

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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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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