.

Strategies to meet Goal #1:

- Cultivate relationships with federal and state compliance agencies' management and staff.
- Educate federal and state agencies' management and staff on the County's commitment to EEO.
- Gain a better understanding of the federal and state compliance agencies' expectations and investigative process.
- Educate federal and state compliance agencies to the County's EEO practices and enforcement standards
- Cooperate with investigations.
- In an effort to resolve issues internally, solicit federal and state compliance agencies to "refer back", to the County, applicants and employees who desire to file complaints.

PERFORMANCE MEASURE: End-of-year survey to track the number of in-house "refer back" complaint resolutions.

WHAT: Demonstrating the County's proactive commitment to equal employment opportunity, the EEO Access Office posts labor law posters, disseminates the EEO Policy & Procedure to all employees; trains executives, managers and supervisors in EEO, provides EEO guidance to corporate human resources/department HR staff and submits required statistical reports to federal and state agencies. The office also investigates internal complaints of discrimination and coordinates county response to compliance agency complaints. The goal is to proactively resolve complaints at the lowest level, thereby precluding federal and state complaints and civil litigation.

WHY: Recently, both DFEH and EEOC appointed new District Administrators. These appointments come at a time when the economy is struggling and employers are reducing their workforces. The County is not immune to this and has announced reductions in its workforce. Typically, there is a dramatic increase in discrimination complaints, particularly those based upon age, when such job reductions occur.

FY '07 Results	FY '08 Results	FY '09 Anticipated Results	FY '09	How are we doing?
New	New	 The County will manage an increase number of EEO complaints internally. A decrease in the number of cases involving civil litigation. Note: EEO wants to take advantage of this opportunity to meet with each new 	New	uomg.
		District Administrator to cultivate a culture of cooperation in a typically adversarial climate. The group already took initial steps to "meet and greet" the		

new DFEH District Administrator in the Fall '08. EEO desires to build upon this outreach with DFEH and expand its efforts to EEOC. By solidifying the relationships with the compliance agencies, the group's vision is to communicate the desire to partner in order to resolve more county complaints internally. This will increase goodwill. The effort will reduce the amount of time, energy and money expended by both compliance agencies and the county over the traditional investigative process. This process requires the group to respond to interrogatories, arrange onsite visits by investigators and engage in lengthy a conciliation process if the compliance agency believes discrimination occurred. The effort will also demonstrate to the County's employees its sincere desire to honor them by taking extra steps to

Human Resources IT

Goal #1:

Position Action Workflow Roll Out

Strategies to meet Goal #1:

- Develop Work Breakdown Structure with schedule
- Communicate plans and expectations to the customer base
- Implement Position Action Workflow within a phased effort

explain/resolve their concerns.

PERFORMANCE MEASURE:

Position Action Workflow will be implemented within the County's twenty-eight (28) departments and agencies by mid-year in 2009.

WHAT: Position Action Workflow is the business process designed to automate the approval process on position actions. Documents associated with this effort will be digitized and attached to each approval transaction.

WHY: This effort will standardize and automate recruitment business practices.

FY '07	FY '08	FY '09 Anticipated Results	FY '09	How are we
Results	Results			doing?
New	New	• The roll-out of Position Action Workflow will be completed by mid-2009.	New	The roll-out is sixty percent (60%) complete. The County's hiring freeze has impacted the effort.

Goal #2:

Receive Board direction on an Advantage system upgrade

Strategies to meet Goal #2:

- Complete system upgrade fit analysis
- Negotiate upgrade contract with system vendor
- Present Material to the Board

PERFORMANCE MEASURE: The Board provides course of action on the upgrade to the Advantage System.

