

The logo for the Department of Human Resource Management (dhrm) is located on the left side of the slide. It features a stylized 'dhrm' in lowercase letters, with a blue square above the 'd' and a yellow square below the 'h'. A black vertical line is positioned to the right of the logo, and a horizontal line extends from the logo across the slide.

Commonwealth of Virginia

Employee Leave Reform & Time, Attendance and Leave System

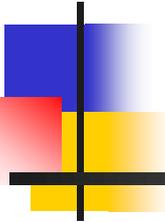
Department of Human Resource Management

House Appropriations Committee
General Assembly Building, Richmond, VA
October 17, 2011



Agenda

- Employee Leave Reform
 - Objectives
 - Current Leave Structure
 - Comparisons to Other Employers
 - Leave Utilization
 - Cost of Leave
 - Proposed Leave Program
 - Comparisons of Current & Proposed Leave
- Time, Attendance and Leave System

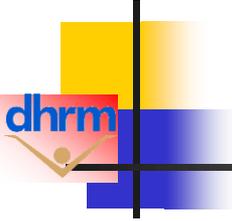


Employee Leave Reform

Governor's Commission on Government Reform & Restructuring



- Simplify Employee Leave Program
 - The employee leave program should be reformed and simplified to reduce current multiple layers in order to make it more consistent and manageable.
 - The current program is complex to understand and administer.
 - The current program has existed for about six decades with some changes along the way.



Leave Reform Objectives

- Continues to attract and retain critical talent
- Uses best practices
- Simplifies and lowers the cost of leave administration
- Increases flexibility in how leave is used
- Supports the business needs of state agencies
- Is affordable
- Is easy to understand

Current Leave Program Structure

VSDP Participants

- Family/Personal Leave
- Sick Leave
- Short-Term & Long-Term Disability Leave

Non-VSDP Participants

- Sick Leave

All Employees

- Annual Leave
- Community Service Leave
- Holidays
- FMLA Leave
- Workers' Compensation Leave
- Civil & Work-Related Leave
- Educational Leave
- Military Leave
- Emergency/Disaster Leave
- Public Health Emergency Leave
- Bone Marrow/Organ Donation Leave
- Leave Sharing
- Compensatory Leave
- Overtime Leave

Current Leave Program Factors



LEAVE																						
TYPE	AMOUNT		TENURE		HOW PROVIDED										CARRIED OVER		YEAR			AUTHORITY		
	VSDP	NON-VSDP	VSDP	NON-VSDP	Credited		Accrued		Earned		Awarded		As Needed		VSDP	NON-VSDP	Leave Year	Fiscal Year	Rolling Year	Federal Law	State Law	DHRM Policy
					VSDP	NON-VSDP	VSDP	NON-VSDP	VSDP	NON-VSDP	VSDP	NON-VSDP	VSDP	NON-VSDP								
Holidays	12 days plus others				•	•											•			•	•	
Annual Leave	up to 96 to 216 hours		•	•			•	•								•	•					•
Family/Personal Leave	4 to 5 days	0	•		•												•				•	
Sick Leave	8 to 10 days	up to 120 hrs	•		•			•								•					•	•
Community Service Leave	up to 2 days				•	•											•					•
Civil & Work-Related Leave	varies				•	•											•					•
FMLA Leave	up to 12 to 26 weeks													•	•		•			•		•
Short-Term Disability Leave	up to 6 mos	0	•											•					•		•	
Long-Term Disability	up to age 65	0												•	•				•		•	
Workers' Compensation Leave	varies													•	•				•		•	
Educational Leave	varies													•	•				•			•
Military Leave	varies													•	•				•	•	•	•
Emergency/Disaster Leave	up to 2 weeks													•	•				•			•
Public Health Emergency Leave	up to 2 weeks													•	•				•			•
Bone Marrow/Organ Donation Leave	up to 30 days													•	•				•		•	
Compensatory Leave	varies								•	•						•	•		•		•	•
Overtime Leave	varies up to 240 hour cap								•	•						•	•		•		•	•
Bonus Leave	up to 1 week										•	•				•	•		•			•
Recognition Leave	up to 1 week										•	•				•	•		•			•
Sign-on Leave	up to 30 days										•	•				•	•		•			•
Leave Sharing	up to 12 to 26 weeks													•	•		•					•

Current Leave Program - Details



Current - VSDP Participants

YOS	current sick (VSDP)	current Family Personal (FP)	current Community Service (CS)	current annual lv	max annual lv	max payout annual	total possible days
<5	8	4	2	12	24	24	26
5-9	9	4	2	15	30	30	30
10-14	10	5	2	18	36	36	35
15-19	10	5	2	21	42	36	38
20-24	10	5	2	24	48	42	41
25+	10	5	2	27	54	42	44

Current - Non-VSDP Participants

YOS	current sick (non-VSDP)	current Community Service (CS)	current annual lv	max annual lv	max payout annual	total possible days
<5	15	2	12	24	24	29
5-9	15	2	15	30	30	32
10-14	15	2	18	36	36	35
15-19	15	2	21	42	36	38
20-24	15	2	24	48	42	41
25+	15	2	27	54	42	44

- Traditional Sick Leave participants accrue 5 hours of sick leave per pay period.
- Traditional Sick Leave participants also do not receive Family/Personal Time (FP).

