



State of Idaho
DIVISION OF HUMAN RESOURCES
Executive Office of the Governor

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LORI A. WOLFF
Administrator

Idaho Personnel Commission
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June 11, 2021

MEMORANDUM

TO: Executive Branch Agency/Department Heads
CC: Agency/Department HR Officers
FROM: Lori A. Wolff, Administrator
Division of Human Resources

SUBJECT: Human Resources Modernization Plan

Thank you for your participation on our call with Governor Little on June 8th regarding Phase 2 of the Luma Project and the Modernization of Human Resources in the State. I recognize that these changes and the commitment of agencies to support this transformation is a heavy lift for your agencies, and I appreciate your willingness to work with the Division of Human Resources on creating the best path forward to implement these models.

As the Governor stated in his letter on June 4th, and as we discussed earlier this week, the proposed model will eventually consolidate all HR functions under the umbrella of DHR. We are committed to maintaining HR staff within the agencies to ensure alignment with business priorities and day to day operations.

I want to share a few things that will change immediately for your agency and then share some longer-term goals and timelines.

As we continue to make decisions about our transition and implementation plans, we want agencies to work closely with DHR on any HR staff that you are recruiting and hiring. We also need you to work with us on any HR classification changes or pay changes that impact current HR staff or classifications. This will make sure that any short-term decisions fit within our longer-term model. Therefore, effective immediately, all personnel actions or decisions related to HR staff in your agencies must be approved by DHR prior to any action. This does not mean that you should not fill HR vacancies, in fact, many of you have critical positions that need filled. This does mean that any job offers, compensation decisions, and classification/reclassification requests must be approved through DHR.

We anticipate you and your current HR staff have many questions. DHR is committed to including agencies in the planning and decision-making process. Beginning next week, DHR will hold regularly bi-weekly meetings with HR staff (outside of our current HR/Director calls) to ensure we have a forum to discuss our path forward with both Luma implementation and HR modernization. Your current HR managers and officers will be invited to our first meeting to be held on Tuesday, June 15th. Our goal is to be transparent about the planning process and ensure our model is developed in a thoughtful manner that supports agency operations and business needs.

Although we do not have a specific timeline for when consolidation of functions will begin, DHR expects to have the HR modernization and centralization fully implemented prior to the Luma Phase 2 implementation in January 2023. We do not anticipate a phased approach by agency, but rather a phased approach by HR function, that will be well coordinated with Luma development priorities. The exact timing of this phased implementation will be determined based on feedback from you and timelines of the Luma project.

I have attached an FAQ that addresses some of the questions you may have, and as promised, I will be scheduling meetings with each of you in the coming days and weeks to discuss this topic further. I know we share the common goal and belief that our human resources are the most important resources we have that allows us to deliver on our mission to Idahoans.

I look forward to meeting with each of you in the coming weeks to listen to your concerns and get your ideas about how to successfully implement this new model of HR support for the State of Idaho.

Thank you for your support in this important effort.

**HR Modernization
Frequently Asked Questions (FAQs)**

Updated: June 11, 2021

GENERAL QUESTIONS

1. What is HR Modernization?

HR Modernization is an initiative by Governor Little to provide consistency and efficiency in human resource services delivered by executive state agencies. The HR Modernization Project includes consolidation of HR staff and HR functions through the centralized agency of DHR. This project will be administered by DHR in collaboration with state agencies.

2. What is the benefit of HR Modernization?

Governor Little and DHR expect that, through modernization, the State of Idaho will:

- Provide more efficient and effective HR services to state agencies;
- Assist agency leadership in fulfilling and carrying out their missions by ensuring they hire, train, and retain a skilled workforce;
- Reduce legal liability and costs through consistent application of HR statutes, rules, policies and procedures;
- Eliminate duplication of effort, reduce paperwork, and increase efficiencies;
- Increase consistency of HR related information communicated to state employees; and,
- Lessen the “loss of knowledge” and/or skills due to turnover of HR positions.

In addition, a consolidated HR model will provide greater career and development opportunities for existing HR staff.

3. How is HR Modernization different from the Human Capital Management (HCM) Phase II of the Luma Project?

The Luma Project is the implementation of an Enterprise Resource Planning (ERP) System, which includes Human Capital Management (HCM). The Luma project addresses the automated process functions related to human resources. The Luma Project is managed by the State Controller's Office (SCO) in consultation with state agencies, such as DHR. More information about the Luma Project can be found here: <https://www.sco.idaho.gov/LivePages/luma-about.aspx>.

4. Will HR Modernization be handled similarly to IT Modernization?

While we do not have all the operational details for how exactly the HR Modernization Project will be implemented, we do know that it will likely occur by HR function, rather than agency-by-agency. Additionally, DHR does not intend to implement a reduction-in-force of HR staff at agencies and have them reapply for positions with DHR. While this was necessary for the successful implementation of the IT Modernization staffing model, we do not anticipate it will be necessary for HR Modernization.

5. What is the timeline for the implementation of HR Modernization? Will HR Modernization occur in phases?

Planning and implementation of HR Modernization will begin immediately. However, DHR intends to execute this initiative in a thorough and thoughtful manner. DHR will meet with agency heads to discuss and prioritize needs. By announcing this initiative now, the State can begin more detailed operational planning to ensure a smooth transition for all impacted employees and stakeholders.

DHR will begin to centralize HR functions in a phased approach and plans to be fully implemented by the time Phase II of the Luma Project is finalized (est. July 2023).

6. Does HR Modernization include agencies with Delegated Authority?

Yes, this includes all agencies within the [Executive Branch](#).

