



Commonwealth of Virginia Compensation and Benefits

Department of Human Resource Management

House Appropriations Committee
Compensation and Retirement Subcommittee
General Assembly Building, Richmond, VA
January 24, 2008

Employment Level

■ 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

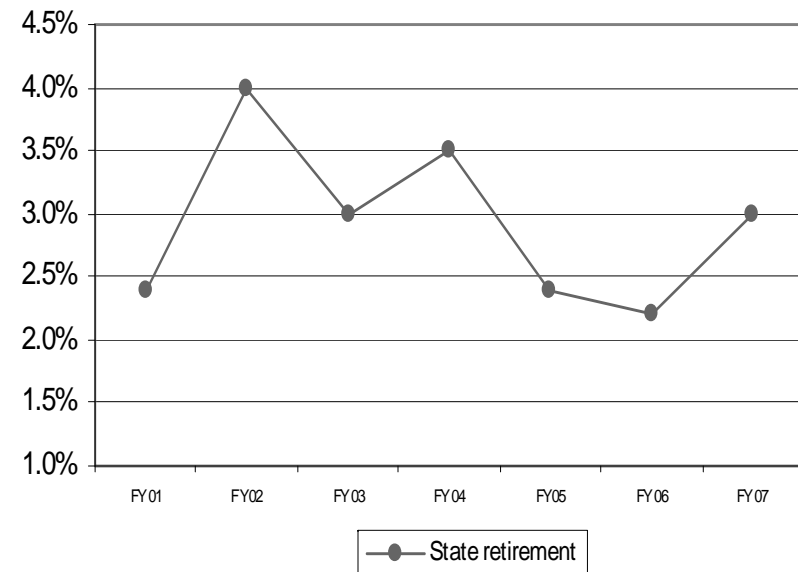
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■ Average Age	46 yrs
■ Average Years of Service	11.0 yrs
■ Gender Male	45.8%
Female	54.2%
■ Race Minority	34.0%
Non-Minority	66.0%
■ Veteran Veteran	9.9%
Non-Veteran	90.1%

Classified Employees Retirement Eligibility

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

Retirement Trends



Classified Employees 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	193	38.3%
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

- 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

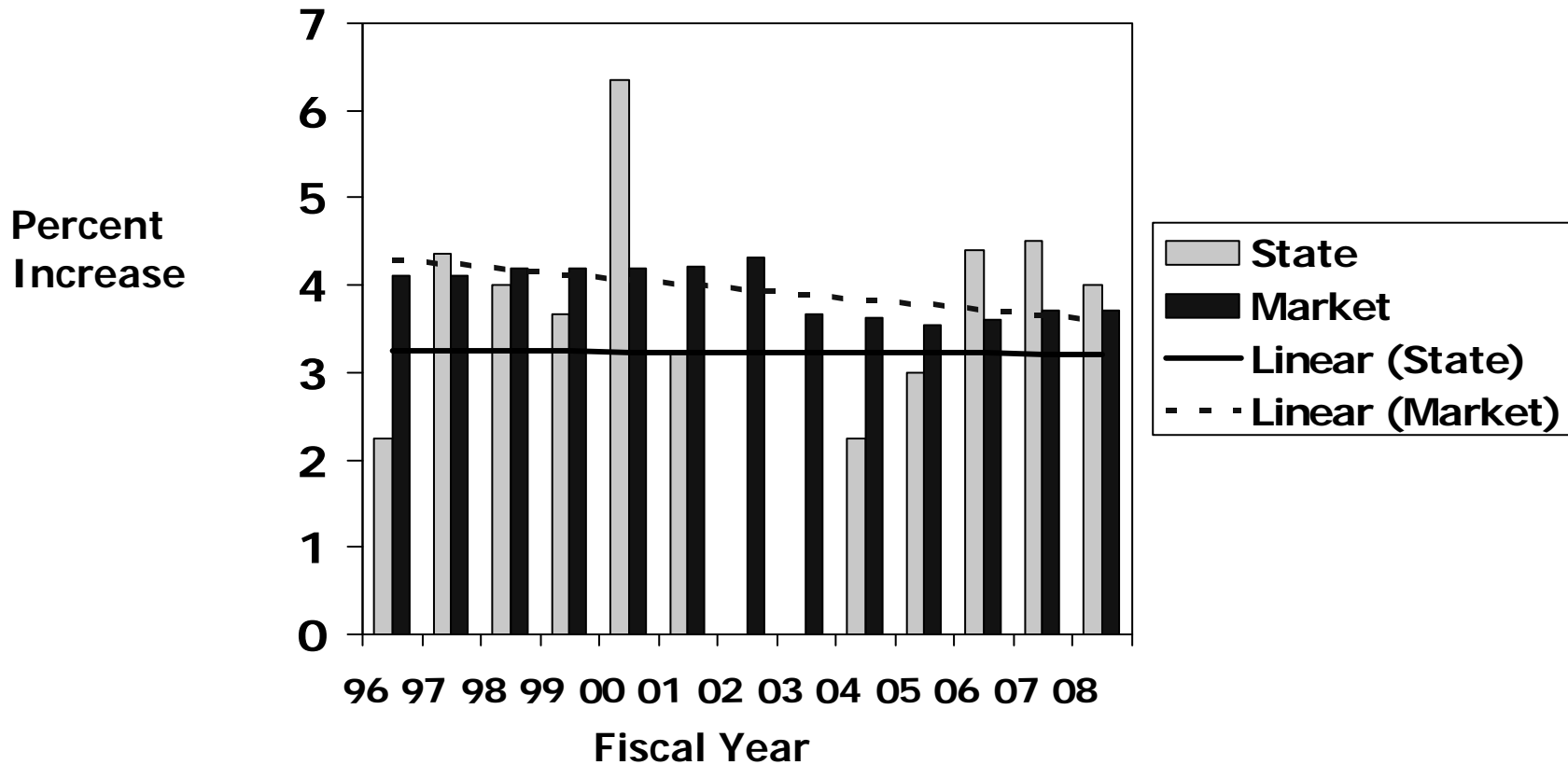
- Total pay actions taken 36,638
- Total pay adjustments 26,238
- Average pay adjustment 2.23%

