

# Department of Human Resource Management

## STATE EMPLOYEE

WORKFORCE, COMPENSATION,  
HEALTH BENEFITS, HR SYSTEMS

HOUSE APPROPRIATIONS  
COMPENSATION & RETIREMENT SUBCOMMITTEE



Richmond, Virginia  
January 10, 2019

# KEY MESSAGES

- Workforce
  - Attracting and retaining talent is critical, ongoing focus
    - Service retirements continue to be above average
      - Mid-level to higher level professionals and managers
    - Voluntary resignations in first 5 years significant
    - Succession planning and knowledge transfer critical
- Compensation
  - Base pay continues to lag behind market
  - New compensation tools implemented will have future focused impact

# KEY MESSAGES

- Health Benefits
  - New health benefits contracts on track for award effective July 1, 2019
  - Cost containment and reduction initiatives an ongoing focus
- HR Systems
  - Improvements in progress and on schedule
    - Personnel Management System
    - Benefits Eligibility System
  - Some systems are still in need of modernization
    - Recruitment Management System
    - Learning Management System

# WORKFORCE

# STATE WORKFORCE EMPLOYMENT LEVEL

## Employee Resource Levels (all position types)

STATEWIDE FTEs as of 6/30/2018		
<b>SALARIED EMPLOYEES</b>		
Executive	99,753.67	94.88%
Legislative	504.30	0.48%
Judicial	3,280.10	3.12%
Independent	1,600.60	1.52%
<b>Total Salaried</b>	<b>105,138.67</b>	<b>83.11%</b>
<b>WAGE EMPLOYEES</b>		
Executive	21,135.54	98.91%
Legislative	28.91	0.14%
Judicial	114.84	0.54%
Independent	89.32	0.42%
<b>Total Temporary</b>	<b>21,368.61</b>	<b>16.89%</b>
<b>TOTAL EMPLOYEES</b>	<b>126,507.28</b>	<b>100%</b>

Source: DHRM EPR Reports 6/30/2018

## Majority of executive branch employees are in Education

Executive Branch	FTEs	%
Education	52,712.57	52.84%
Public Safety & Homeland Security	17,402.19	17.45%
Health and Human Resources	12,704.72	12.74%
Transportation	9,590.95	9.61%
Natural Resources	1,859.02	1.86%
Commerce & Trade	1,517.00	1.52%
Finance	1,132.95	1.14%
Administration	746.40	0.75%
Veterans and Defense Affairs	720.00	0.72%
Agriculture & Forestry	674.30	0.68%
Executive Offices	496.57	0.50%
Technology	197.00	0.20%
<b>TOTAL</b>	<b>99,753.67</b>	<b>100%</b>

