

# Commonwealth of Virginia Compensation and Benefits

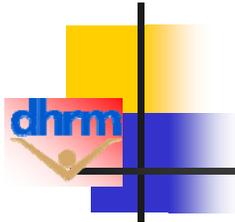


**Department of Human Resource Management**

Senate Finance Committee  
General Government Subcommittee

General Assembly Building, Richmond, VA

January 29, 2008

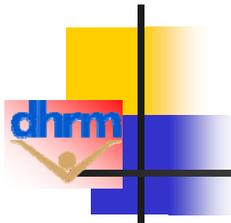


# Employment Level

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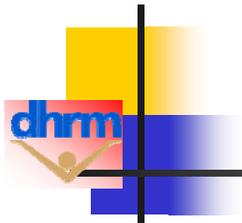
■ Authorized Employment Level	110,509.66
■ Salaried Employees	102,654.62
■ Wage Employees	16,280.26
■ Contractors	1,421.00
■ General Fund Employees	44%
■ Non-General Fund Employees	56%

## Classified Employees



# Employee Demographics

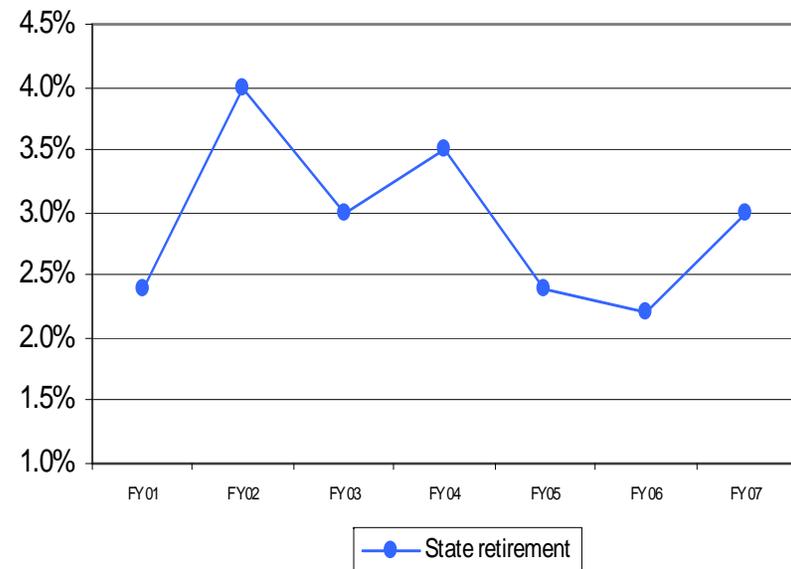
■ Average Age		46 yrs
■ Average Years of Service		11.0 yrs
■ Gender	Male	45.8%
	Female	54.2%
■ Race	Minority	34.0%
	Non-Minority	66.0%
■ Veteran	Veteran	9.9%
	Non-Veteran	90.1%

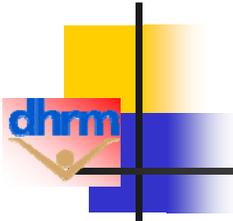


# Classified Employees Retirement Eligibility

- Currently Eligible 9.5%
- Eligible  $\leq$  5 yrs 22.7%
- Retirement Rate 3.0%

Retirement Trends

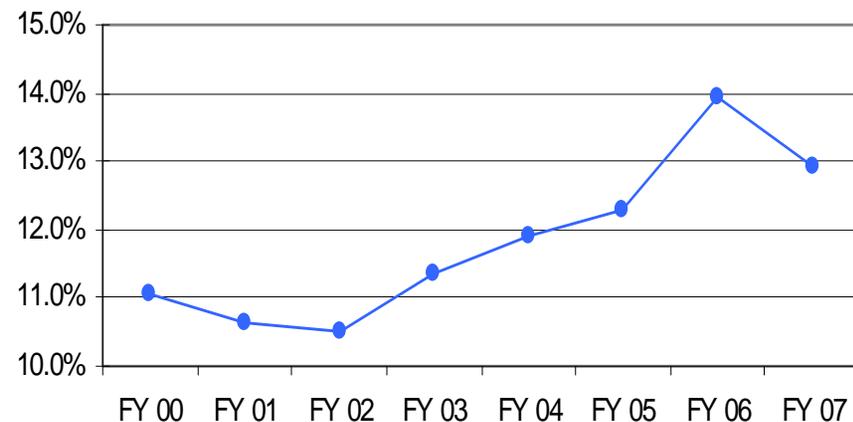




# Classified Employees Turnover Trends

- Turnover increased 0.75% each year from FY 03 to FY 06
- No Salary Increases in FY 02 or FY 03