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%

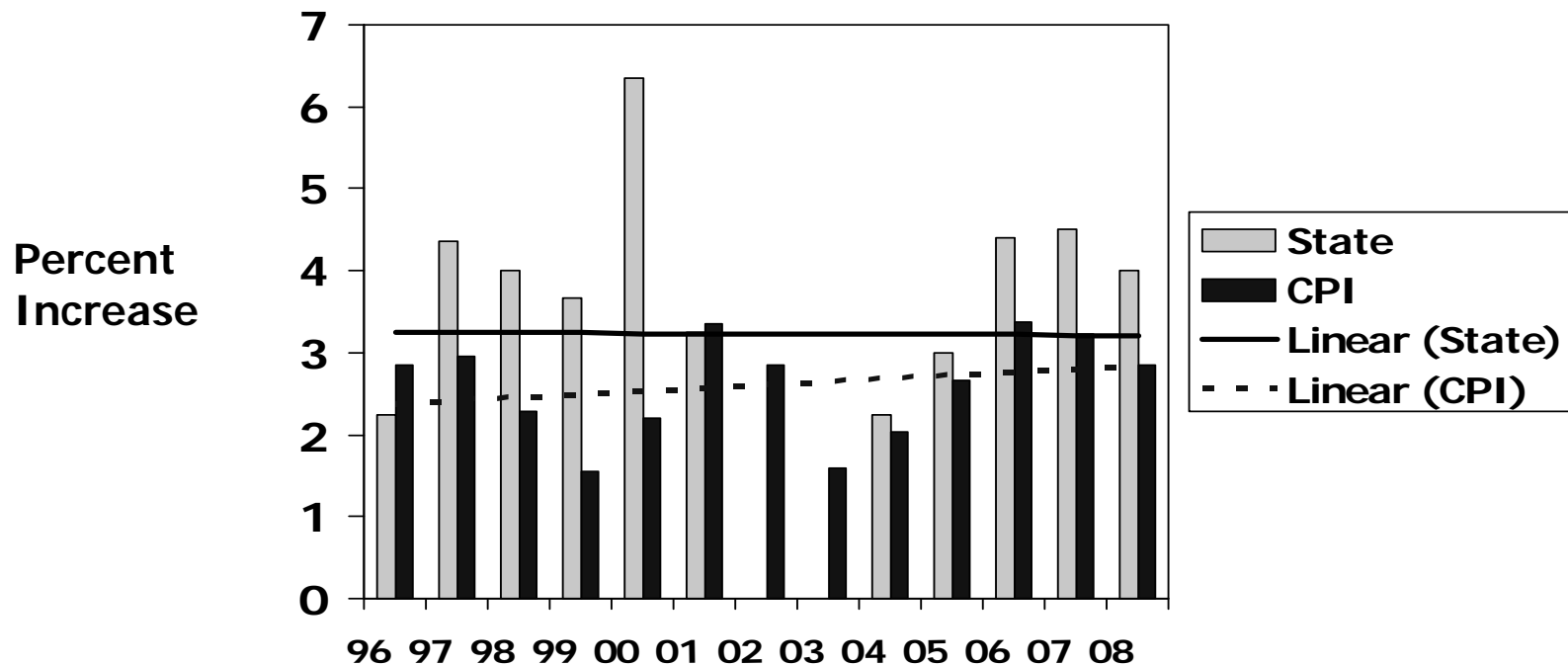
State Employee Salary Comparison Market Increases