Source: DHRM EPR Reports 6/30/2018

# CLASSIFIED STATE WORKFORCE DEMOGRAPHICS

Average Age

46.4 ↓

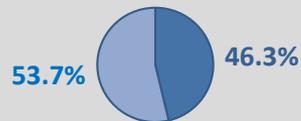
Average Years of Service

11.4 ↓

Average Age of New Hires

35.3 →

## Gender



■ Male □ Female

## Race



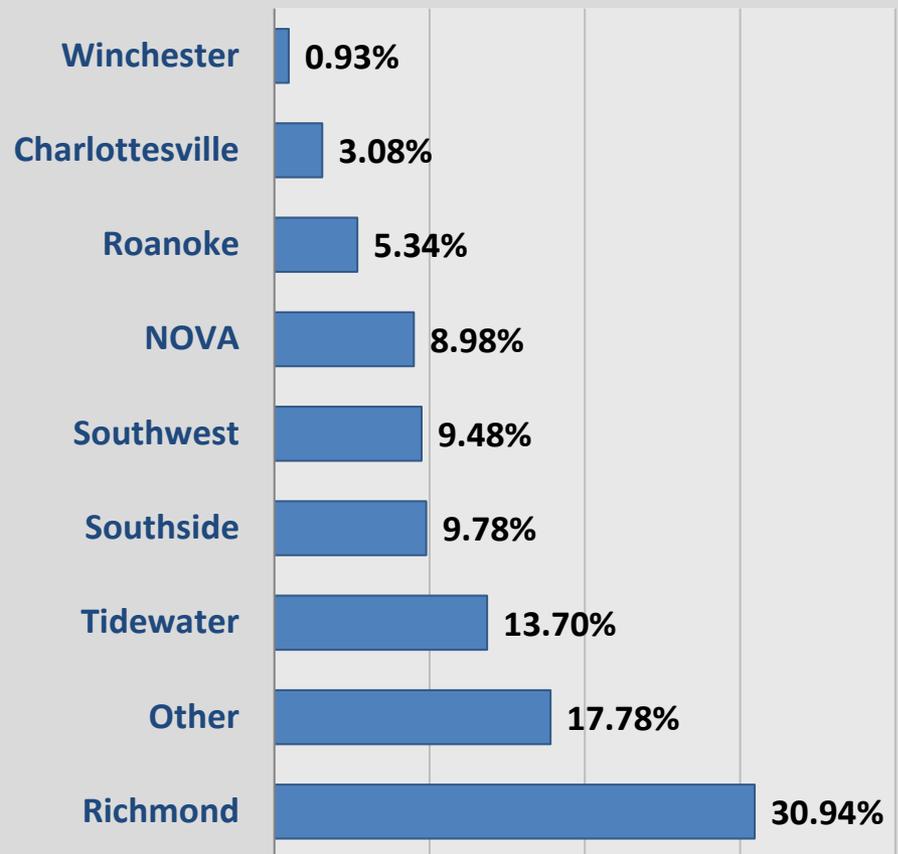
■ Minority □ Non-Minority

## Veterans

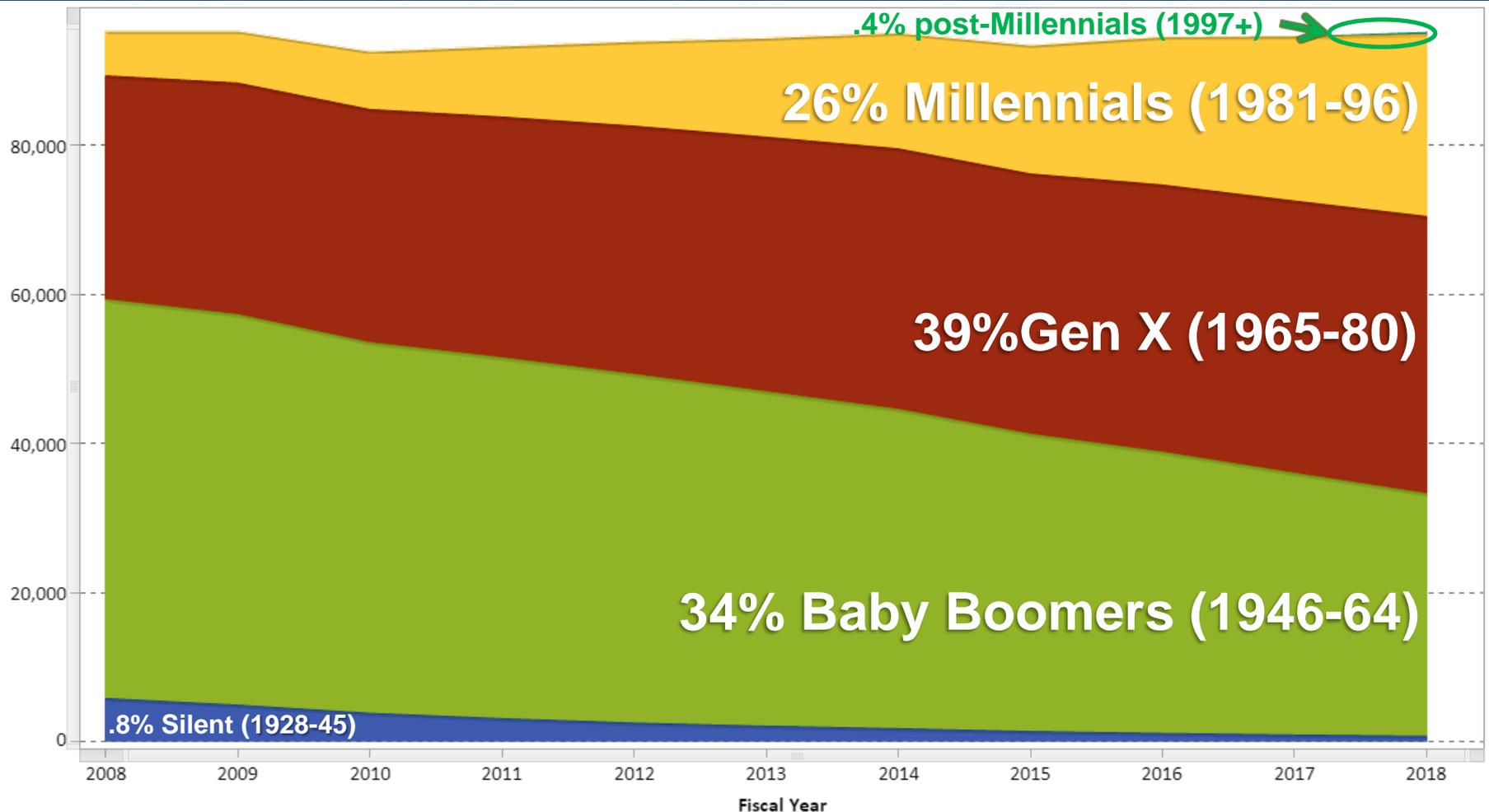


■ Veterans □ Non-Veterans

## Classified Employees by Area



# CLASSIFIED STATE WORKFORCE DEMOGRAPHICS



# STATE WORKFORCE TOP TEN AGENCIES & JOB ROLES

2/3 of workforce in ten agencies

Agency	# Employees
1. University of Virginia System	15,070
2. Dept. of Corrections	11,312
3. VPI & State University	7,671
4. Dept. of Transportation	7,453
5. Virginia Community College Sys	6,412
6. Virginia Commonwealth Univ	6,105
7. Dept. Behav Hlth & Develop Svcs	5,878
8. George Mason University	4,102
9. Dept. of Health	3,207
10. James Madison University	3,014