Turnover Trends

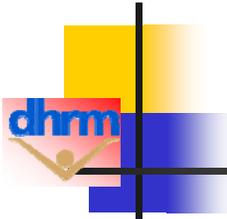




# Classified Employees Agencies with Highest Turnover Rate

- 22 agencies exceed the 11.3% average state turnover rate

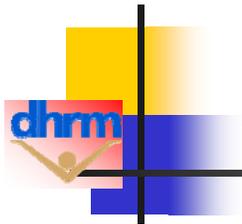
Top 10 Agencies with 50+ classified employees Highest Turnover Rates			
Agency Code	Agency	Position Level	Turn-over
912	Dept of Veterans Services	327	22.6%
720	Dept Mental Health & Mental Retardation	8,766	17.8%
140	Dept of Criminal Justice Services	122	17.3%
777	Dept of Juvenile Justice	2,251	16.8%
247	George Mason University	1,335	15.8%
217	Radford University	577	15.1%
236	Virginia Commonwealth University	2,490	14.7%
425	Jamestown-Yorktown Foundation	157	14.1%
701	Dept of Corrections	11,892	13.9%
215	University of Mary Washington	291	12.7%



# Classified Employees Roles with Highest Turnover Rate

- 41 of 146 Roles exceed the 11.3% average state turnover rate

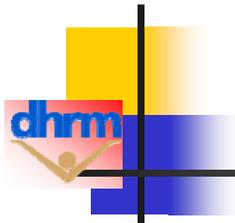
Top 10 Roles with 50+ classified employees Highest Turnover Rate			
Role	Pay Band	# in Role	Turn-over
Direct Service Associate II	2	3598	23.7%
Emergency Coordinator I	3	106	23.6%
Lab & Research Spec I	3	324.5	23.1%
Licensed Practical Nurse	3	649.5	21.9%
Trades Technician II	2	81	19.8%
Security Officer III	3	7207	19.7%
Law Enforcement Officer I	3	224	19.6%
Food Service Technician I	1	469.5	18.5%
Registered Nurse I	4	658.5	18.2%
Food Service Technician II	2	162	17.3%



# Classified Employees Salaries

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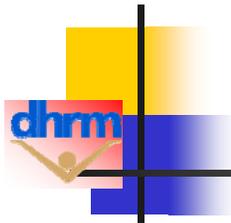
- Average salary                    \$42,142
- Median Salary                    \$37,466
- Lowest Salary                    \$14,780
- Highest Salary                    \$260,000



# Classified Employees Pay Bands

- Pay Band 3 has the most employees

BANDS	RANGE		EMPLOYEES	
	Minimum	Maximum	Number	Percent
1	\$ 15,371	\$ 31,548	2,401	3.4%
2	\$ 20,082	\$ 41,214	10,515	15.0%
3	\$ 23,999	\$ 49,255	23,744	33.9%
4	\$ 31,352	\$ 64,347	17,573	25.1%
5	\$ 40,959	\$ 84,062	11,642	16.6%
6	\$ 53,510	\$ 109,818	3,491	5.0%
7	\$ 69,907	\$ 143,470	414	0.6%
8	\$ 91,324	\$ 187,430	209	0.3%
9	\$ 119,308	MARKET	18	0.0%



# Classified Employees Pay Actions Taken

- Total pay actions taken 36,638
- Total pay adjustments 26,238
- Average pay adjustment 2.23%