Comparisons to Other Employers



	COV	A	B	C	D	E
Vacation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Sick Leave	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Family, Personal, or Dependent Leave	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
PTO (combines vac, sick, and other leave)				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Holidays	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Community Service	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	
Carryover	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sell				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



Data Assumptions

Basic Assumptions

- Data review is based on the average use of leave for employees with leave data in CIPPS (~30,000 employees).
- "Days" are based on 8 hours/day.
- Overall Leave includes: Annual, Civil, Overtime, Sick, Family/Personal, Other, Compensatory, On-Call, Recognition, Education, Military, Community Service, Workers' Compensation, Pre-Layoff, Leave Without Pay, Disability, and Bonus.

Financial Information

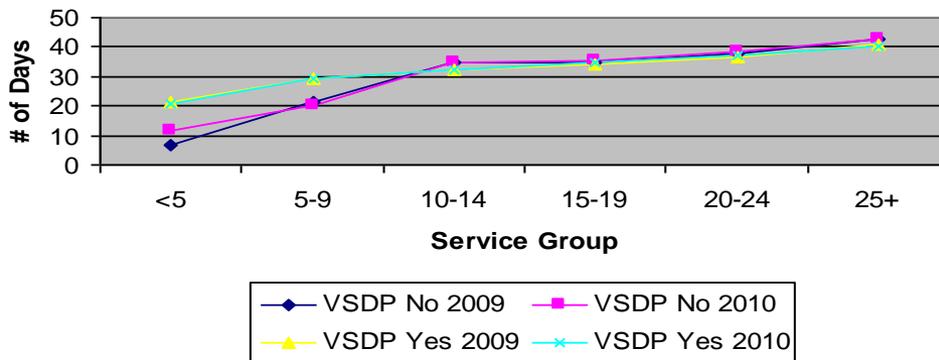
- Evaluation is based on average salary figures from At-A-Glance reports.
- 2009 Avg Salary = \$42,037
- 2009 Avg Daily Wage = \$161.68
- 2009 Avg Hourly Wage = \$20.21
- 2010 Avg Salary = \$41,900
- 2010 Avg Daily Wage = \$161.15
- 2010 Avg Hourly Wage = \$20.14

Service Grp	# employees 2009 - VSDP	# employees 2010 - VSDP	# employees 2009 - VSDP	# employees 2010 - VSDP
	No	No	Yes	Yes
<5	46	75	7371	6247
5-9	8	9	6341	6870
10-14	505	297	3730	4192
15-19	797	801	2030	1997
20-24	1088	976	2002	1918
25+	2028	1991	3079	3033
All	4472	4149	24553	24257

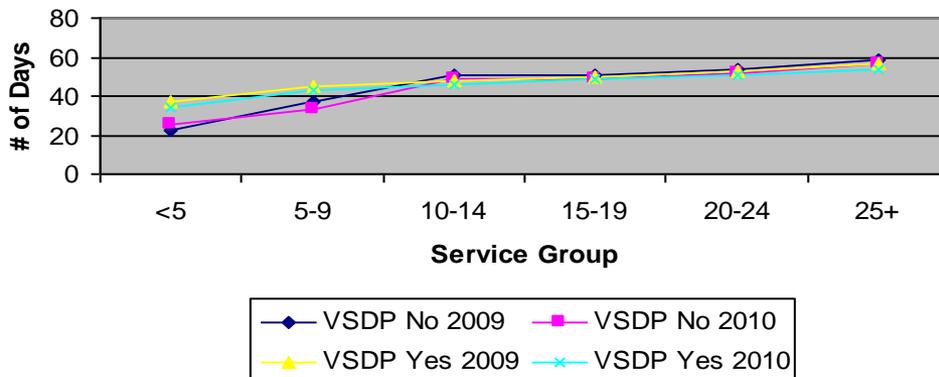
Employee Average Overall Leave Usage



Average Overall Leave Taken Excluding Holidays



Average Overall Leave Taken Including Holidays



- Essentially the same trend for all groups and between 2009 and 2010.
- Trends upward with increasing years of service.
- Excluding holidays, ranges from 7 days to almost 43 days of leave.
- Including holidays, highest tenure groups used close to 58 days of leave.
- Some variation in the lower tenure groups due to small numbers in the non-VSDP population.

Employee Overall Leave Usage - Details



Overall Leave Usage Excluding Holidays

Service Grp	VSDP No 2009	VSDP No 2010	VSDP Yes 2009	VSDP Yes 2010
<5	6.92	11.73	21.58	21.00
5-9	21.33	20.14	29.29	29.36
10-14	34.82	34.98	32.26	32.61
15-19	34.75	35.24	34.28	34.88
20-24	37.96	38.19	36.77	36.99
25+	42.86	42.62	40.87	40.43
All	38.90	39.00	29.90	30.21