40% of classified workforce in 10 roles

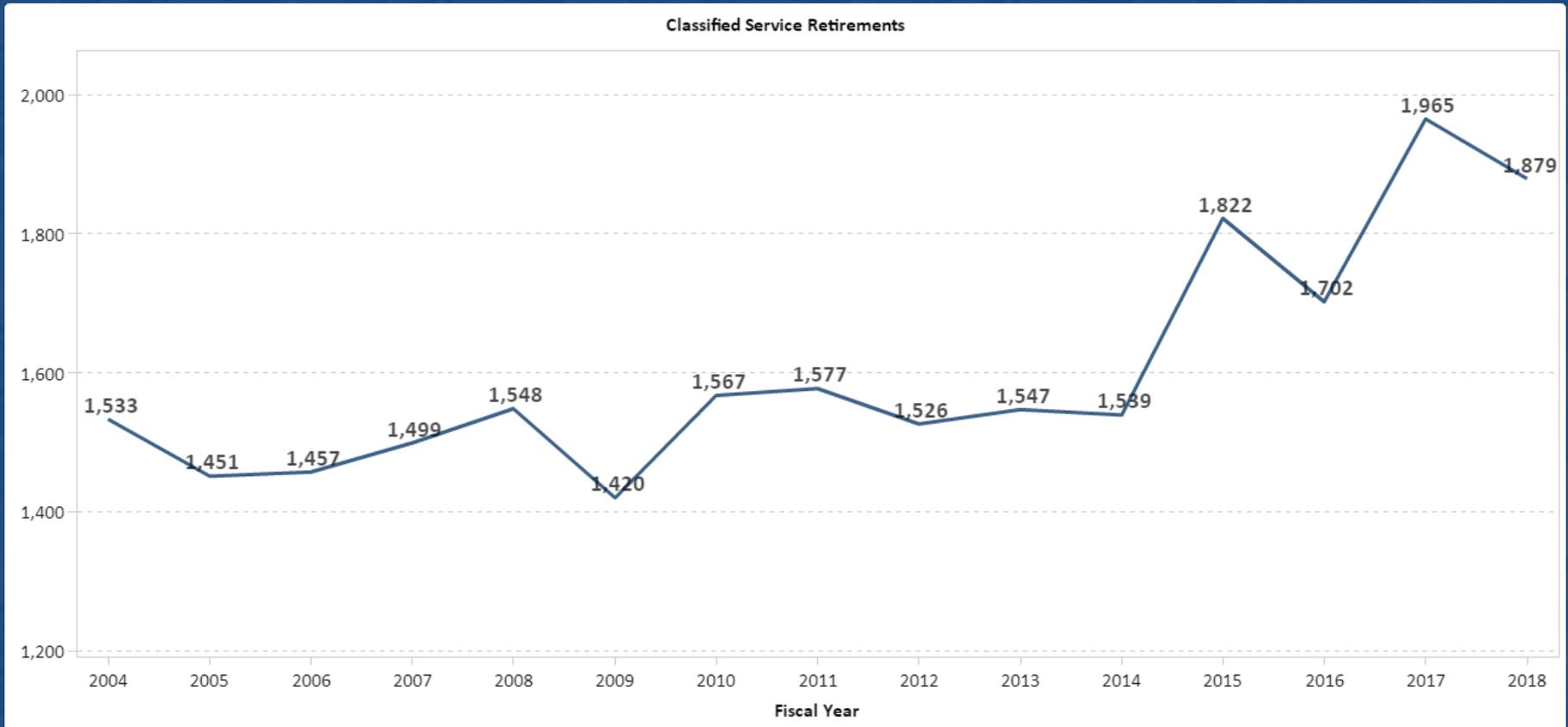
Job Role	# Employees
1. Admin and Office Spec III	6,311
2. Security Officer III	5,801
3. Transportation Operator II	2,318
4. Prog Admin Specialist I	1,904
5. Admin and Office Spec II	1,816
6. Direct Service Associate II	1,748
7. Prog Admin Specialist II	1,575
8. Hsekeep &/or Apparel Worker I	1,368
9. Info Technology Specialist II	1,342
10. Financial Services Spec I	1,304