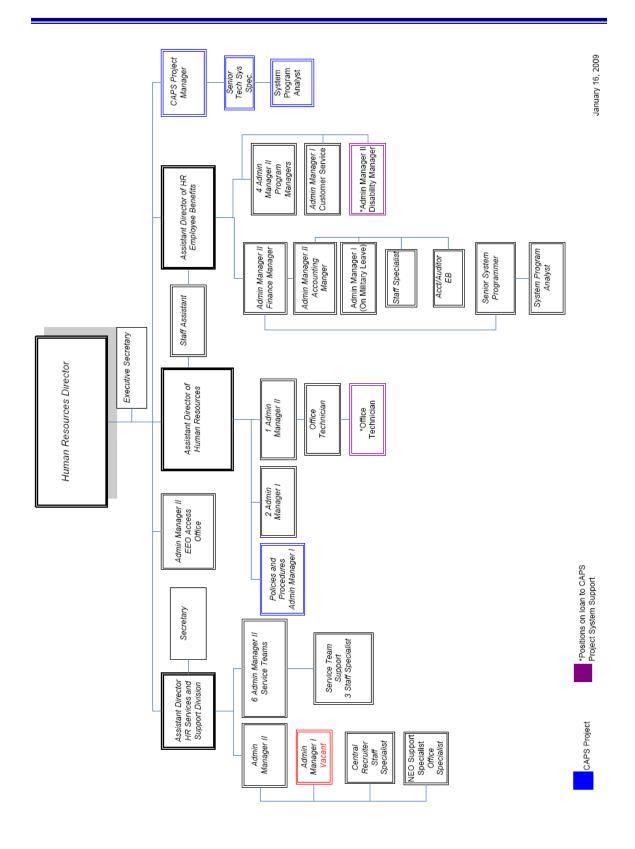
WHAT: The current Advantage System is reaching obsolescence. Additionally, County business demands are increasing pressure to move away from the current Advantage system. However, current County budget issues are applying financial pressures.

WHY: An upgraded Advantage system would provide the County with a system that utilizes current technologies and reduces operating expenses.

FY '07	FY '08	FY '09 Anticipated Results	FY '09	How are
Results	Results			we doing?
New	New	Board approval on an upgrade contract, with CGI, and the funding necessary for this effort.	New	

Section III - Appendices

Appendix A – Organizational Chart



Appendix B – Significant Accomplishments

The Human Resources Department is proud of its accomplishments. A few of these accomplishments are outlined within this section.

- Evaluated additional/replacement retiree health plans to mitigate the impact of 2008 splitting of the health plan premiums including an opt-out feature for the Retiree Medical Grant Program for 2009 (one year).
 - Developed and implemented the Retiree One-time Only Opt Out Option for 2009. Prepared and presented the ASR to the Board for the approval of the Retiree One-time Only "Opt Out" Option for 2009 in August 2008. Successful discussions with various stakeholders such as the County Executive Officer, Chief Financial Officer, County's Benefits consultants, Human Resources Director, and notified all the Labor Organizations to the development and implementation of the one-time only opt out option for retirees in 2009.
 - Reviewed current retiree health plan offerings and recommended no changes for 2009, and to reevaluate the plans for 2010.
- Develop, implement and manage a Health Reimbursement Account (HRA) program for a variety of employee groups
 - Worked with the County's Benefits Consultants, Human Resources Director, Association of Orange County Deputy Sheriffs (AOCDS), CEO/Finance, County Counsel, and the Auditor-Controller to design a "prototype" Health Reimbursement Account (HRA) program and Plan Document that was approved by Board of Supervisors in June 2008. Conducted a Request for Proposal (RFP) process to select an HRA Administrator and investment options for the HRA plan participants. In the process of working with the evaluation committee to recommend a finalist for Board approval in February 2009.
- Develop and maintain an in-depth knowledge of customer Agencies' operations.
 - The Human Resources Department's director has met with each department and agency head. Additionally, each department and agency is assigned a Service Team Manager to assist with their HR operational issues and provide high-level support. The departments and agencies have freedom of access to these representatives and regular site visits are made to identify potential issues and provide guidance. Further, HRD management has attended meetings with the departments and agencies in an effort to advance HRD's understanding of their businesses. Finally, a monthly Human Resources leadership forum is held to discuss current business opportunities

