Request for Position/Budget Flexibility

**Mark Gogal
Director, DHHS Division of Human Resources**

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Agenda

- Current Staffing Challenges

- DHHS Vacancy and Turnover Rates

- Pay Equity Issues

- Status of 2014 Initiatives

- Position/Budget Requests for 2015

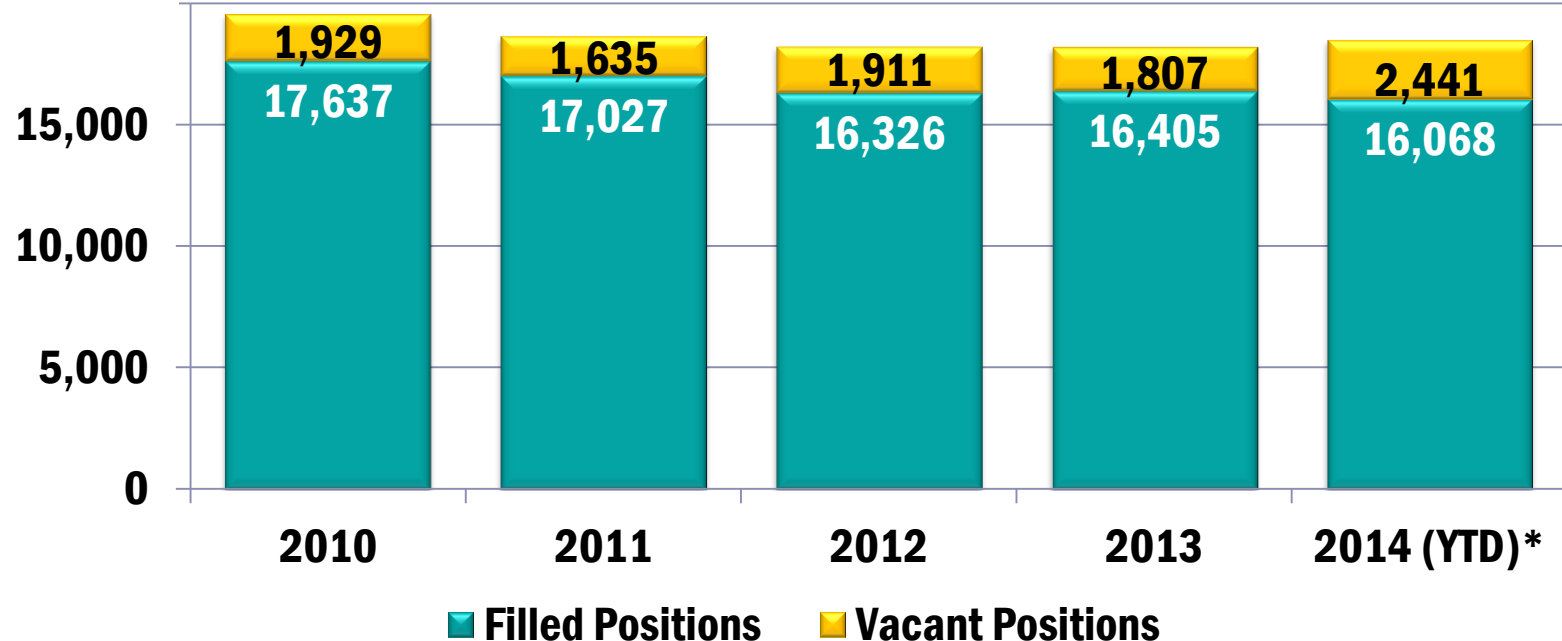- Administrative Efficiencies

Current Staffing Challenges in DHHS

- Continued double-digit turnover & vacancy rates
- Employee salaries losing ground to applicable external market compensation rates/internal equity
- Total staffing/hiring process (including approval from other agencies) still too long
- Limited salary administration flexibility in specific hard-to-fill areas (Financial and IT roles)
- Changing skill set/competency needs due to technology and programmatic changes

Department Position Trends

TURNOVER RATE	21.1%	19.7%	17.5%	18.2%	16.2%

trending down

VACANCY RATE	9.9%	8.8%	10.5%	9.9%	13.2%

Year	Vacant Positions	Filled Positions
2010	1,929	17,637
2011	1,635	17,027
2012	1,911	16,326
2013	1,807	16,405
2014 (YTD)*	2,441	16,068

■ Filled Positions   ■ Vacant Positions

* 2014 YTD figures include 300 positions for new Cherry Hospital, but do not reflect reduction of 160 positions from CDSAs

Pay Equity Issues

- New hire salaries are outpacing existing staff compensation in hard-to-fill positions due to external market rates…widening pay inequity
  - Financial and IT positions
  - Medical/Allied Health positions
- Limited salary increases for staff during past few years; falling behind competitive market rates
- Growth of health care industry putting pressure on salaries necessary to attract external talent

Status of 2014 Initiatives

- 2014 Salary Adjustment Fund – provided salary increases for certain Medical, Allied Health & IT staff (1,500 employees)

- Utilizing Medical Salary Flexibility obtained from General Assembly – over 100 salary actions since Dec. 2013

- Internal DHHS Recruitment/Salary Administration Process

  - Streamlined and simplified

- Skills Development Training – focus on retention

  - Maintaining core compliance training

  - Inventorying other areas of needed skills development

- Movement of internal resources to address staffing priorities

  - OCME, Internal Audit & Vital Records

Position/Budget Requests for 2015

- Extend the Medical Salary Administration Flexibility during upcoming General Assembly long session; expires June 2015

- Reinstate 20% agency salary approval threshold
  - Current maximum is 10% at agency level
    (Senate Bill 402, Session Law 2013)

  - Will greatly reduce approval process & speed decision making

- Future Salary Adjustment Fund
  - Address equity/market adjustments for specific hard-to-fill positions…with more flexibility for differentiation

Administrative Efficiencies

- Delegation of authority to DHHS for all positions (classification and salary administration)
  - Currently do not have authority for all Financial/IT classes
  - Will reduce time to fill positions
- Support Office of State Human Resources development of new classification/compensation system
  - Current structure is too complex and not integrated
- Support Office of State Human Resources in maintaining market rate compensation data on an established periodic basis to monitor changes in jobs market
  - Incorporate changes in compensation salary ranges