- 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

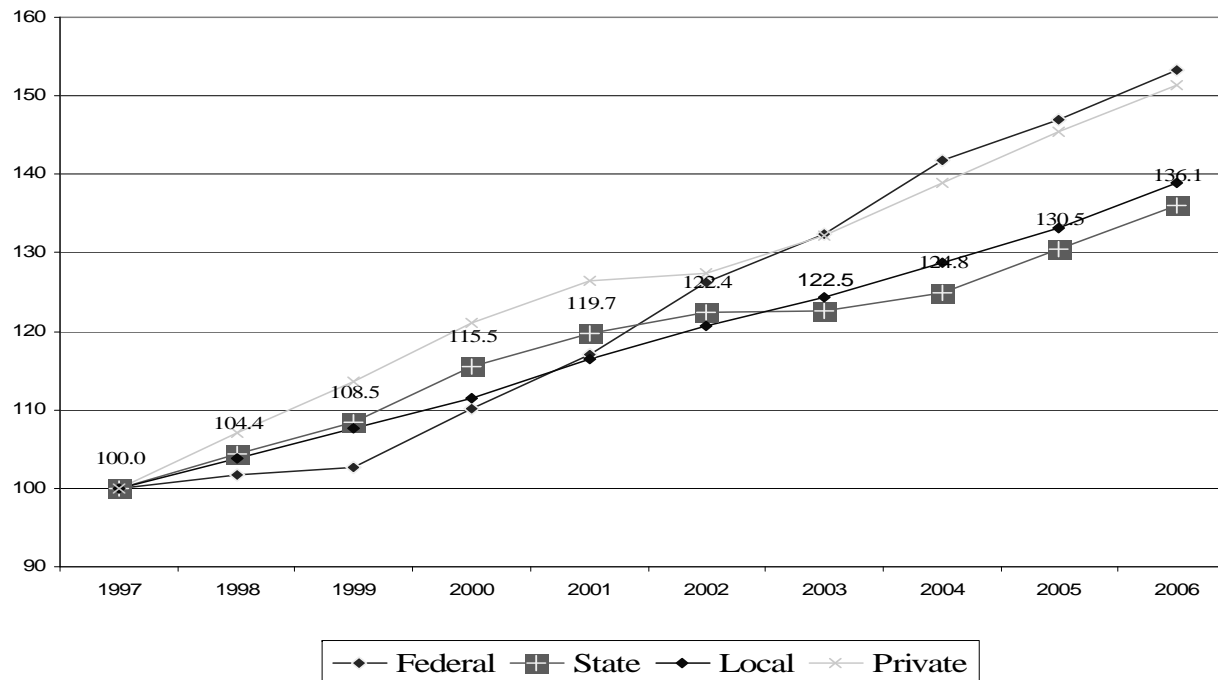
- On average, State salaries for selected occupations are 15.2% below Private Industry
- State more competitive when benefits considered

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%
Locality Average	3.31%	3.85%	3.90%	3.78%	4.51%
State Employees	2.25%	3.00%	4.40%	4.50%	4.00%