# CLASSIFIED STATE WORKFORCE RECRUITMENT & RETENTION

FY18 Recruitment	
Vacancy Rate	13.5% ↑
Average Vacancy	381 days ↑
Average Time to Hire*	81 days ↓
Hiring Offers Accepted*	85.8% →
Exceptional Recruitment Options	5.5% ↑
Total Recruitments*	14,704 ↑
Promotions	12.5% ↓
Demotions	1.6% ↓
Transfers	26.1% ↑
New Hires/Rehires	59.8% ↑
Average Age of New Hires/Rehires	35.3 years →

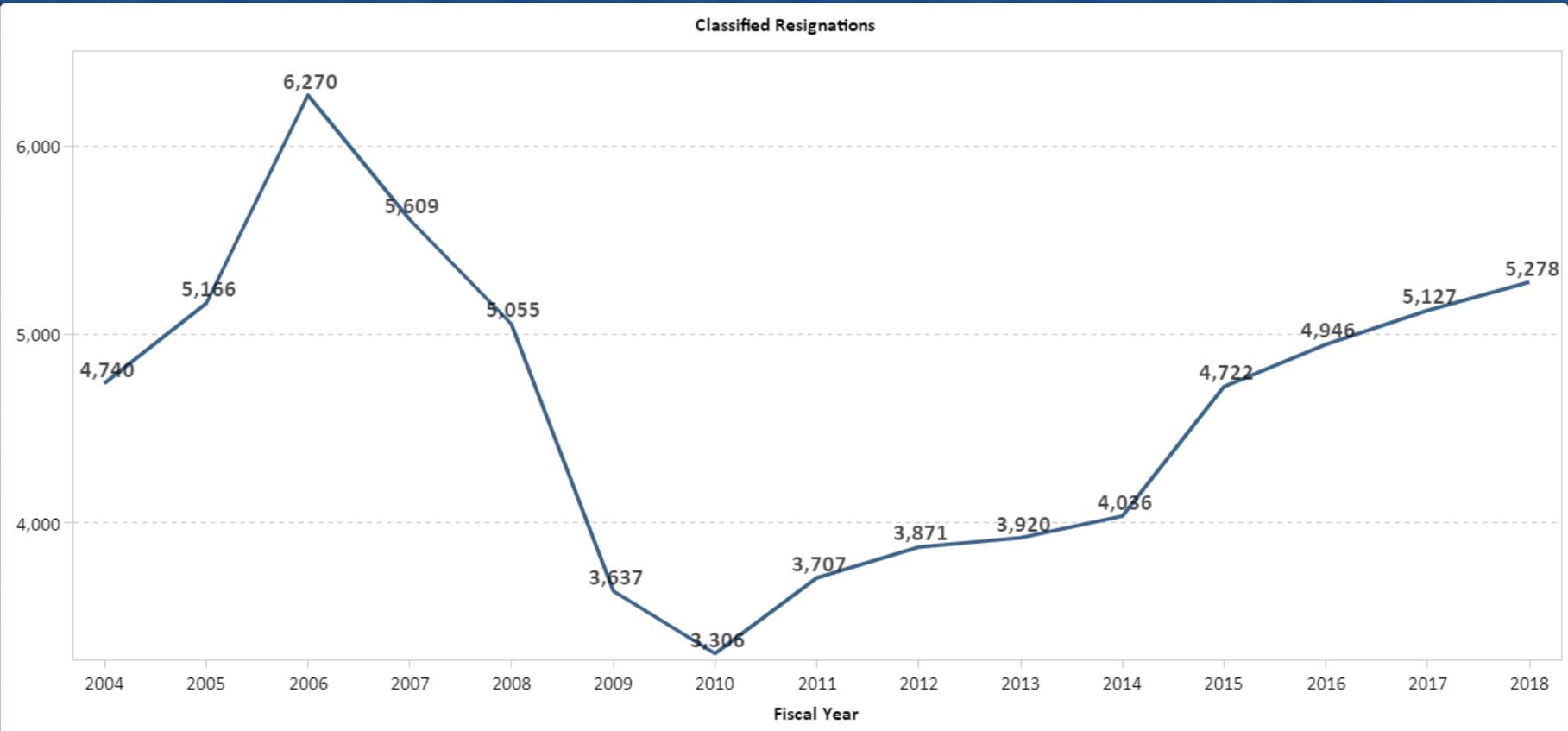
FY18 Retention	
Turnover Rate	14.5% →
Turnover - Probationary	16.5% ↑
Turnover - < 5 Years Service	58.4% ↑
Average Retention Bonus	2.2% ↑
Transactions w/ Retention In-Band Adjustment Increase	4.3% ↓
Average Retention In-band Adjustment Increase	3.7% →
Eligible Retirement Today	11.2% ↓
Eligible Retirement Within 5 Years	22.8% ↓
Retirement Rate	3.4% →