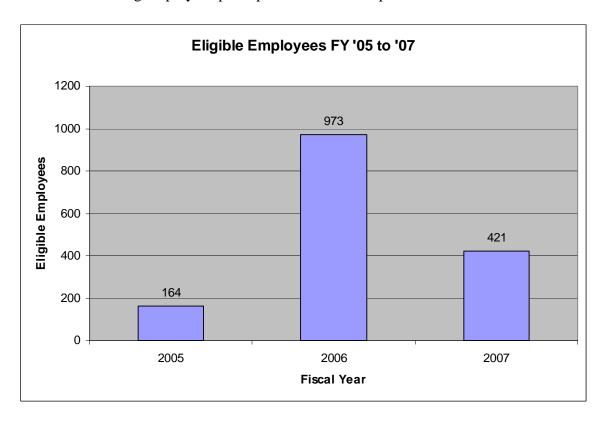
and issues. The goal is to provide a forum for the exchange of ideas. HRD utilized this forum to solicit feedback into its 2009 business plan.

- Provide leadership in the creation and delivery of Human Resources knowledge and systems to assist County departments in developing and achieving exceptional employee performance.
 - The department prioritized policies and procedures that needed to be changed and/or updated. The following policies were updated and are now posted on the department's website:
 - 1. Administrative Leave
 - 2. Catastrophic Leave
 - 3. Military Leave
 - 4. Working Retirees
 - 5. Leave of Absence Without Pay
 - 6. California Public Records Act Redaction Request Procedure
 - The department will continue to update policies and procedures whenever possible, but expects a delay in the completion of the entire project due to a shortage in staffing. Some resources were reallocated to the CAPS+ project and department is unable to fill vacant positions due to the hiring freeze.
- Implement online EEO/disability management training for executives, managers, supervisors, and non-management employees.
 - A Request For Proposal (RFP) was released for the services required within this goal. A vendor was selected from this process. HRD has received funding to train executive management and supervisors. The selected vendor has completed the "Prevention of Workplace Harassment" portion of the training and will complete the "Reasonable Accommodation of Disabilities" portion by year's end. The department plans to roll out the training in March, 2009.
- Bring the PAW II effort to a conclusion that provides the greatest business benefit.
 - The business model was completed and received the CAPS Steering Committee's approval to move forward with the roll out. This roll out is underway and scheduled to be completed March 31, 2009.

Appendix C – Critical Demographic/Service Expectations

County Employees that Retired - Fiscal 2005 through Fiscal 2007

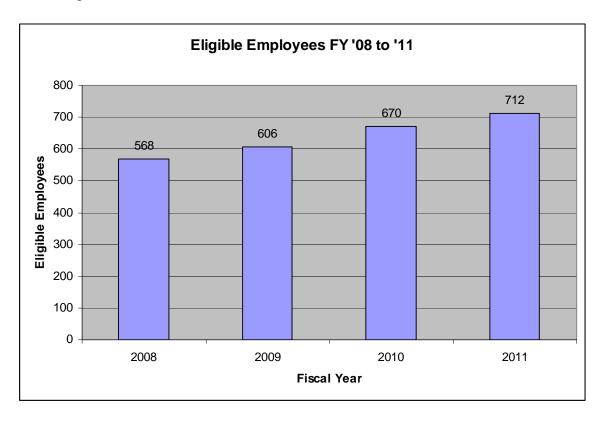
The County's work force is aging. As this work force ages, more employees become eligible for retirement. This graph depicts those employees who are currently eligible for retirement. Retiring employees place potential demand upon HRD services.



(Graph A)

County Employees Eligible to Retire - Fiscal Year 2008 to Fiscal Year 2011

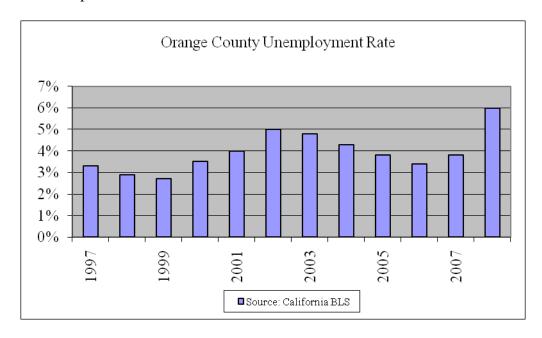
The County's work force is aging. As this work force ages, more employees become eligible for retirement. This graph provides a depiction of those employees who will become eligible for retirement in the coming years. Retiring employees place a potential demand upon HRD for its services.