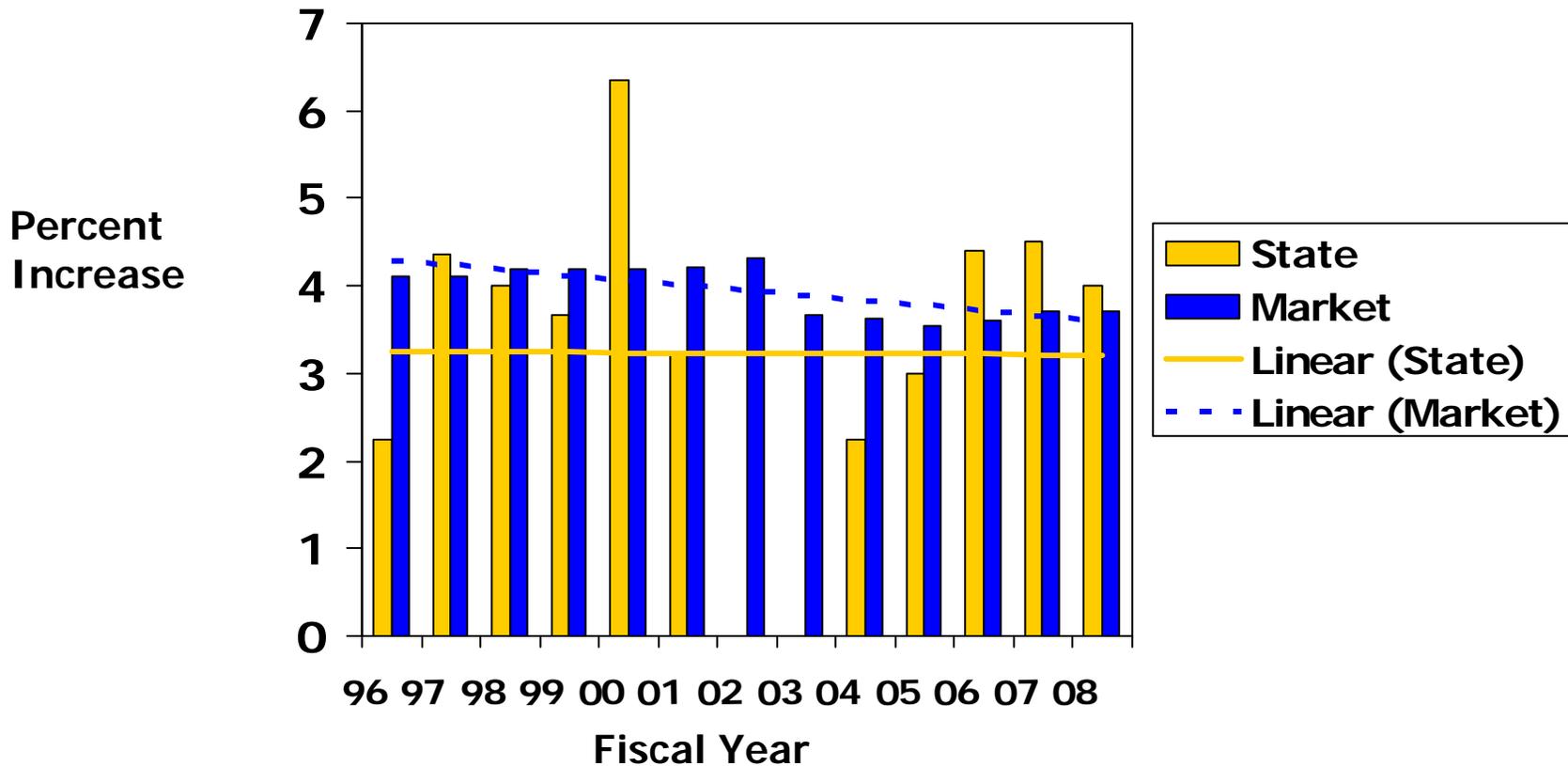
Pay Action	# Actions	# Pay Adjust.	Avg. % Adjust.
Promotions	2003	1979	14.8%
Demotion - Voluntary	252	124	-10.6%
Demotion - Performance	8	8	-7.4%
Demotion – Disciplinary	24	24	-7.5%
Disciplinary Pay Actions	3	3	-3.3%
Role Change – Upward	976	693	9.2%
Role Change – Lateral	326	109	7.0%
Role Change – Downward	67	8	-4.3%
Vol Transfer – Competitive	2824	1824	9.4%
Vol. Transfer - Non-Competitive	922	120	2.5%
Temporary Pay – All Reasons	1097	1114	5.6%
End Temporary Pay	771	796	-8.1%
Competitive Salary Offer	206	183	12.6%
Reassignment within Band	346	0	-
Apply/Adjust Special Rate	1275	1287	1.0%
IBA – Change in Duties Increase	1305	1305	4.2%
IBA – New KSAs/Competencies	1645	1645	7.7%

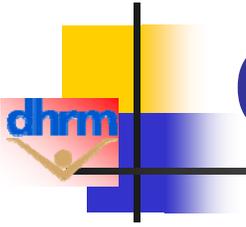
Pay Action	# Actions	# Pay Adjust.	Avg. % Adjust.
IBA – Retention	1783	1783	6.1%
IBA – Internal Alignment Increase	5484	5484	6.4%
Bonus – Change in Duties	232	232	3.0%
Bonus – Internal Alignment	477	477	1.7%
Bonus – New KSAs/Comp.	540	540	1.7%
Bonus – Retention	140	140	2.8%
Bonus – Recognition, Monetary	5932	5932	0.8%
Bonus – Recognition Non-Monetary	430	0	-
Bonus – Sign-On	218	218	2.8%
Bonus – Recognition Leave	7066	0	-
Bonus – Project	53	53	2.4%
Bonus – Referral	68	68	0.8%
Exceptional Retention Bonus	86	86	5.9%
Exceptional Retention Leave	20	0	-
Sign-On Leave	55	0	-
Suggestion Award	4	3	0.5%