# CLASSIFIED STATE WORKFORCE RETIREMENTS



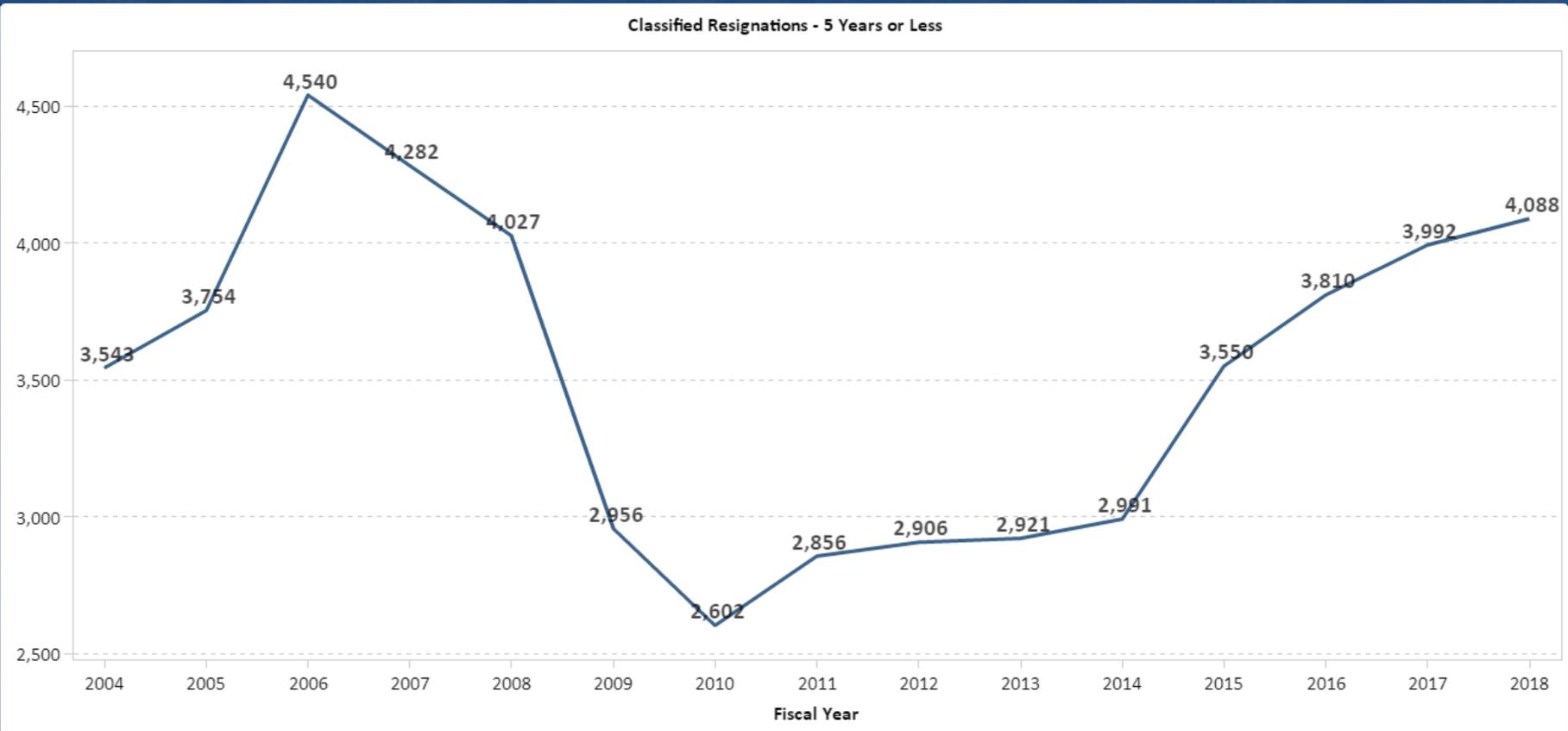
Data Source: DHRM PMIS FY18 – Report Visualized in SAS Visual Analytics

# CLASSIFIED STATE WORKFORCE VOLUNTARY RESIGNATIONS



Data Source: DHRM PMIS FY18 – Report Visualized in SAS Visual Analytics

# CLASSIFIED STATE WORKFORCE VOLUNTARY RESIGNATIONS <= 5 YEARS



Data Source: DHRM PMIS FY18 – Report Visualized in SAS Visual Analytics

# CLASSIFIED STATE WORKFORCE ROLES WITH HIGHEST RESIGNATIONS

Roles with >= 100 Voluntary Resignations in FY18	Resignations	Resignation Rate
Security Officer III (Corrections Officers)	1,121	19.32%
Direct Service Associate II (Psychiatric Techs)	473	27.06%
Admin and Office Spec III	399	6.32%
Direct Service Associate III	170	17.15%
Program Admin Specialist I	157	8.25%
Admin and Office Spec II	145	7.98%
Transportation Operator II	140	6.04%
Licensed Practical Nurse	128	26.45%
Housekeep &/or Apparel Worker I	125	9.14%
RN II/Nurse Practitioner I / Physician Assistant	111	17.16%
Probation Officer I	109	9.08%
Counselor II	100	11.11%