State Employee Salary Comparison National Market

- 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



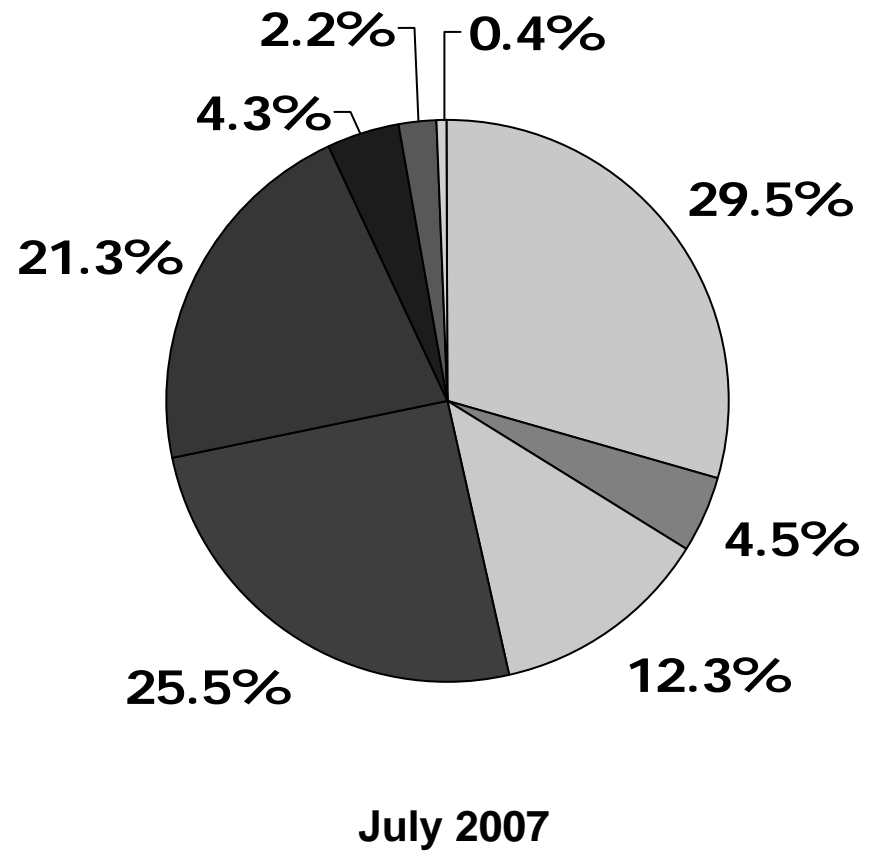
State Health Benefits

FY 08

Enrollment by Plan

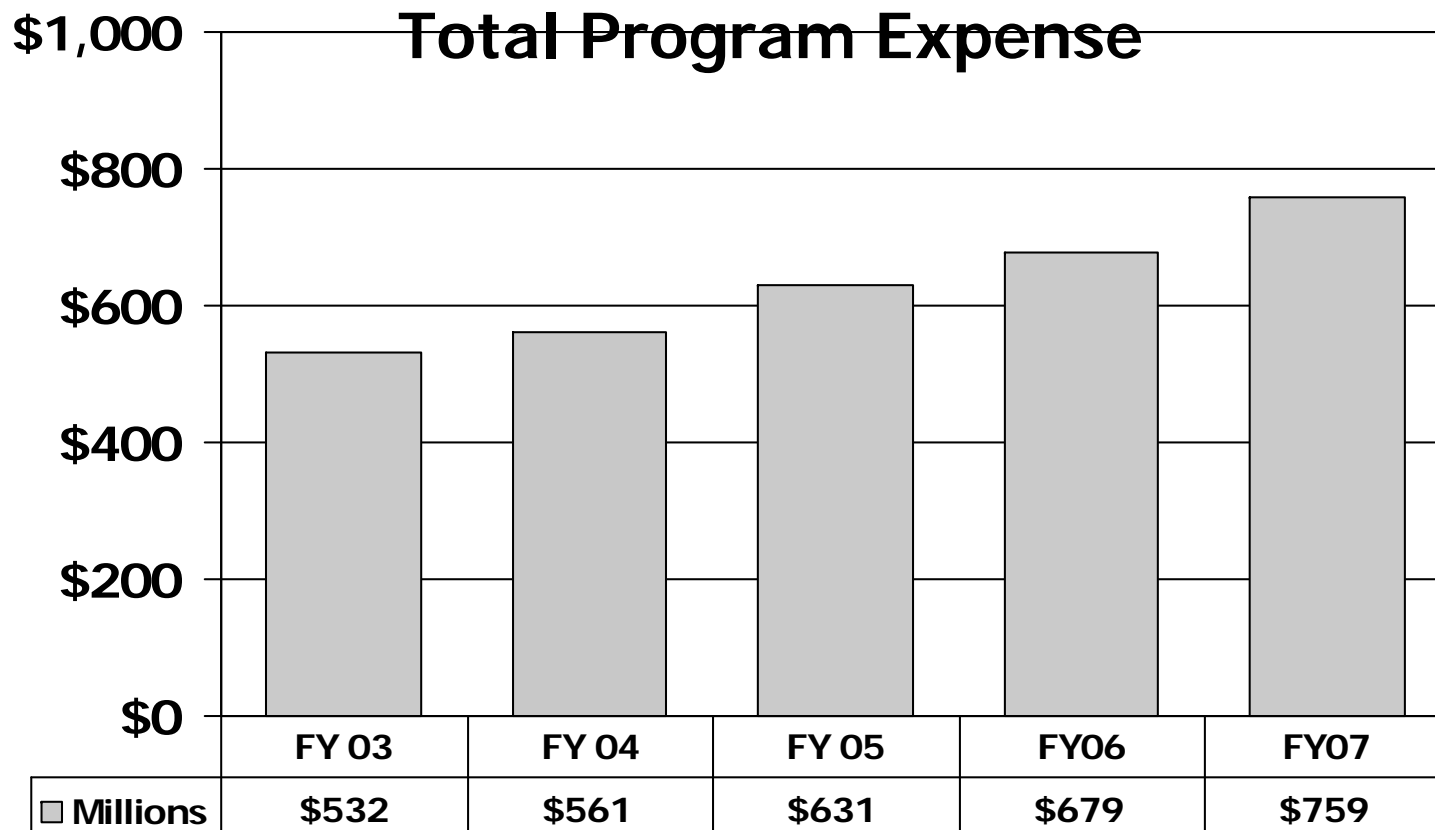
- 94,645 enrolled in all plans

- COVA Care Basic
- COVA Care + Out-of-Network
- COVA Care + Expanded Dental
- COVA Care + Out-of-Network and Expanded Dental
- COVA Care + Vision, Hearing Expanded Dental
- COVA Care + Out-of-Network, Vision, Hearing, Expanded Dental
- Kaiser
- COVA HDHP



Cost Trends

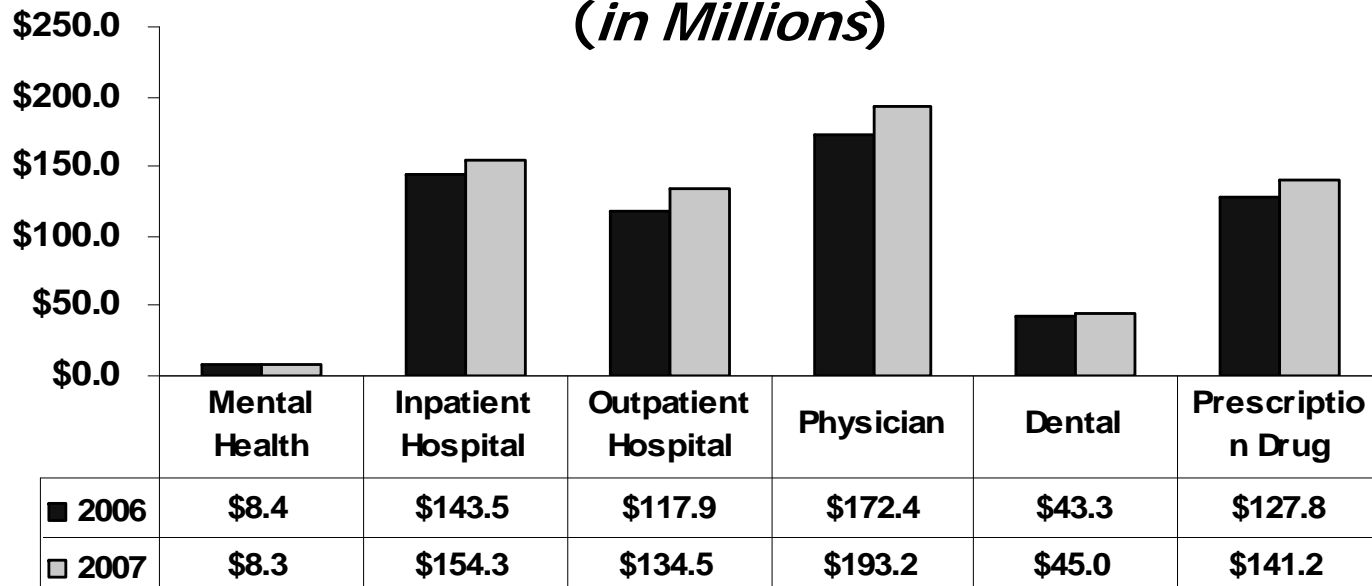
- Total program expense increased 12% in FY 07