(Graph B)

County Unemployment Rate

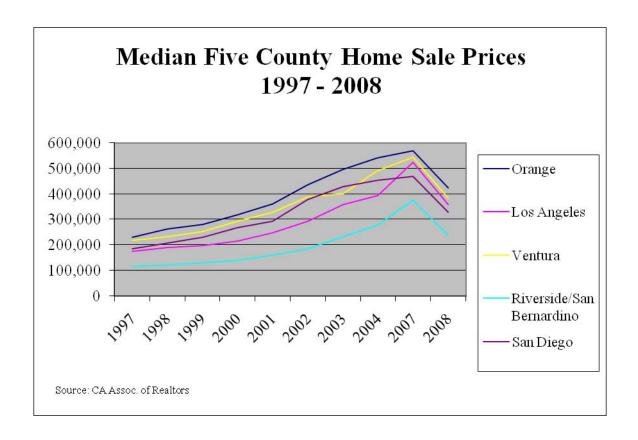
Orange County has a low unemployment rate. This unemployment rate creates a very competitive market for employers when pursuing recruitments. This competition requires HRD to spend more time and effort on individual recruitments.



(Graph C)

Median County Home Prices

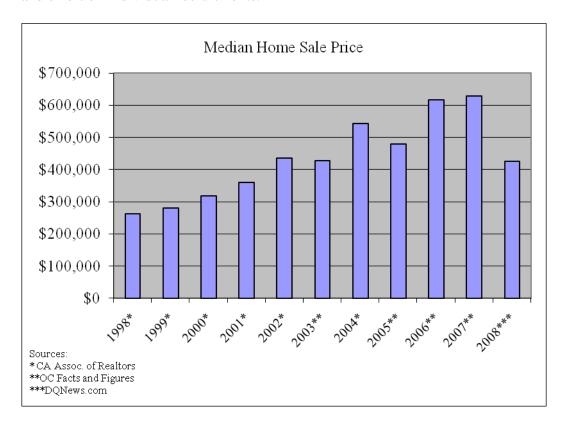
The cost of living in Orange County is high as compared to the surrounding counties. This is especially true in the housing market where Orange County leads the area with the highest average selling prices on homes. This fact is driving potential employees to the surrounding area and away from Orange County. This exodus is leading to a decrease in the size of the pool of potential employee candidates. This diminishing pool requires HRD to spend more time and effort on individual recruitments.



(Graph D)

Orange County Home Prices

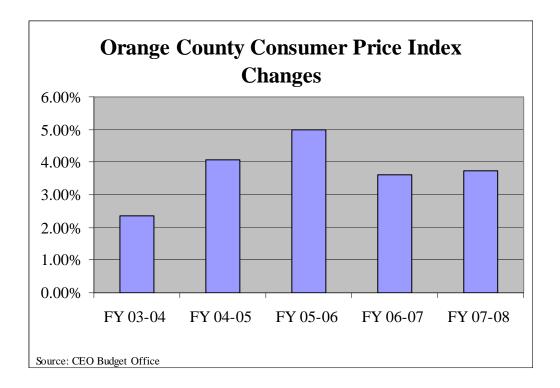
Orange County home prices continue to increase. Families are finding it hard to be able to purchase a home within the county. Potential employees are enticed to other geographic areas. This diminishing pool of resources requires HRD to spend more time and effort on individual recruitments.



(Graph E)

Consumer Price Index

Orange County maintains a high cost of living index. This factor is driving potential employees to other geographic areas. This diminishing pool requires HRD to spend more time and effort on individual recruitments.



(Graph F)