Data Source: DHRM PMIS FY18 – Roles With More Than 100 Voluntary Resignations in FY18

# CLASSIFIED STATE WORKFORCE KEY INITIATIVES

- Commonwealth Exit Survey implemented
  - Agency reports available by quarter
  - First full year of data available in July 2019
- Succession Plans developed
  - Plans submitted by all Executive Branch Agencies and Higher Education
  - On average, agencies identified 35% of their positions as critical roles for succession planning
- Employee engagement focused on activities and new tools to attract and retain talent

# COMPENSATION

# CLASSIFIED COMPENSATION AS OF 12/31/18

## STATEWIDE SALARIES & PAY BANDS

- **Lowest Paid**

- \$16,472 Annually
- 22 Food Service Technicians I and 15 Housekeeping - Apparel Workers I at DBHDS Facilities

- **Highest Paid**

- \$270,250 Annually
- Physician Manager II at DBHDS

- **Modal** Band is Pay Band 3

- **Federal minimum wage**

- \$7.25 per hour
- \$15,080 annually

Bands	Range			Employees	
	Minimum	SW Maximum	NOVA Maximum	Number	Percent
1	\$16,472	\$46,778	\$58,773	1,881	3.00%
2	\$21,521	\$57,644	\$72,899	6,725	10.73%
3	\$25,718	\$66,683	\$84,651	19,596	31.26%
4	\$33,598	\$83,649	\$106,705	17,276	27.56%
5	\$43,892	\$105,811	\$135,516	12,412	19.80%
6	\$57,342	\$134,764	\$173,156	4,094	6.53%
7	\$74,913	\$172,594	\$205,755	495	0.79%
8	\$97,863	\$222,012	\$265,055	193	0.31%
9	\$127,852	MARKET	MARKET	18	0.03%

STATE SALARIES	MEAN	MEDIAN	1ST QUARTILE	3RD QUARTILE	LOWEST	HIGHEST	COUNT
<b>All Pay Areas</b>	<b>\$50,611</b>	<b>\$44,824</b>	<b>\$35,360</b>	<b>\$60,059</b>	<b>\$16,472</b>	<b>\$270,250</b>	<b>62,690</b>
NOVA Pay Area (FP)	\$59,262	\$54,445	\$44,445	\$67,955	\$22,030	\$245,068	5,706
Statewide Pay Area (SW)	\$49,744	\$43,868	\$35,020	\$58,927	\$16,472	\$270,250	56,984

# CLASSIFIED STATE WORKFORCE AVERAGE STATE SALARY COMPARED TO PRIVATE INDUSTRY IN CERTAIN JOBS

Occupation	Private Industry	State	Difference	Head Count
Accountants & Auditors	\$78,500	\$58,678	-25.25%	966
Administrative Services Managers	\$87,400	\$66,005	-24.48%	303
Bookkeeping, Accounting, & Auditing Clerks	\$41,800	\$40,265	-3.67%	999
Budget Analysts	\$66,700	\$64,339	-3.54%	144
Carpenters	\$47,500	\$41,199	-13.26%	100
Civil Engineers	\$95,900	\$84,187	-12.21%	668
Comp, Benefits, & Job Analysis Specialists	\$71,300	\$66,235	-7.10%	101
Computer & IS, Managers	\$118,900	\$109,874	-7.59%	189
Computer Systems Analysts	\$94,400	\$84,555	-10.43%	247
Computer User Support Specialists	\$61,400	\$55,513	-9.59%	520
Database Administrators	\$104,600	\$94,999	-9.18%	111
Dietetic Technicians	\$32,600	\$32,042	-1.71%	144
Dietitians	\$60,900	\$48,304	-20.68%	136
Electricians	\$58,700	\$45,483	-22.52%	119
Engineering Managers	\$123,500	\$110,101	-10.85%	306
Environmental Scientists & Specialists	\$73,900	\$62,934	-14.84%	729
Financial Managers	\$114,700	\$92,027	-19.77%	354
Food Preparation	\$36,700	\$27,199	-25.89%	167
Food Preparation & Serving	\$28,400	\$21,984	-22.59%	127
Food Preparation & Serving, Supervisors	\$40,900	\$34,103	-16.62%	266
Food Service Managers	\$53,300	\$50,189	-5.84%	121
Grounds Laborer/Janitorial Supervisor	\$37,200	\$31,326	-15.79%	240
Health & Safety Specialists	\$69,600	\$56,720	-18.51%	282
Healthcare Social Workers	\$51,800	\$49,150	-5.12%	222
Human Resources & Training Generalist	\$68,200	\$62,710	-8.05%	379

