



State Employee Compensation Issues

a presentation to the

Senate Finance Committee

General Government and Technology Subcommittee

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The Problem

- **9,501 full-time state employees** - Qualify for the Federal Earned Income Tax Credit.
- **1,215 state employees** - Receive some form of federal assistance (SNAP, Medicaid, TANF, Energy Assistance).
- **303 days** - Average days a position is vacant
- **59.1 percent turnover** - Rate for state employees with less than 5 years service (which represents 20 percent of the workforce).
- **Early to mid-career employee turnover** - Increasing at an alarming rate.
- **Declining talent pool** - Below market salary is reducing the quality of talent in hiring pools. Average time to hire is now 92 days and growing.
- **Salary compression** - Worsening as new hires demand market rate.
- **Employee morale** – Lowest in memory as conditionally promised raises don't occur and state employees get the leftovers.

Turnover by Agency

Turnover in selected agencies:

- Corrections – **21.22%** (2,371 positions)
- Behavioral Health and Developmental Services – **25.94%** (1,743 positions)
- Health – **12.54%** (410 positions)
- Juvenile Justice - **17.57%** (291 positions)
- State Police – **7.44%** (202 positions)
- Veterans Services – **25.78%** (162 positions)
- Aging and Rehabilitation Services – **12.07%** (142 positions)
- VITA – **26.76%** (59 positions)
- Military Affairs – **17.38%** (49 positions)
- Elections – **22.73%** (5 positions)

Annual Turnover by Role

Turnover in selected job roles:

- Direct Service Associate II (2122 positions) ---- **36.6%**
- Direct Service Associate III (978 positions) --- **23.3%**
- Licensed Practical Nurse (523 positions) --- **36.1%**
- Registered Nurse I (540 positions) --- **25.2%**
- Registered Nurse II (594 positions) --- **26.0%**
- Laboratory Specialist I (231 positions) --- **22.9%**
- Law Enforcement Officer I (274 positions) --- **14.9%**
- Law Enforcement Officer II (1176 positions) --- **9.0%**
- Security Officer III (6,196 positions)--- **27.8%**
- Security Officer IV (916 positions) --- **18.0%**
- Food Service Technician I (285 positions) --- **24.5%**
- Food Service Technician III (235 positions) --- **24.5%**

The Cause

- **One** across-the-board pay adjustment that actually increased net base pay in the past **10** years.
- Declining take home pay caused by health insurance premiums, health insurance co-pays, and state employee parking fees that have consistently increased over the past decade.
- Salaries that are **27% below** comparable private sector market positions on average.
- Local government, federal government and private sector salaries that have regularly increased over the past decade.
- Hiring of new employees at salaries comparable to or in excess of more experienced employees with longer service.
- Not making employee salary considerations a priority in the executive budget development process.

The Fix

- **Don't let the salary gap get even worse!**
 - Highest priority
 - Protect the 3% increase for FY 18
- **Resume targeted salary actions by focusing on positions with the greatest turnover and market pay gap**
 - Build on 2015 efforts
- **Resume efforts to remedy salary compression**
 - Build on 2013 and 2015 efforts
- **Make employee compensation a formal part of the executive branch budget development process**
 - Similar to K-12 rebenchmarking, Medicaid forecasting, and inmate population forecasting; funded before monies are allocated to new or expanded programs.

The End

It's time to put State employees first!





QUESTIONS?

VIRGINIA GOVERNMENTAL EMPLOYEES ASSOCIATION