AFFECTED HUMAN RESOURCES STAFF

1. Will HR staff be laid off from their existing agency and then apply for positions with DHR?

DHR's model for Modernization does not currently include a proposal to implement a reduction-in-force of employees at their existing agencies and have them reapply for positions with DHR. Nor does DHR anticipate an overall reduction in full-time-equivalents (FTE) as a result of HR Modernization. Instead, existing staff will be utilized to support the new model.

2. What will the new organization look like?

We do not yet have an organization chart to share with agencies. This will be constructed by taking into account the needs of the agency, existing staff, and future priorities for HR.

3. Are there any specific skillsets the state needs to be successful in modernizing our HR function?

All areas of human resources are needed to successfully modernize HR within the State of Idaho. However, we do have an idea of some of the gaps in existing skillsets. For example, most agency HR staff are HR generalists rather than specializing in a single area. We will continue to need HR generalists to provide agency support, but additional specialist skillsets will be needed, such as expertise in recruitment, compensation, classification, investigations, training, and employee relations.

For HR professionals looking to expand their skillset, DHR recommends considering HR certification, through programs such as SHRM or HRCI. HR Certification is not required to be considered for positions within DHR. Additionally, there are other HR training courses available through the colleges and universities.

DHR also provides training courses which may be beneficial to HR professionals, such as Crucial Conversations, Crucial Accountability, Getting Things Done, Supervisor Academy, etc.

In addition to the technical skills needed, DHR recognizes the importance of the necessary "soft skills," such as problem-solving, communication, writing, conflict management, etc.

4. Will DHR's location move to accommodate more employees?

A move is not anticipated at this time, but we will continue to assess the need and make the best decision to support HR Modernization.

5. Will HR positions be reclassified as a result of HR Modernization?

It is possible that with the HR Modernization Project, updated HR classifications will be necessary. However, we do not have any proposed new job classifications at this time.

6. What if I really like the agency I support currently and the work I perform, will I be given the option to continue my work as it is today?

DHR will certainly take into account HR employee preferences; however, our commitment is to ensure we have the most efficient and effective HR model supporting the business needs of the agency.

7. Will agency HR be responsible for their current agency in addition to other agencies?

If agency HR staff has the bandwidth to provide HR support for more than one agency (which will vary depending on the size of the agency) then, yes, they would support more than one agency.

8. Who will I report to under the new model?

All HR staff will be DHR employees. As the new organizational chart is developed, leadership roles will be identified along with reporting structures.

9. Will I be able to telecommute?

DHR will consider telecommuting requests based on job duties and the needs of the agency.

10. Will I have to relocate?

Since HR staff will physically remain within state agencies it is not anticipated that employees will have to relocate. However, it is possible that HR staff will support an additional agency or a different agency than they do today, which may result in

some travel. Additionally, DHR cannot guarantee that if an agency HR staff member wishes to remain in their current location that they will be able to do so in their current position (i.e., they may have to move into a different position in order to remain in the location).

11. I am really nervous about this change and what it means for me and my family. Are there any resources to assist me with this transition?

As always, employees are encouraged to seek out support from a counselor through the Employee Assistance Program (EAP) to help address any stress they may be experiencing due to this announcement. Additional information is available on the Office of Group Insurance website: <https://ogi.idaho.gov/counseling/>.

In addition, HR employees are encouraged to reach out to DHR to discuss their questions regarding HR Modernization.

DIRECTORS AND AGENCY HEADS

1. How to I support my HR staff during this time?

An initiative of this scale is going to create angst for employees, specifically those within human resources. It is imperative that agency leadership provide positive support, otherwise it will be detrimental to both the HR and agency employees, negatively affecting morale.

Agency leadership needs to be in frequent communication with their HR staff to address any concerns they have and make sure they are receiving the most recent information regarding HR Modernization.

2. How will you ensure HR Modernization meets the needs of the agency?

DHR will meet with agency leadership and human resources on an ongoing basis to ensure business needs are being met.

3. What can I do to support this initiative?

While this initiative changes the structure of how human resource services are delivered within the state and may impact who performs the work, it is important

to remember that we are all working towards the same goal – providing efficient and effective public services to state employees and Idaho’s citizens.

Agency leadership can support this initiative by ensuring their own concerns are quickly addressed thereby verbalizing their support of the initiative and ensuring that their employee’s questions are addressed in similar manner.

Engaging in negative discussion and behavior regarding this change will not help us move forward in the direction necessary. If any agency director has questions or concerns regarding this initiative, they should contact the DHR Administrator.

4. What should the agency do if they have HR positions they wish to recruit for or reclassify?

The agency must discuss any HR recruitments or reclassifications with DHR prior to announcing, making job offers, or submitting documentation to reclassify a position.

Our intent is to continue business operations; however, we want to be mindful of any of these actions in order to ensure they support the future HR Modernization model.

5. Agencies will be working on preparing and submitting their budgets to DFM in the next couple of months. Do we need to plan for a change to the fee charged by DHR?

DHR is consulting with DFM to provide guidance regarding this question. Additional information will be provided in the coming weeks.

6. Will agency Delegated Authority be changed or modified during the implementation of HR Modernization?

The end goal is that delegated authority does not exist after the Modernization of HR in the state because all HR staff will report to DHR.

Agencies need to begin considering the impacts of HR decisions at a statewide level and be communicative with DHR regarding such decisions so that planning and implementation of HR Modernization can occur with their input.

The focus should be about how we operate as one team rather than as siloed and individual agencies.