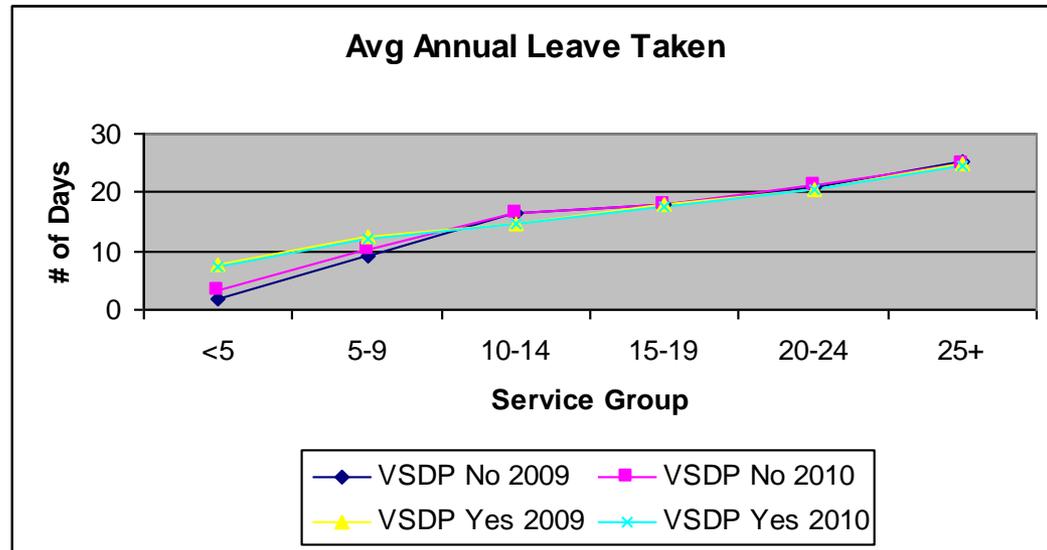
Overall Leave Usage Including Holidays

Service Grp	VSDP No 2009	VSDP No 2010	VSDP Yes 2009	VSDP Yes 2010
<5	22.42	25.23	37.08	34.50
5-9	36.83	33.64	44.79	42.86
10-14	50.32	48.48	47.76	46.11
15-19	50.25	48.74	49.78	48.38
20-24	53.46	51.69	52.27	50.49
25+	58.36	56.12	56.37	53.93
All	54.40	52.50	45.40	43.71

Employee Average Annual Leave Usage



- Annual Leave usage increases with tenure.
- Those with <5 years service, use ~60% of annual leave accrual.
- Those with >5 years of service, use ~80%+ of the annual accrual amount.
- Similar usage levels across groups.
- Similar usage levels between 2009 and 2010.



Service Grp	VSDP No 2009	VSDP No 2010	VSDP Yes 2009	VSDP Yes 2010
<5	2.00	3.35	7.63	7.34
5-9	9.18	10.16	12.31	12.01
10-14	16.47	16.54	14.78	14.68
15-19	17.75	17.78	17.75	17.50
20-24	20.77	21.10	20.66	20.48
25+	25.12	24.96	24.91	24.58
All	21.50	21.60	14.00	14.00

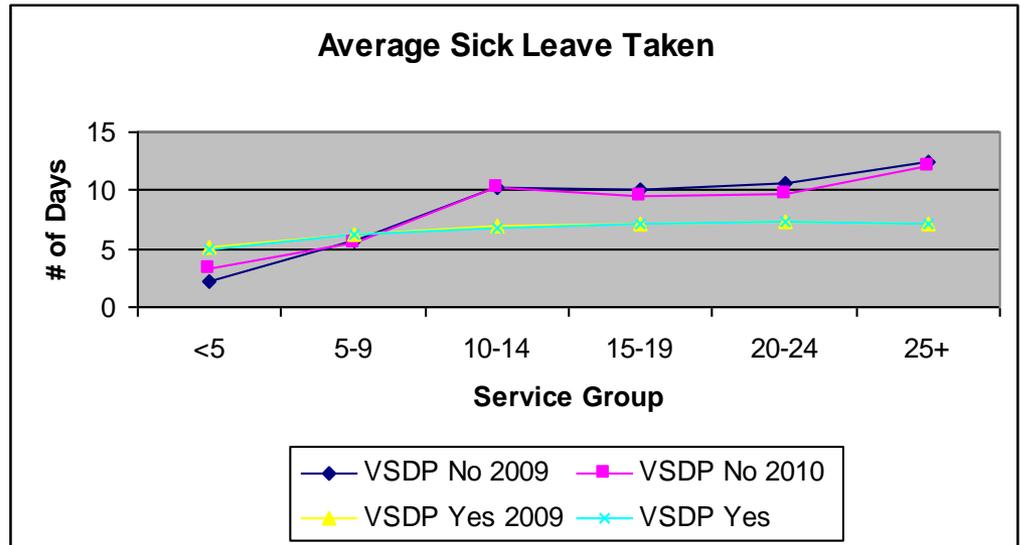
Employee Average Sick Leave Usage



- Sick Leave usage shows little variance at the lower tenure levels, but shows more variance after 9 years of service.

- Sick Leave usage is relatively flat for VSDP participants across tenure groups.

- Sick Leave usage increases with tenure for non-VSDP participants. Generally, sick leave usage is ~70% of amount provided.