Claims Expense

- \$676.5 million total claims in FY 07
- 10.2% increase in FY 07 from prior year
- 11.2 % national trend increase in FY 07

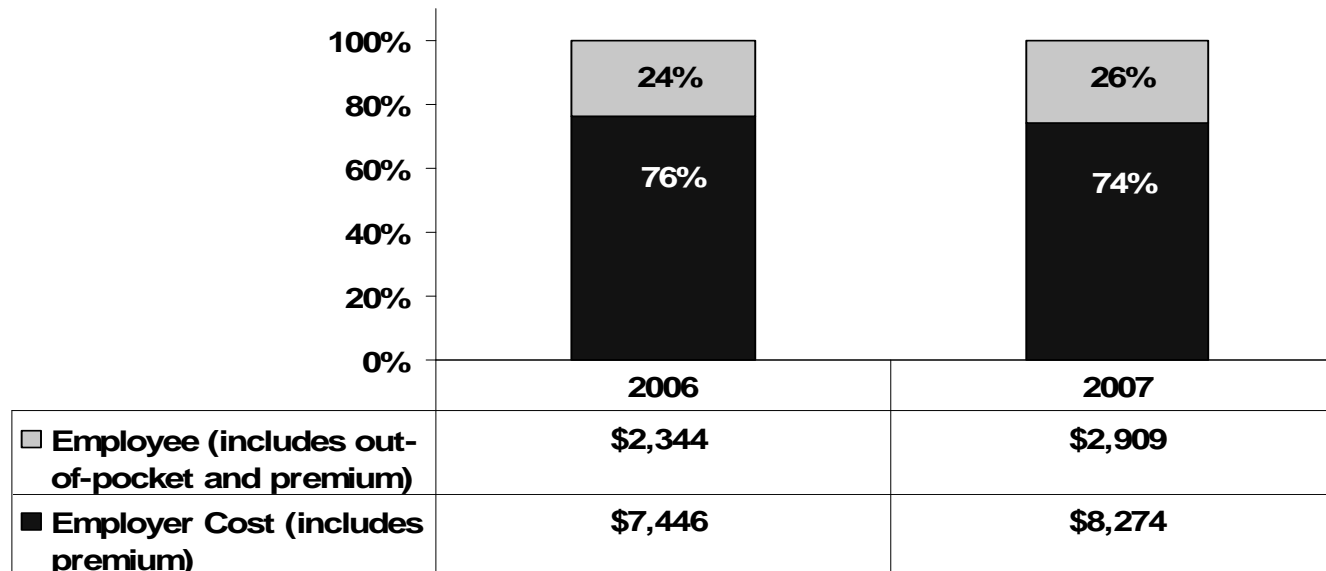
Total Claims Paid (in Millions)



Claims Expense

- \$11,183 total claims cost per employee in FY 07

Total State Health Benefits Cost Per Employee



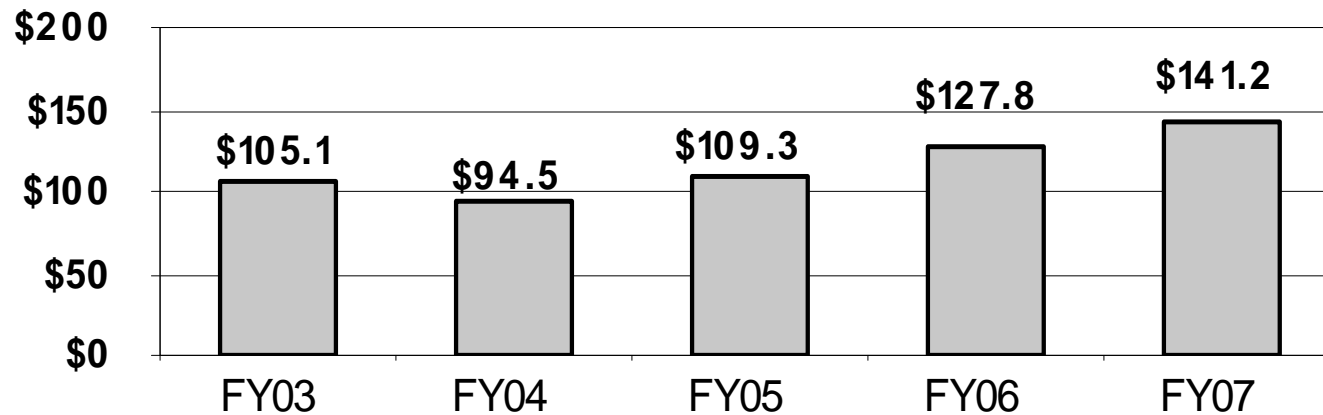
*Employee contribution to premium varies by dependent coverage, In general, premium represents 12 percent of total employee cost.