# CLASSIFIED STATE WORKFORCE AVERAGE STATE SALARY COMPARED TO PRIVATE INDUSTRY IN CERTAIN JOBS

Occupation	Private Industry	State	Difference	Head Count
Human Resources Assistants	\$46,300	\$42,254	-8.74%	146
Human Resources, Managers	\$103,300	\$89,234	-13.62%	134
Licensed Practical/Vocational Nurse	\$44,800	\$43,498	-2.91%	452
Mail Services	\$37,600	\$29,455	-21.66%	106
Maintenance & Repair Workers, General	\$49,900	\$43,531	-12.76%	493
Marketing & Public Relations Specialist	\$81,800	\$51,941	-36.50%	492
Medical & Clinical Laboratory Technicians	\$51,400	\$46,383	-9.76%	142
Mental Health Counselors	\$67,200	\$57,509	-14.42%	116
Mental Health Technicians	\$32,600	\$27,701	-15.03%	1,735
Nursing Assistant	\$31,500	\$30,218	-4.07%	273
Office & Administrative Support	\$45,700	\$38,729	-15.25%	2,711
Office Clerks, General	\$36,200	\$31,987	-11.64%	1,410
Purchasing Agents	\$66,800	\$57,447	-14.00%	365
Purchasing Managers	\$108,000	\$79,364	-26.51%	126
Registered Nurses	\$69,400	\$65,820	-5.16%	962
Secretarial/Administrative Executive Assistants	\$56,700	\$44,005	-22.39%	1,225
Secretaries & Administrative Assistants	\$49,800	\$37,642	-24.41%	410
Security Guards, Unarmed	\$36,700	\$32,741	-10.79%	270
Software Developers, Applications	\$98,500	\$83,562	-15.17%	520
Stock Clerks & Order Fillers	\$37,200	\$33,369	-10.30%	206
Systems Software Developers	\$100,900	\$90,285	-10.52%	280
Training & Development Specialists	\$73,300	\$58,353	-20.39%	185
<b>Average Difference:</b>			<b>-14.07%</b>	
<b>Weighted Average Difference:</b>			<b>-14.40%</b>	

# PRIVATE INDUSTRY AVERAGE PAY INCREASES IN CALENDAR 2018

Private Industry Average 2018 Salary Increase	Commonwealth Statewide 2018 Salary Increase
3.0%	0.0%

Private Industry Average 2018 Salary Increase for Above Average Performers (25% of workers)	Private Industry Average 2018 Salary Increase for Average Performers (69% of workers)	Private Industry Average 2018 Salary Increase for Below Average Performers (6% of workers)
4.1%	2.8%	0.6%

DHRM 2018 Annual Report on the Discrepancies in Compensation between the Public and Private Sectors

# PROJECTED PRIVATE INDUSTRY AVERAGE PAY INCREASES IN 2019

Projected Private Industry Average  
2019 Salary Increase

3.05%

Estimated Commonwealth Classified  
Average Statewide 2019 Salary  
Increase

3.44%

## THE WALL STREET JOURNAL.

### Amazon to Raise Its Minimum U.S. Wage to \$15 an Hour

New level starts Nov. 1, covers more than 250,000 current employees, 100,000 seasonal workers



# HEALTH BENEFITS

# HEALTH BENEFITS NEW HEALTH CARE CONTRACTS

- Notice of Intent to Award has been posted
- Award pending
- Post mortem meeting with responders
- Launch immediately into transition planning

# HEALTH BENEFITS

## NEW HEALTH CARE CONTRACTS

- Component 1: Med/Surgical, Behavioral Health, Vision & Hearing for COVA Care, COVA HDHP, TLC, and LODA
  - Anthem Blue Cross and Blue Shield
- Component 2: Med/Surgical, Behavioral Health, Vision & Hearing for COVA HealthAware
  - Aetna Life Insurance
- Component 3: Prescription Drugs for COVA Care, COVA HDHP, COVA HealthAware, TLC, and LODA
  - Anthem Blue Cross and Blue Shield

# HEALTH BENEFITS

## NEW HEALTH CARE CONTRACTS

- Component 4: Dental for COVA Care, COVA HDHP, COVA HealthAware, TLC, and LODA
  - Delta Dental of Virginia
- Component 5: Fully-Insured Coverage for State Employee Health Plan and TLC
  - Optima Health (Hampton Roads) and Kaiser Permanente (NOVA)
- Component 6: Flexible Spending Accounts
  - Aetna Life Insurance/Payflex

# HEALTH BENEFITS BUDGET FOR INSURANCE PREMIUMS

- **Budget includes General Fund appropriation**
  - \$33,650,659 1<sup>st</sup> year - FY19
  - ~~\$84,583,369~~ \$33,272,027 2<sup>nd</sup> year - FY20
- FY20 reduction is due to flat premium increase resulting from:
  - Reduction in actual claims experience
  - Improved pharmacy rebates