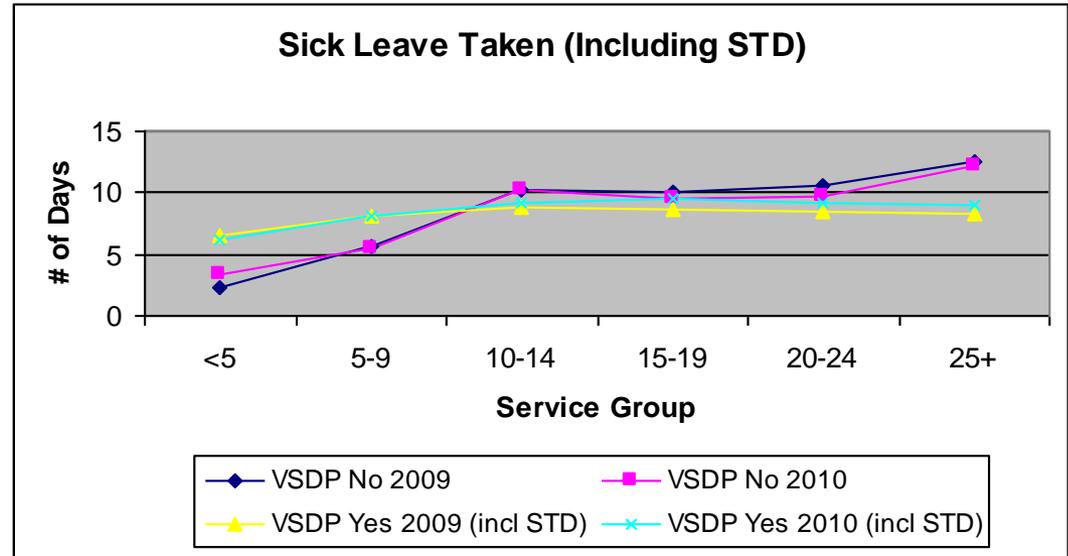


Service Grp	VSDP No 2009	VSDP No 2010	VSDP Yes 2009	VSDP Yes 2010
<5	2.26	3.34	5.18	4.99
5-9	5.62	5.46	6.26	6.22
10-14	10.16	10.31	6.93	6.85
15-19	10.13	9.57	7.16	7.16
20-24	10.62	9.78	7.33	7.30
25+	12.47	12.15	7.13	7.07
All	11.22	10.79	6.30	6.28

Employee Average Sick Leave – STD Implications



- When including average use of STD, "sick" time for VSDP participants remains similar to or less than that of non-VSDP participants.

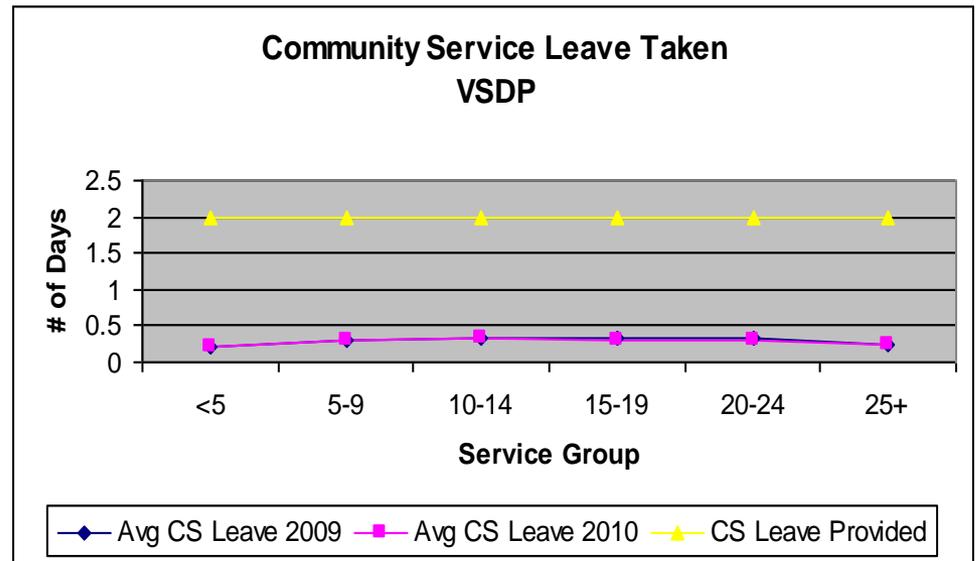


Service Grp	VSDP No 2009	VSDP No 2010	VSDP Yes 2009 (incl STD)	VSDP Yes 2010 (incl STD)
<5	2.26	3.34	6.46	6.22
5-9	5.62	5.46	8.08	8.19
10-14	10.16	10.31	8.88	9.19
15-19	10.13	9.57	8.60	9.52
20-24	10.62	9.78	8.49	9.22
25+	12.47	12.15	8.37	8.97

Employee Average Community Service Leave Usage



- Usage is similar across groups and across years.
- Usage declines slightly with tenure.
- Usage is much less than what is provided.

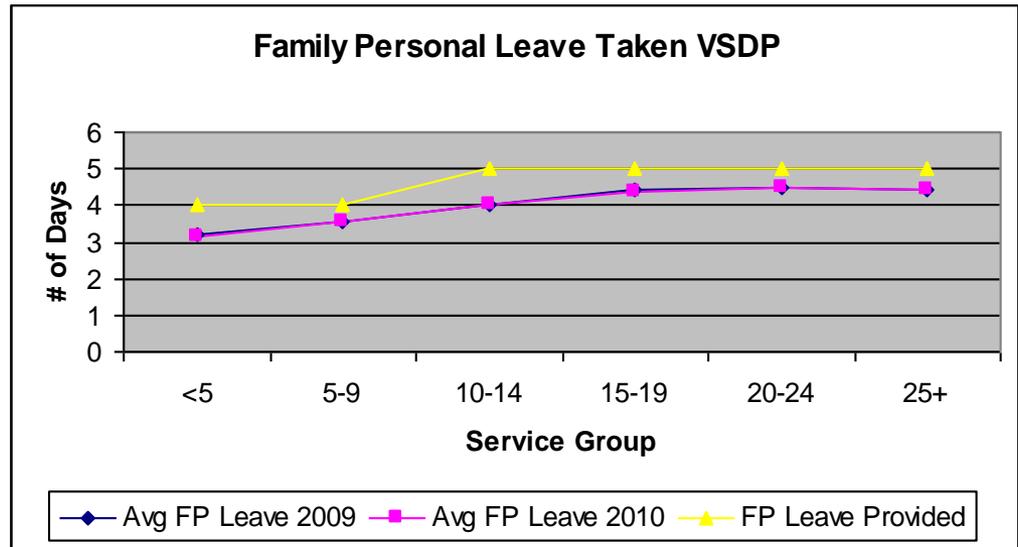


Service Grp	Avg CS Leave 2009	Avg CS Leave 2010	CS Leave Provided
<5	0.20	0.21	2
5-9	0.30	0.29	2
10-14	0.34	0.33	2
15-19	0.33	0.31	2
20-24	0.32	0.31	2
25+	0.24	0.24	2
All	0.27	0.27	2

Employee Average Family/Personal Leave Usage



- Family/Personal Leave is only available to VSDP participants.
- Usage increases with tenure.
- Usage tracks closely with level provided.