Cost Drivers

Pharmacy

- Pharmacy costs up 11% in FY 07

Total Pharmacy Expense (In Millions)

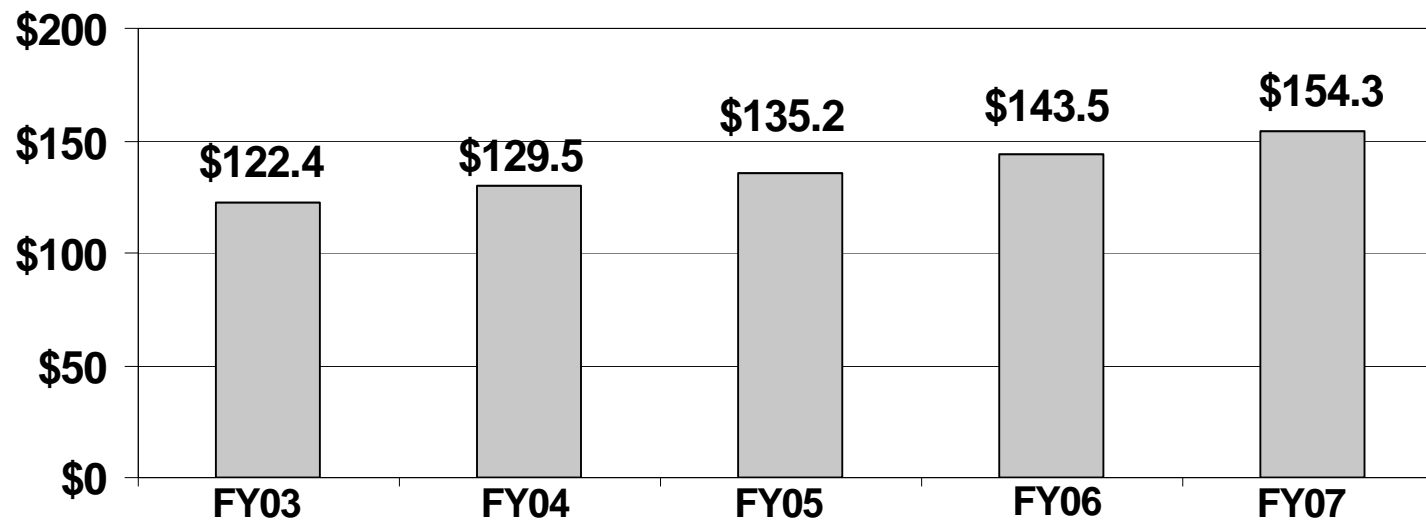


Cost Drivers

Inpatient Facilities

- Inpatient facility costs up 8% in FY 07

Total Inpatient Facility Expense (In Millions)

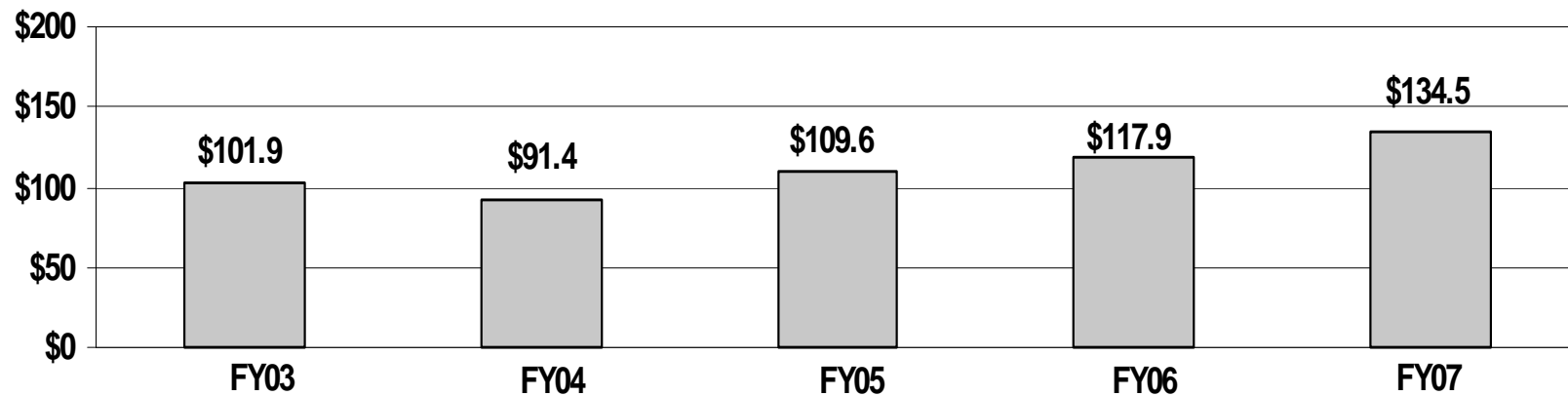


Cost Drivers

Outpatient Facilities

- Outpatient facility costs up 14% in FY 07

Total Outpatient Facility Expense (In Millions)

