

Department of Human Resource Management

COMMONWEALTH WORKFORCE UPDATE

HOUSE APPROPRIATIONS COMMITTEE



January 29, 2024

AGENDA

- DHRM Overview
- Key Messages
- Workforce Statistics and Trends
- Compensation Update
- Human Resource Systems
- Health Benefits
- Workers' Compensation
- Key Initiatives

DHRM OVERVIEW



DHRM OVERVIEW

The Commonwealth's Central Human Resource Agency

- State personnel policies
- Base and non-base compensation programs
- Employee-management relations programs, to include alternative dispute resolutions and coaching
- Performance management programs
- Talent acquisition and retention programs and systems
- Employee training and management development
- Job classification plan
- Variety of health benefit programs covering:
 - Current and retired state employees
 - Some local government/political subdivision employees
 - LODA recipients
- Grievance Procedure and a statewide mediation program
- Workers' Compensation for all state employees

KEY MESSAGES



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
 - Turnover decreased overall, however voluntary resignations in first 5 years remain significant
 - Workforce planning and knowledge transfer critical
- Compensation
 - Statewide salary adjustments have brought salaries closer to market.
 - Proposed minimum wage increases (in January 2025 and January 2026) may further exacerbate compression in pay bands 1 through 4

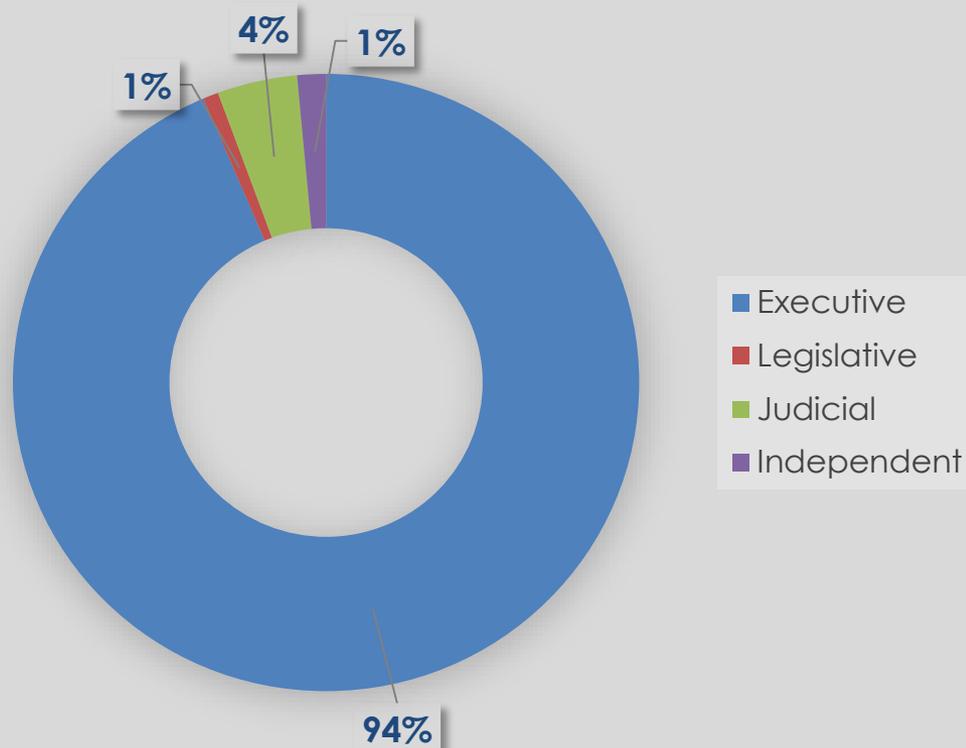
KEY MESSAGES

- Health Benefits
 - Claims increasing, but below national average
 - Recent changes in prescription drug programs are expected to produce savings to the Health Insurance Fund
- Workers' Compensation
 - Total claims have decreased nearly half since 2011
 - Payments have decreased nearly 13% from FY20



WORKFORCE

STATE WORKFORCE EMPLOYMENT LEVEL



Salaried & Temporary (FTE's) as of June 30, 2023

Executive	124,684.32
Ed./Faculty	25,037.65
Legislative	1,063.48
Judicial	5,502.01
Independent	1,969.72
Total	133,219.53

Total Classified Employees:
56,955

Source: DHRM EPR Reports 6/30/2023

STATE WORKFORCE EMPLOYMENT LEVEL

Employee Resource Levels (all position types)