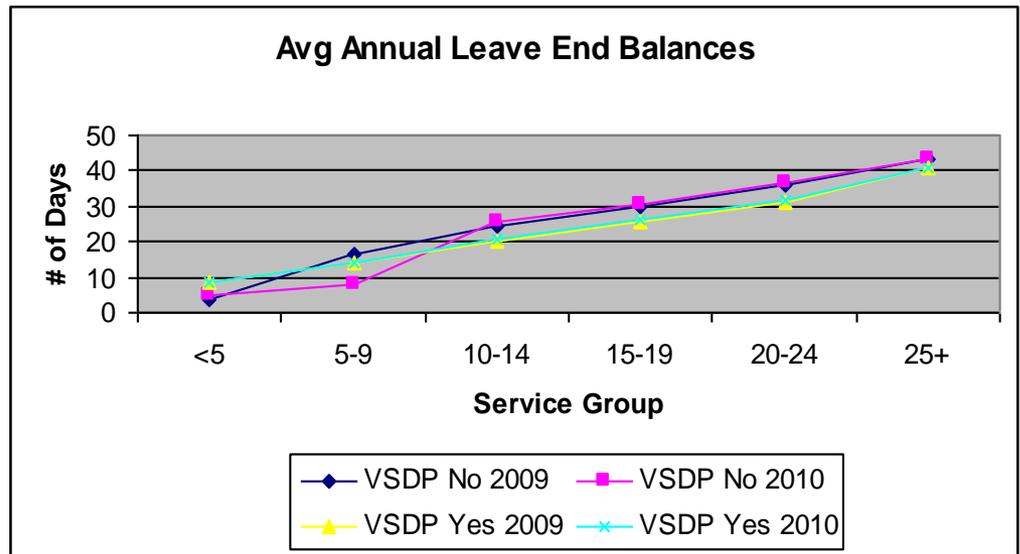


Service Grp	Avg FP Leave 2009	Avg FP Leave 2010	FP Leave Provided
<5	3.19	3.12	4
5-9	3.54	3.53	4
10-14	4.00	4.03	5
15-19	4.41	4.39	5
20-24	4.51	4.46	5
25+	4.41	4.41	5
All	3.76	3.77	

Employee Average Annual Leave End Balances



- Annual Leave End Balances are similar across groups and across years.
- End Balances increase with tenure.
- Average End Balances are close to number of days for the highest tenure groups.



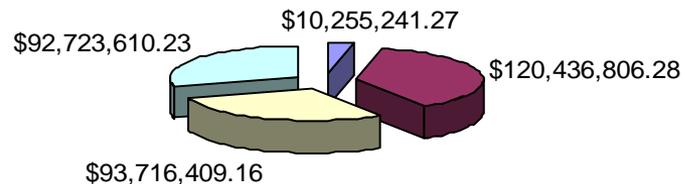
Service Grp	VSDP No 2009	VSDP No 2010	VSDP Yes 2009	VSDP Yes 2010	Max Balance	Max Payout
<5	3.50	4.59	8.80	8.44	24.00	24.00
5-9	16.39	7.63	14.10	14.11	30.00	30.00
10-14	24.61	25.38	19.99	20.50	36.00	36.00
15-19	29.81	30.33	25.72	26.46	42.00	36.00
20-24	35.90	36.59	31.40	31.87	48.00	42.00
25+	43.36	43.38	40.72	40.97	54.00	42.00
All	36.56	37.20	14.00	19.53		



Cost of Leave

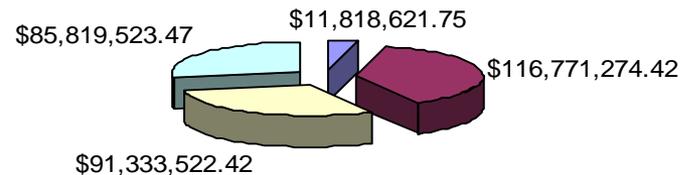
- Annual Leave liability costs approaches leave usage costs for annual, family/personal, sick, and community service leave.
- Sick Leave liability costs for non-VSDP participants are almost equal to annual leave liability costs for both groups.

2009 Leave Costs
(Annual, Family/Personal, Sick, Community Service)



- total cost of payouts (turnover/retirement)
- total cost of leave usage (sick, CS, AL, FP)
- total liability for AL end balances
- total liability for sick leave end balances