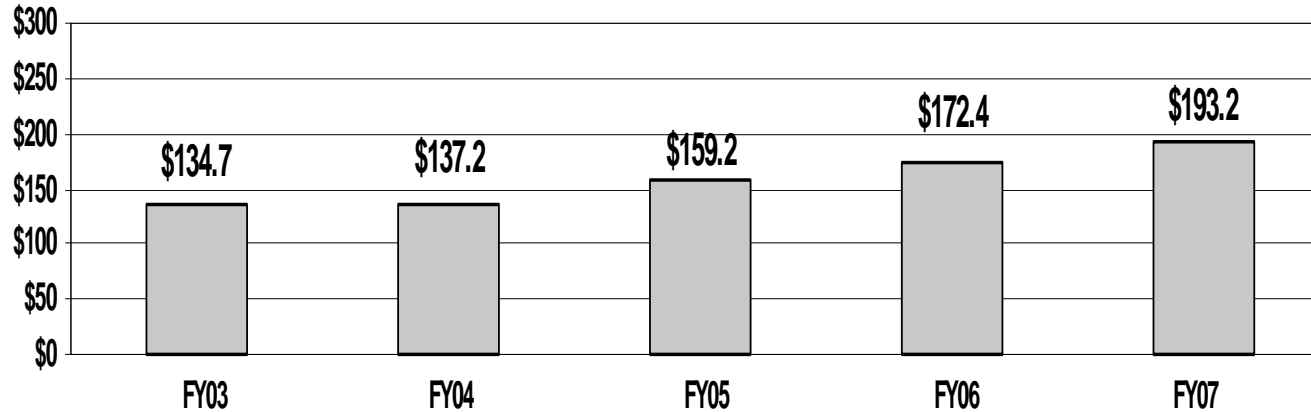


Cost Drivers

Physicians

- Physician costs up 12% in FY 07

Total Physician Expense (In Millions)

