

Joint Legislative Audit and Review Commission



# Study of Compensation for Employees of the Commonwealth

Briefing to Senate Finance, General Government Subcommittee  
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January 22, 2007



# Rationale for A Review of Compensation

- Concerns about State employee compensation:
  - Impact on recruitment and retention of a qualified workforce
  - Effect on productivity
  - Equity across the State workforce
  - Consistency with best practices
  - Short- and long-term costs
  
- A comprehensive study of compensation will address these concerns

# JLARC Enabling Legislation and Mandate

- JLARC is charged by §30-58.1 and §30-80 of the *Code of Virginia* with
  - evaluating the efficiency and effectiveness of State agencies and operations and
  - providing continuing oversight of the Virginia Retirement System (VRS)
  
- On November 13, 2006, the Commission authorized JLARC staff to study compensation for employees of the Commonwealth

# Scope of the Review

- Conduct a comparative analysis of total compensation
- Determine the appropriate mix of salary and benefits in total compensation
- Assess defined benefit, defined contribution, and hybrid retirement options (including political subdivisions, law enforcement, judges)
- Evaluate health insurance benefit alternatives and costs
- Explore compensation best practices among public and private employers and identify alternative benefits for employees
- Develop potential alternatives for compensation reform

# Project Management and Resources

## ■ JLARC study team

- Manage overall project and consultants
- Assess role of compensation in State costs, agency performance, and workforce
- Develop and assess impact of potential options for change

## ■ Consultants

- Comparative analysis of total compensation
- Retirement benefits analysis (paid for by VRS)
- Assist in assessing impact of potential options

# Status

- JLARC staff currently planning research and beginning to meet with key groups
  - VGEA
  - Virginia Council on Human Resources
  - DHRM
  - VRS
  - State employees in many occupations, levels, agencies, and locations
- Preparing to initiate procurement process during Spring 2007
- Final report due by October 2008

## For More Information

<http://jlarc.state.va.us>

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