# State Employee Salary Comparison Market Increases

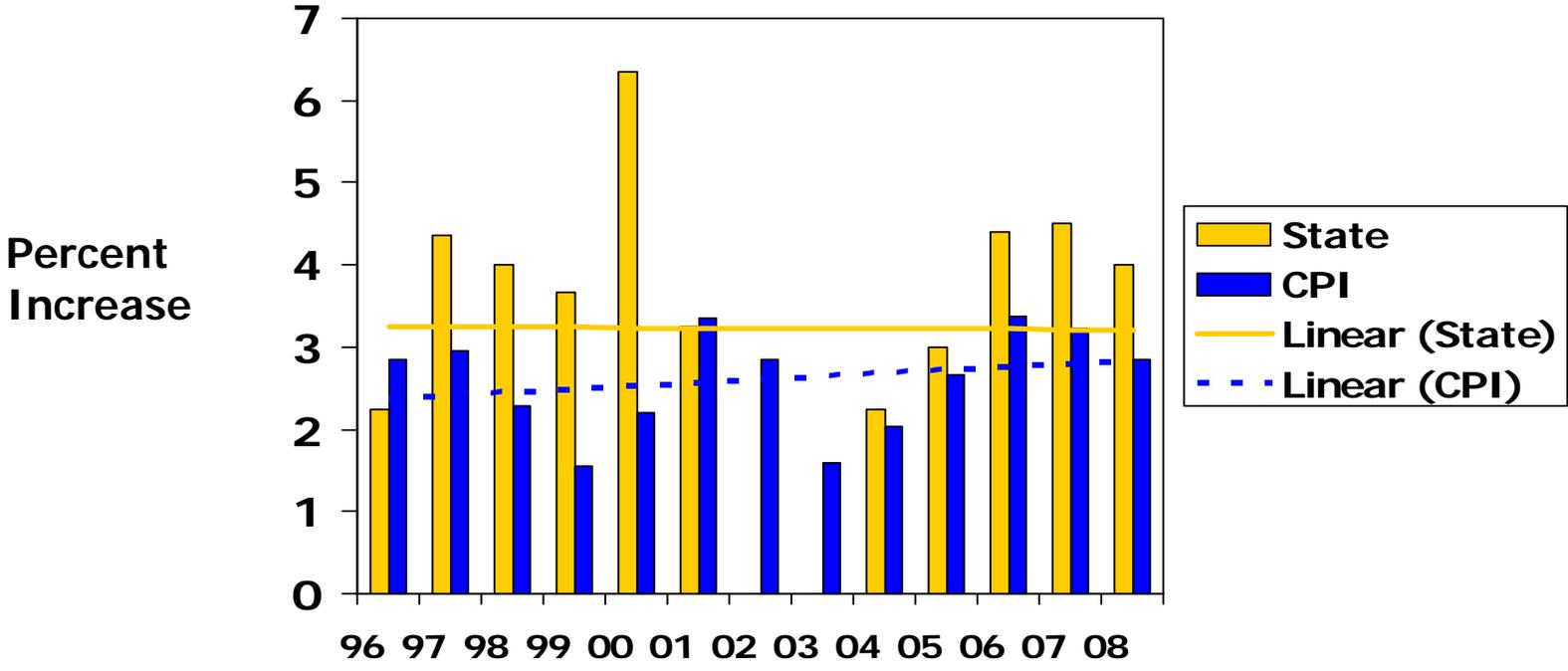
- State employee salary increases lag the market





# State Employee Salary Comparison CPI Increases

- Consumer Price Index increases are approaching State employee salary increases



Source: Appropriation Acts, Bureau of Labor Statistics

# State Employee Salary Comparison Private Sector Salary



- On average, State salaries for selected occupations are 15.2% below Private Industry
- State more competitive when benefits considered