2010 Leave Costs
(Annual, Family/Personal, Sick, Community Service)

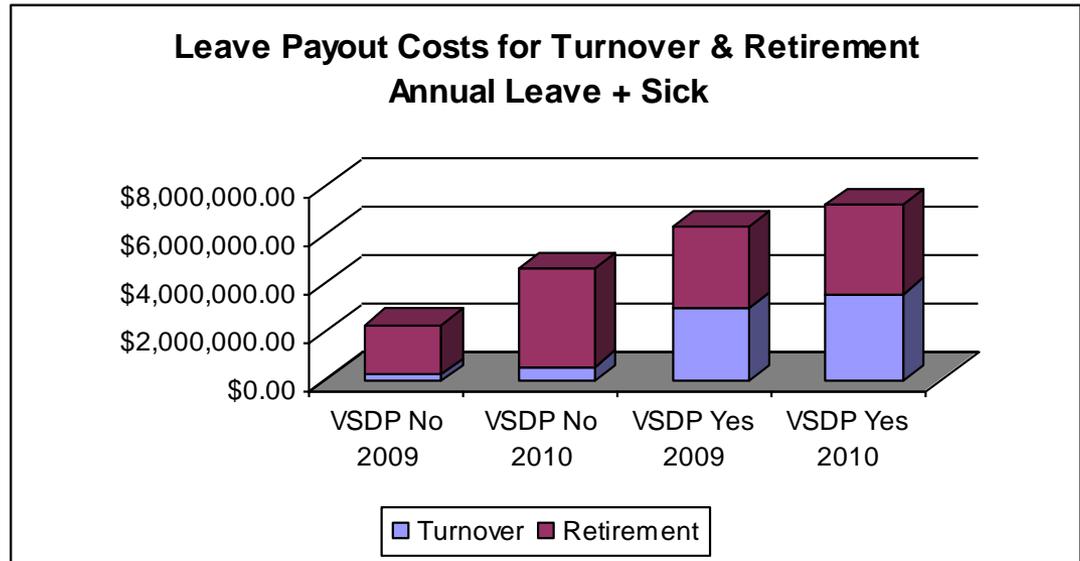


- total cost of payouts (turnover/retirement)
- total cost of leave usage (sick, CS, AL, FP)
- total liability for AL end balances
- total liability for sick leave end balances



Cost of Leave Payout

- Retirement payout costs are a greater percentage of total payout costs for non-VSDP participants.
- Retirement payout costs increased for both groups from 2009 to 2010.
- Turnover costs also increased for both groups from 2009 to 2010.

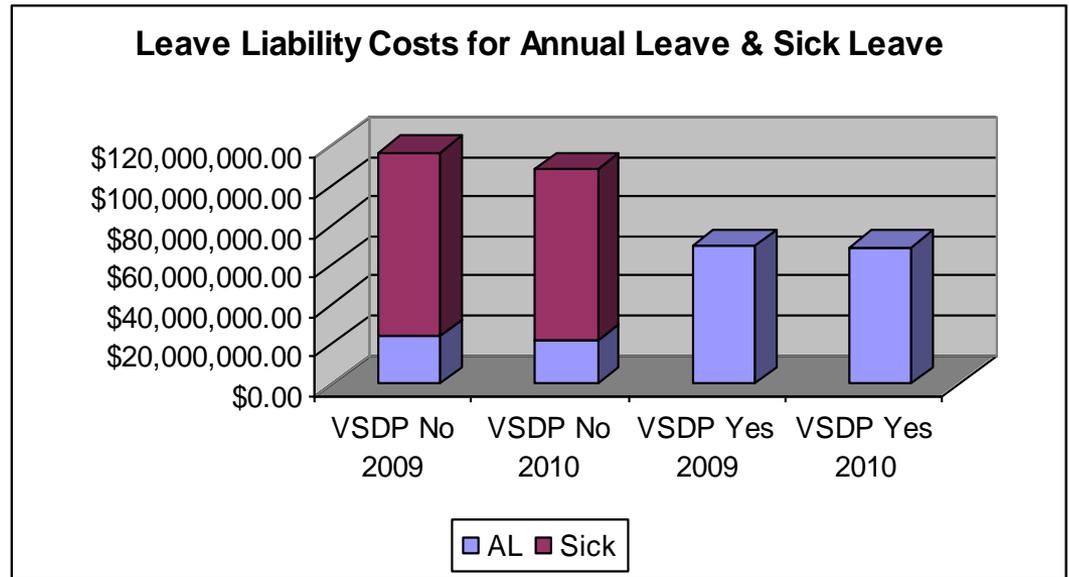


	VSDP No 2009	VSDP No 2010	VSDP Yes 2009	VSDP Yes 2010
Turnover	\$248,351.41	\$549,474.51	\$2,924,802.30	\$3,540,535.74
Retirement	\$2,026,262.42	\$4,010,321.38	\$3,426,184.82	\$3,718,290.12
Turnover %	1.1%	1.8%	7.2%	8.2%
Retirement %	5.9%	7.3%	2.2%	2.4%



Cost of Leave Liability

- Sick leave liability costs for non-VSDP participants is significant.
- As the population decreases, non-VSDP sick leave liability is decreasing.
- Annual Leave liability generally level for VSDP participants.
- Annual Leave liability decreased slightly for non-VSDP participants due to decreasing population.