# HEALTH BENEFITS RATES

PLAN	Current Monthly Cost (FY19)				Proposed Monthly Change				Proposed Monthly Cost (FY20)			
	Employee Only	Employee Plus Child	Employee Plus Spouse	Employee Plus 2 or More	Employee Only	Employee Plus Child	Employee Plus Spouse	Employee Plus 2 or More	Employee Only	Employee Plus Child	Employee Plus Spouse	Employee Plus 2 or More
<b>COVA Care Basic</b>												
<b>Employee</b>	\$75	\$194	\$177	\$253	\$0	\$0	\$0	\$0	\$75	\$194	\$177	\$253
<b>Employer</b>	\$687	\$1,229	\$1,229	\$1,802	\$0	\$0	\$0	\$0	\$687	\$1,229	\$1,229	\$1,802
<b>TOTAL PREMIUM</b>	<b>\$ 762</b>	<b>\$1,423</b>	<b>\$1,406</b>	<b>\$2,055</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$ 762</b>	<b>\$1,423</b>	<b>\$1,406</b>	<b>\$2,055</b>
<b>COVA HealthAware Basic</b>												
<b>Employee</b>	\$0	\$41	\$24	\$25	\$0	\$0	\$0	\$0	\$0	\$41	\$24	\$25
<b>Employer</b>	\$677	\$1,229	\$1,229	\$1,802	\$0	\$0	\$0	\$0	\$677	\$1,229	\$1,229	\$1,802
<b>TOTAL PREMIUM</b>	<b>\$677</b>	<b>\$1,270</b>	<b>\$1,253</b>	<b>\$1,827</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$677</b>	<b>\$1,270</b>	<b>\$1,253</b>	<b>\$1,827</b>

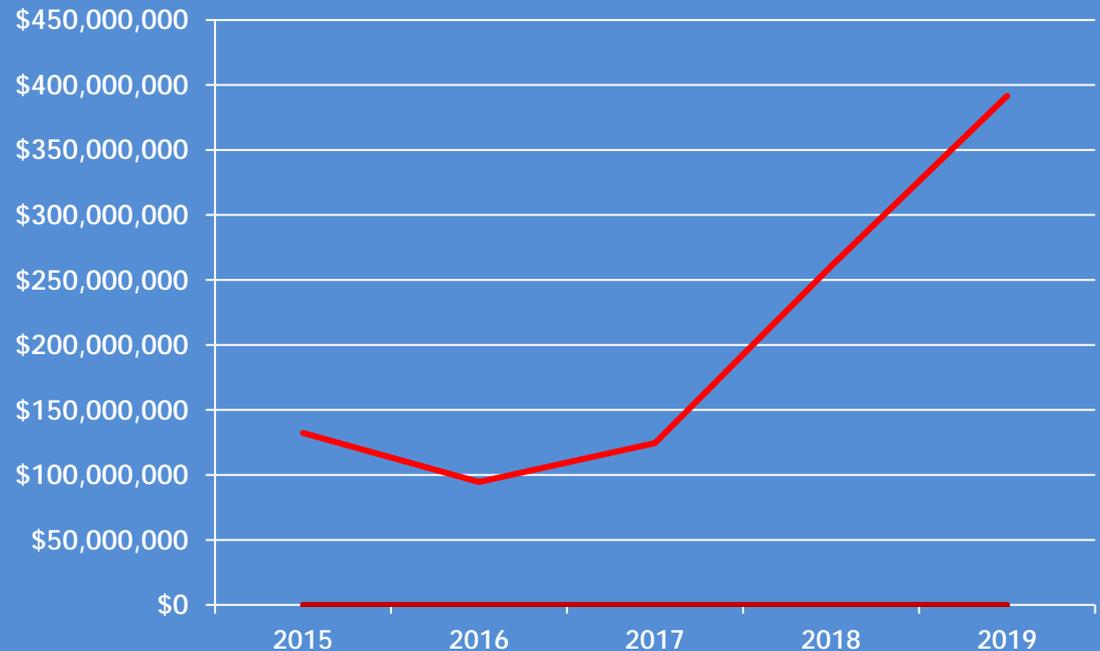
Source: Department of Planning and Budget Premium Schedule - December 2018

# HEALTH BENEFITS HEALTH INSURANCE FUND

## Active & Early Retiree Plan Year End Balances

- FY 2015 – \$132.3 million
- FY 2016 - \$94.6 million
- FY 2017 - \$124.5 million
- FY 2018 - \$260.6 million
- FY 2019 – as of 11/2018  
\$391.5 million

## Health Insurance Fund Year End Balances



# HUMAN RESOURCE SYSTEMS

PERSONNEL MANAGEMENT INFORMATION SYSTEMS

# HR INFORMATION TECHNOLOGY INVESTMENTS

- DHRM fully integrated into Cardinal HCM and Payroll projects process and planning
  - Focus on stabilizing and maintaining current platforms during transition
  - Currently working on the as-is and to-be state
- Planning for re-bid of contract for Recruitment Management System
- Exploring options for replacement of Learning Management System



# QUESTIONS