Occupation	Private Industry	State	Deviation
Truck Driver, Light	\$23,400	\$20,068	-16.60%
Cook	\$26,800	\$24,482	-9.50%
Security Guard, Unarmed	\$27,700	\$24,651	-12.40%
Laboratory Aide	\$25,900	\$25,004	-3.60%
Mail Clerk	\$26,300	\$25,139	-4.60%
Cashier	\$23,700	\$28,419	16.60%
Secretary	\$34,300	\$29,230	-17.30%
Yard Laborer/Janitorial Supv.	\$37,600	\$31,440	-19.60%
Maintenance Electrician	\$44,500	\$36,082	-23.30%
Marketing Specialist	\$50,600	\$39,324	-28.70%
Medical lab Tech	\$39,300	\$40,430	2.80%
Accountant	\$48,200	\$42,283	-14.00%
Social Worker (MSW)	\$49,500	\$43,578	-13.60%
Employee Training Specialist	\$52,400	\$44,140	-18.70%
Staff RN	\$56,900	\$45,728	-24.40%
Attorney	\$96,500	\$49,858	-93.50%
Internal Auditor	\$65,800	\$52,136	-26.20%
Chemist	\$63,800	\$52,943	-20.50%
HR Admin Supv.	\$76,400	\$56,528	-35.20%
Environmental Engineer	\$53,800	\$58,055	7.30%
Architect	\$55,100	\$61,865	10.90%
Physical Therapist	\$65,600	\$66,793	1.80%
Systems Analysis Supv.	\$80,700	\$75,016	-7.60%
Data Base Administrator	\$87,000	\$79,271	-9.80%
Generic Engineer Supv.	\$101,200	\$84,590	-19.60%

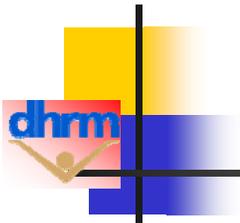
Source: PMIS, Watson-Wyatt, Spring 2007

# State Employee Salary Comparison

## Average Weekly Wage

- Indexed to 1997 weekly wage
- State wages below all sectors

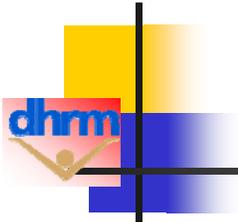




# State Employee Salary Comparison Selected Localities

- State dropped below the locality average in FY 08

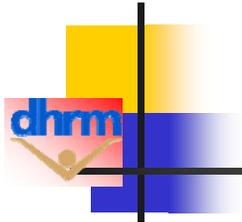
BASE SALARY INCREASES					
Locality	FY-04	FY-05	FY-06	FY-07	FY-08
Richmond City	3.00%	3.00%	3.00%	3.00%	3.00%
Charlottesville	3.50%	3.00%	4.00%	4.00%	4.00%
Montgomery County	2.50%	5.50%	4.80%	2.50%	6.77%
Fairfax County	4.00%	4.32%	4.37%	4.40%	4.98%
Chesterfield County	2.50%	4.00%	3.00%	4.00%	5.25%
Norfolk	4.00%	4.00%	4.00%	4.50%	4.50%
Chesapeake	3.00%	3.00%	4.00%	4.00%	4.50%
Augusta County	4.00%	4.00%	4.00%	3.83%	3.06%
<b>Locality Average</b>	<b>3.31%</b>	<b>3.85%</b>	<b>3.90%</b>	<b>3.78%</b>	<b>4.51%</b>
<b>State Employees</b>	<b>2.25%</b>	<b>3.00%</b>	<b>4.40%</b>	<b>4.50%</b>	<b>4.00%</b>



# State Employee Salary Comparison National Market

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- 2008 National trends
  - 3.74% average salary increase
  - Similar to 3.73% in 2007
  - 2.90% salary range adjustment



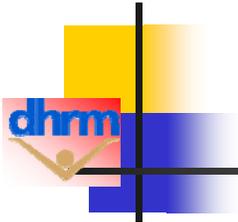
# State Employee Salary Budget Proposal

- 2008 - 2010 State Budget – SB30
  - No increase in FY09
  - 3.0% proposed increase on July 1, 2009
  - No salary range adjustment in FY09
  - 3.0% range adjustment on July 1, 2009



# Compensation & Performance Management Philosophy

- Established by the General Assembly in 2001 based on best practices
  - Attract qualified employees
  - Retain qualified employees
  - Motivate employees by rewarding sustained performance
  - Support management in the realization of organization objectives
- Provided multiple ways to manage employee compensation
  - Variable performance pay
  - Across the board structure adjustment
  - Pay practices



# Budget Impact

- Impact of not funding salary increases including variable, across-the-board, or pay practice salary increases
  - Defeats the Commonwealth's business and workforce objectives
  - Deflates employee morale
  - Decreases employee job satisfaction
  - Drives employee retirement or exit to another employer
  - Discourages prospective qualified candidates
  - Diminishes the reputation and brand of the Commonwealth