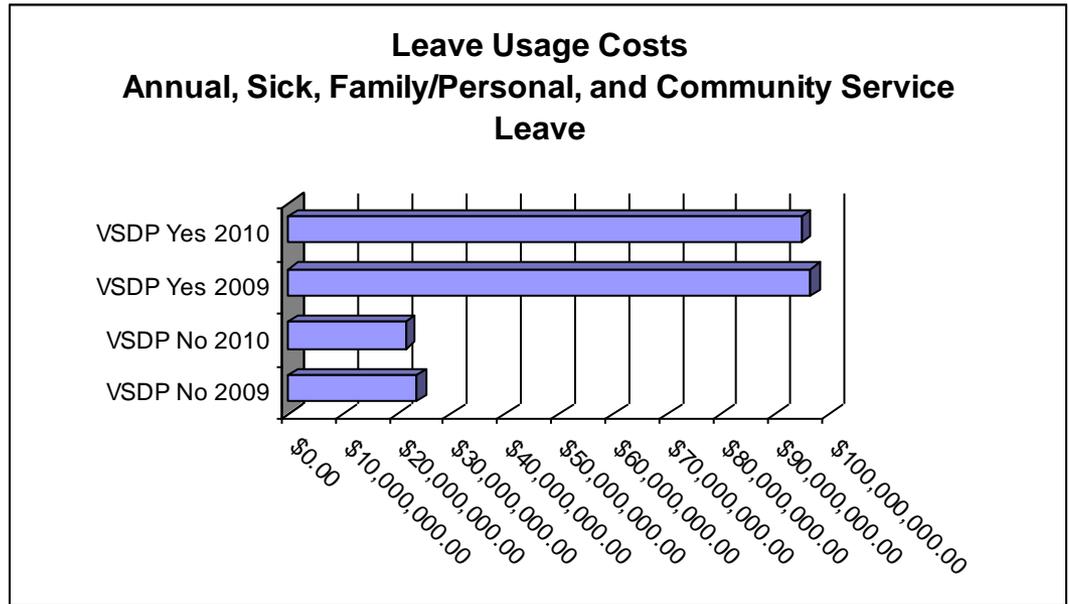


	VSDP No 2009	VSDP No 2010	VSDP Yes 2009	VSDP Yes 2010
AL	\$24,193,093.52	\$22,235,341.57	\$69,523,315.64	\$69,098,180.86
Sick	\$92,723,610.23	\$85,819,523.47		



Cost of Leave Annual, Sick, FP, and CS

- 2009 cost was \$120.4 million for both groups.
- 2010 cost was \$116.7 million for both groups.
- Usage costs decreased for VSDP participants in 2010 (population decreased).
- Usage costs decreased for non-VSDP participants (population decreased).



	VSDP No 2009	VSDP No 2010	VSDP Yes 2009	VSDP Yes 2010
AL+Sick+FP+CS	\$23,826,189.85	\$21,829,119.55	\$96,610,616.43	\$102,678,869.46

Proposed Leave Program Focus Group Participants



- Employee Group (LEAG)
 - Positions include trades, compliance, managers, finance, administrative support, and operations.
 - Agency representation includes DEQ, DGS, DMAS, DMV, DOC, DRS, TAX, VCU, VDACS, VDH, and VDOT (includes volunteers from VGEA)
- Agency Human Resource officers
- Budget Staff
- Legislative Staff
- Governor's Office Staff

# selected for LEAG	25
# male	12
# female	13
# tenure 0-2	5
# tenure 3-5	4
# tenure 6-9	4
# tenure 10-14	4
# tenure 15+	8
# PB 1-3	7
# PB 4-6	18
# PB 7-9	0
white	16
black	8
other	1
age 20-30 yrs	3
age 31-40 yrs	5
age 41-50 yrs	7
age 51-60 yrs	10
age 61-70 yrs	0
age 71+ yrs	0



Proposed Framework

- 2 Key Components

1. Transition from the current to the new.
 - What happens to existing balances?

2. The design of the new leave program.
 - What does it look like?
 - How would it work?



Transition – Current to New Existing Balances

- Annual Leave balances up to the current maximum payout levels are maintained.
 - Portion rolls over to the new Leave Program (up to 15 days or 120 hours).
 - Remainder is “frozen” for payout.

Proposed New Leave Program

Key Features



- Personal Time Off
 - Use for any reason
 - Eliminate separate Annual Leave, Family/Personal Leave, Community Service Leave, and VSDP Sick Leave
- Amount of PTO based on tenure

Tenure Group (in years) Proposed	# of PTO Days (Hours) VSDP Only	# of PTO Days (Hours) Non-VSDP Only
<4	25 (200)	13 (104)
4-9	27 (216)	16 (128)
10-14	29 (232)	19 (152)
15-24	31 (248)	25 (200)
25+	35 (280)	28 (224)

Example 1

Jane Employee, 12 years of service

has maximum carryover for AL (288 hours, 36 days)

New Leave Program

168 hours (21 days) is frozen and "banked" for future payout (resignation, retirement for example)

120 hours (15 days) moves to new leave program

Year 1		
	Days	Hours
Carryover from previous year	15.0	120
PTO credit - Jan 10	14.5	116
Total available Jan 10 - Jul 9	29.5	236
PTO credit - Jul 10	14.5	116
Total available remainder of leave year	44.0	352
Less leave used to date	29.0	232
Carryover to next year	15.0	120

Jane used 29 days during year 1

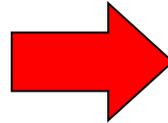
Jane has carryover of 15 days to year 2



Example 2

Jane has a repeat of Year 1 in Year 2

Year 2 (looks the same as year 1)		
	Days	Hours
Carryover from previous year	15.0	120
PTO credit - Jan 10	14.5	116
Total available Jan 10 - Jul 9	29.5	236
PTO credit - Jul 10	14.5	116
Total available remainder of leave year	44.0	352
Less leave used to date	29.0	232
Carryover to next year	15.0	120



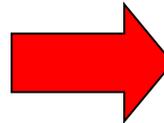
Year 3		
	Days	Hours
Carryover from previous year	15.0	120
PTO credit - Jan 10	14.5	116
Total available Jan 10 - Jul 9	29.5	236
PTO credit - Jul 10	14.5	116
Total available remainder of leave year	44.0	352
Less leave used to date	29.0	232
Carryover to next year	15.0	120