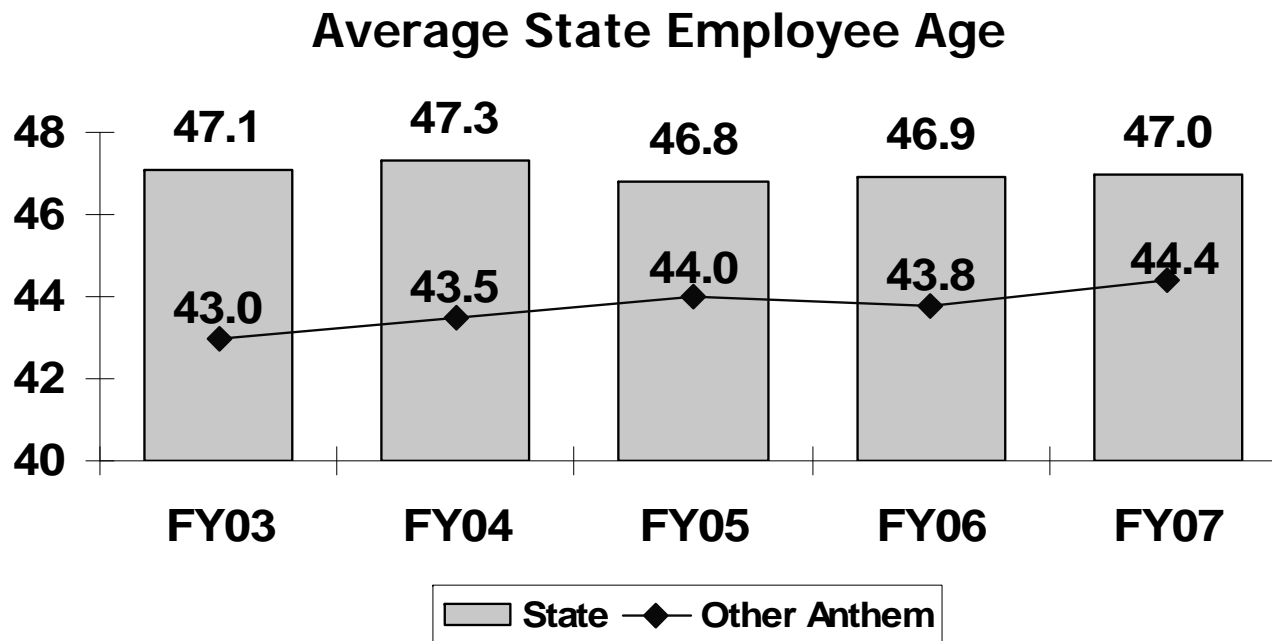


Cost Drivers

Age

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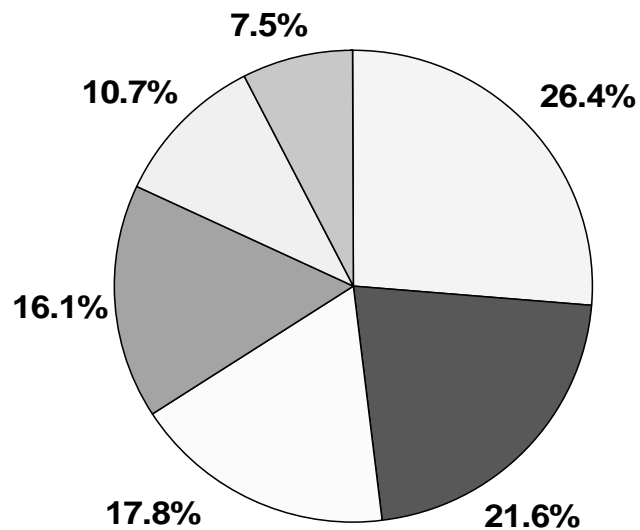
- State employee age is older than other Anthem business



Impact of Lifestyle

- \$141+ million in medical claims
- 22.1% of total medical expense

Lifestyle Related Claims

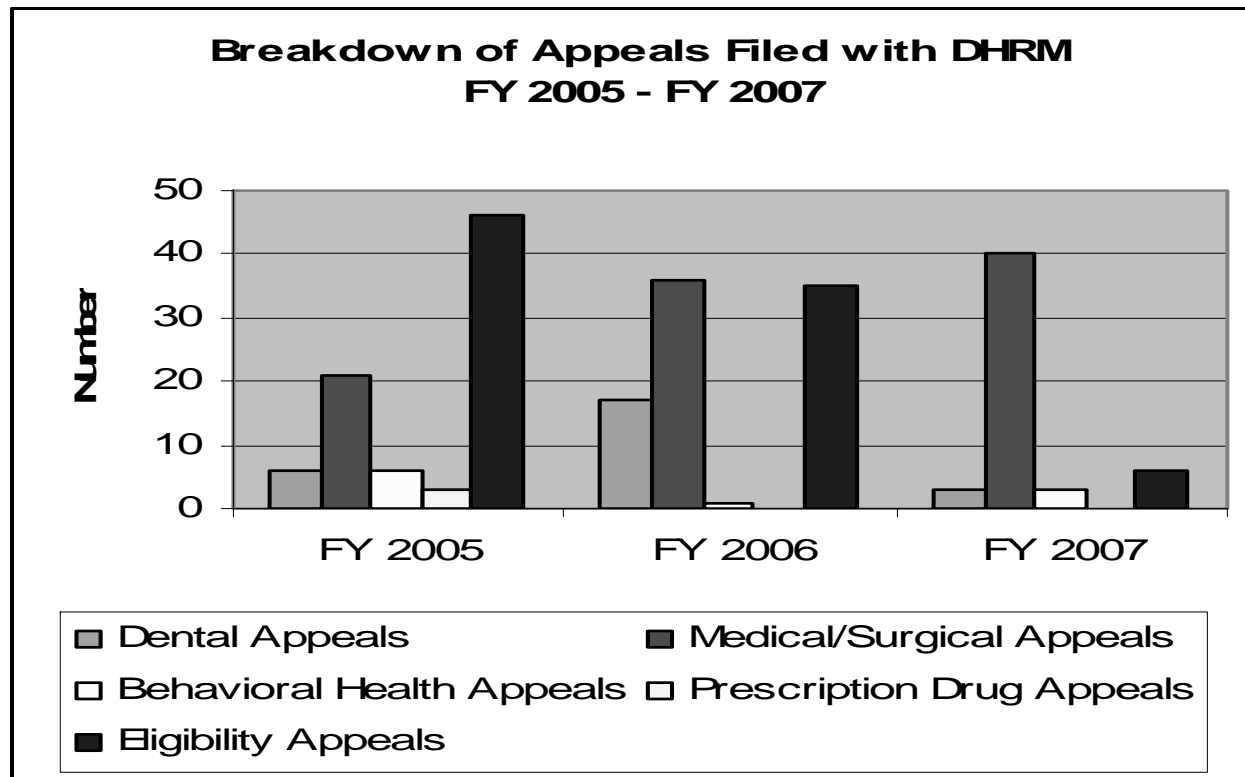


Source: Anthem
incurred claims, most
recent data available



Health Benefits Appeals

- Appeals decreased 40% in FY 2007 from prior year



FY 09

dhrm

Proposed Plan Design Changes

■ Dental Plan

- Increase annual maximum benefit from \$1,200 to \$2,000
- Increase lifetime orthodontic benefit from \$1,200 to \$2,000
- Add a \$50/\$150 dental deductible
 - Does not apply to preventive services

■ Medical Plan

- Waive \$300 inpatient deductible as incentive for participation in high-risk prenatal program

FY 09



Proposed Premium Changes

- Proposed 5.28% premium increase
 - +7.97% renewal increase with proposed plan changes
 - +1.29% Other Post Employment Benefits (OPEB) phase-in
 - -3.98% of renewal increase offset by program reserves

Plan	Current Monthly Cost		Proposed Monthly Increase		Proposed Monthly Cost	
	EE	ER	EE	ER	EE	ER
Employee Only	\$42	\$395	\$2	\$21	\$44	\$416
Employee Plus One	\$103	\$706	\$5	\$37	\$108	\$743
Family	\$147	\$1,035	\$8	\$55	\$155	\$1,090