Example 3

Jane takes some long trips and uses 38 PTO days in Year 2

Year 2 - uses more PTO		
	Days	Hours
Carryover from previous year	15.0	120
PTO credit - Jan 10	14.5	116
Total available Jan 10 - Jul 9	29.5	236
PTO credit - Jul 10	14.5	116
Total available remainder of leave year	44.0	352
Less PTO used to date	38.0	304
Carryover to next year	6.0	48



Year 3		
	Days	Hours
Carryover from previous year	6.0	48
PTO credit - Jan 10	14.5	116
Total available Jan 10 - Jul 9	20.5	164
PTO credit - Jul 10	14.5	116
Total available remainder of leave year	35.0	280
Less PTO used to date	0.0	0
Carryover to next year	15.0	120

Comparison Current & Proposed



PROPOSED				CURRENT					
Tenure Group (in years)	# of PTO Days (Hours) VSDP	# of PTO Days (Hours) Non-VSDP	# of Carryover Days (Hours)	AL Days Accrued (Hours)	F/P Days Available (Hours) VSDP Only	SL Days Available (Hours) VSDP Only	CS Leave Days Available (Hours)	Total Possible Days VSDP (Hours)	Total Possible Days non-VSDP (Hours)
<4	25 (200)	13 (104)	15 (120)	12 (96)	4 (32)	8 (64)	2 (16)	26 (208)	14 (112)
4-9	27 (216)	16 (128)	15 (120)	12-15 (96-120)	4 (32)	8-9 (64-72)	2 (16)	26-30 (208-240)	14-17 (112-136)
10-14	29 (232)	19 (152)	15 (120)	18 (144)	5 (40)	10 (80)	2 (16)	35 (280)	16 (128)
15-24	31 (248)	25 (200)	15 (120)	21-24 (168-192)	5 (40)	10 (80)	2 (16)	38-41 (304-328)	23-26 (184-208)
25+	35 (280)	28 (224)	15 (120)	27 (216)	5 (40)	10 (80)	2 (16)	44 (352)	29 (232)

Outcomes

Current and Proposed



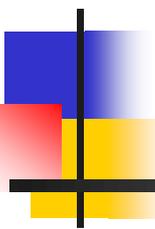
PROPOSED				CURRENT				DIFFERENCE			
Tenure Group (in years)	# of PTO Days (Hours) VSDP	# of PTO Days (Hours) Non-VSDP	# of Carryover Days (Hours)	Current Total Possible Days VSDP (Hours)	Current Total Possible Days non-VSDP (Hours)	Avg Days Used 2010		Difference (Used and Proposed)		Difference Including Maximum Carryover (Used and Proposed)	
						VSDP	Non-VSDP (AL + CS only)	VSDP	Non-VSDP	VSDP	Non-VSDP
<4	25 (200)	13 (104)	15 (120)	26 (208)	14 (112)	13.59	3.37	11.41	9.63	18.7	13.88
4-9	27 (216)	16 (128)	15 (120)	26-30 (208-240)	14-17 (112-136)	21.7	9.33	5.3	6.67	18.76	16
10-14	29 (232)	19 (152)	15 (120)	35 (280)	16 (128)	25.89	16.78	3.11	2.22	18.11	17.22
15-24	31 (248)	25 (200)	15 (120)	38-41 (304-328)	23-26 (184-208)	30.92	19.86	0.08	5.14	15.08	20.14
25+	35 (280)	28 (224)	15 (120)	44 (352)	29 (232)	36.3	25.15	-1.3	2.85	13.7	24.85



Potential Results

- Simplification
 - Reduced # of leave categories
 - Flexibility – employee & agency
 - Simplified crediting approach
- Efficiency
 - All-purpose leave
- Cost
 - Reduced liability

Time, Attendance and Leave (TAL)





TAL Business Issues

- Labor intensive manual process for most state agencies
- Complicated policy-driven process
- Compliance issues with state and federal laws
- Estimated \$50 million spent annually on human capital efforts for TAL



TAL Desired Outcomes

- Improve workflow with more efficient automated process
 - Eliminate the need to manually key time and leave into CIPPS
 - Reduce keying errors by reducing number of times that information is keyed
 - Enable employees to track and enter their own time and submit leave requests
 - Reduce staff workload through the elimination of certain paper handling
 - Allow timely reporting, approval and processing of timesheets and leave request slips
 - Enable supervisors to review and approve timesheets and leave slips while working remotely
 - Eliminate lost timesheets and leave slips
 - Eliminate mailing cost
 - Reduce paper use and storage
 - Streamline grants billing
- Improve auditing and error resolution related to time and leave information.
- Remove reliance on difficult to secure end-user databases and spreadsheets for the tracking of time and leave
- Improve compliance with employment law, state policy and ARMICS



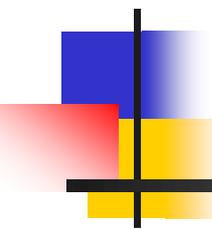
TAL Technology

- Leverage interface technology already in place
- Implement a Web-enabled TAL application that will reside in the existing Windows server environment
- Available through the Employee Portal
- No modifications to legacy systems required



Key Dates on TAL Project

- November 11, 2010 - TAL project was recommended by Governor McDonnell's Commission on Government Reform and Restructuring
- June 1, 2011- TAL project received grant approval for project staff from the Productivity Investment Fund (PIF) Executive Committee
- August 12, 2011 - TAL project request was approved by the VITA Chief Information Officer for inclusion in the DHRM information technology strategic plan
- August 16, 2011 - TAL project request received VITA Investment Business Case Approval (Planning Approval)
- October 10, 2011 - TAL Project Manager employed
 - Restricted, time-limited position
 - Completing project charter and project plan as required by VITA



QUESTIONS???