STATEWIDE FTEs as of 06/30/2023		
SALARIED EMPLOYEES		
Executive	101,776.14	76.4%
Legislative	684.48	0.5%
Judicial	3,765.01	2.8%
Independent	1,865.30	1.4%
Total Salaried	108,090.93	81.1%
WAGE EMPLOYEES		
Executive	22,908.18	17.2%
Legislative	379.00	0.3%
Judicial	1,737.00	1.3%
Independent	104.42	0.1%
Total Temporary	25,128.60	18.9%
TOTAL EMPLOYEES	133,219.53	100%

Source: DHRM EPR Reports 06/30/2023

Majority of executive branch employees are in Education

Executive Branch	FTEs	%
Education	55,083.68	54.1%
Public Safety & Homeland Security	16,721.09	16.4%
Health and Human Resources	12,096.34	11.9%
Transportation	9,660.43	9.5%
Natural Resources	1,949.28	1.9%
Commerce & Trade	379.36	0.4%
Finance	1,186.58	1.2%
Administration	1,047.85	1.0%
Veterans and Defense Affairs	1,100.46	1.1%
Agriculture & Forestry	733.10	0.7%
Executive Offices	625.81	0.6%
Labor	1,192.16	1.2%
TOTAL	101,776.14	100%

Source: DHRM EPR Reports 06/30/2023

CLASSIFIED STATE WORKFORCE DEMOGRAPHICS

Average Age

46.7 years

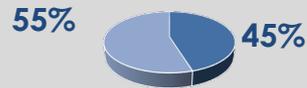
Average Years of Service

10.7 years

Average Age of New Hires

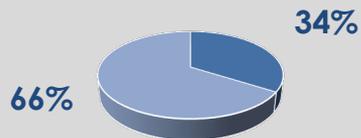
37.5

Gender



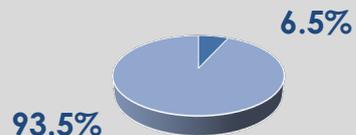
■ Male: ■ Female:

Diversity



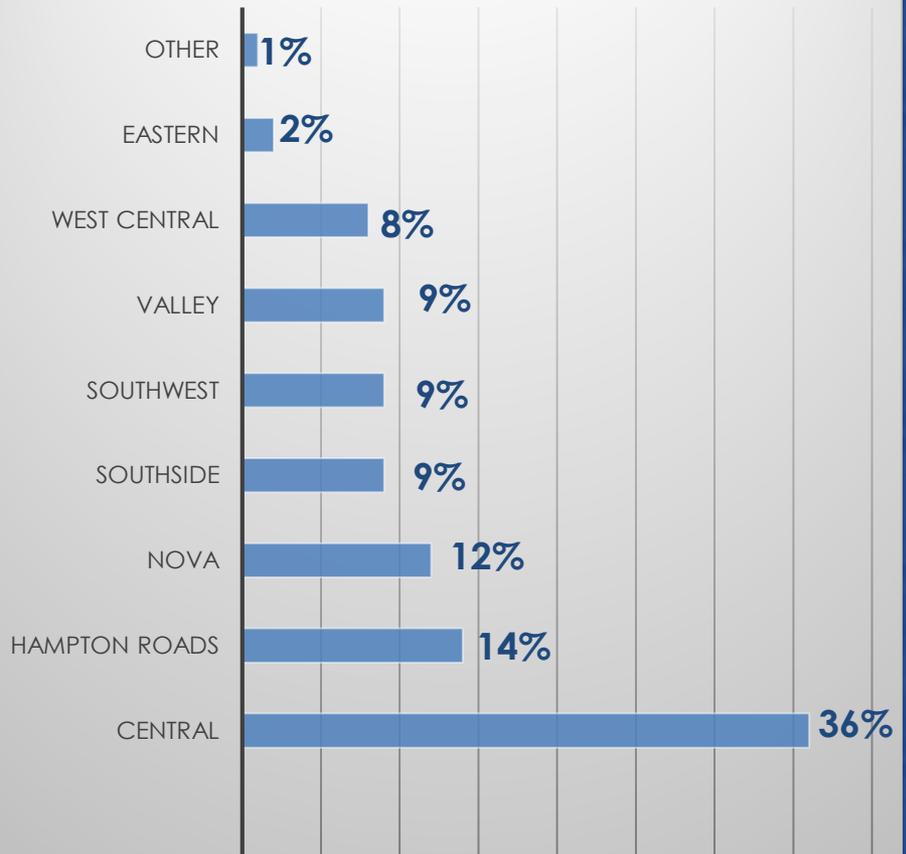
■ Minority ■ Non-Minority

Veterans



■ Veterans ■ Non-Veterans

Classified Employees by Area



STATE WORKFORCE TOP TEN AGENCIES & JOB ROLES

2/3 of workforce in ten agencies

Agency	# Employees
1. Department of Corrections	10,285
2. Department of Transportation	7,268
3. Department of Behavioral Health & Development Services	5,214
4. Virginia Department of Health	3,082
5. Virginia State Police	2,630
6. George Mason University	2,050
7. Department of Motor Vehicles	1,891
8. Old Dominion University	1,718
9. Department of Social Services	1,526
10. James Madison University	1,405

38% of classified workforce in 10 roles

Job Role	# Employees
1. Admin and Office Spec III	5,111
2. Security Officer III	4,576
3. Transportation Operator II	2,132
4. Direct Service Associate III	1,897
5. Prog Admin Specialist II	1,692
6. Prog Admin Specialist I	1,691
7. Admin and Office Spec II	1,252
8. Probation Officer I	1,234
9. Financial Services Spec I	1,108
10. Info Technology Specialist II	1,084

CLASSIFIED STATE WORKFORCE RECRUITMENT & RETENTION

FY23 Recruitment	
Vacancy Rate	19.7%
Average Time to Hire*	77 days
Total Recruitments*	14,527
Promotions	2.74%
Demotions	0.20%
Transfers	1.87%
New Hires/Rehires	16.41%
Average Age of New Hires/Rehires	37.5 years

FY23 Retention	
Turnover Rate	12.4% ↓
Turnover - Probationary	5.7%
Turnover - < 5 Years Service	15.9%
Eligible Retirement Today	4.7%
Eligible Retirement Within 2 Years	8.3%
Retirement Rate	4.0% →

Arrows Indicates Data Trend from FY22 to FY23
Source: Based on available Cardinal data FY23

*Includes Recruitments in Pageup only

WORKFORCE DATA - TURNOVER

5-Year Trend of Classified Turnover by FY



CLASSIFIED STATE WORKFORCE ROLES WITH HIGHEST RESIGNATIONS

Roles with >= 50 Voluntary Resignations in FY23	Resignations	Resignation Rate
Hsekeep &/or Apparel Worker I	118	12.23%
Education Support Spec II	59	9.66%
Admin and Office Spec III	439	8.59%
Direct Service Associate III	162	8.54%
Prog Admin Specialist I	138	8.16%
RN II/Nurse Prct I/Phy Asst	56	7.47%
Transportation Operator II	150	7.04%
Counselor II	55	6.77%
Education Support Spec III	64	6.48%
Admin and Office Spec II	74	5.91%
Direct Service Associate III	101	5.32%
Financial Services Spec I	55	4.96%
Prog Admin Specialist II	80	4.73%
Security Officer III	61	1.33%

CLASSIFIED STATE WORKFORCE TELEWORK

	FY22 Count	FY22 Percentage	FY23 Count	FY23 Percentage	Change
Total Classified Employees	55588		57137		
Total Classified Eligible to Telework	23185	42%	25905	45%	3%
Total Eligible Classified Employees Teleworking	15338	66%	14844	57%	9%
1 Day	7302	32%	6979	27%	5%
2 Days	4848	21%	4774	18%	3%
3 Days	1026	4%	966	4%	-
4 Days	455	2%	551	2%	-
5 Days	1712	7%	1574	6%	1%

COMPENSATION

CLASSIFIED COMPENSATION AS OF 12/31/23

STATEWIDE SALARIES & PAY BANDS

- Lowest Paid**

- \$22,362 Annually
 - 1 Food Service Technician I
- \$23,999 Annually
 - 1 Admin & Office Spec II
- \$24,003 Annually
 - 1 Direct Service Associate II

- Highest Paid**

- \$407,369 Annually
- Physician Manager II at DOI

- 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	\$26,732	\$61,863	\$77,726	1,309	2.36%
2	\$28,759	\$76,232	\$96,407	4,297	7.74%
3	\$31,886	\$88,186	\$111,949	16,416	29.57%
4	\$41,655	\$110,623	\$141,114	15,682	28.24%
5	\$54,418	\$139,933	\$179,216	12,570	22.64%
6	\$71,093	\$178,221	\$228,994	4,436	7.99%
7	\$92,879	\$228,251	\$272,105	654	1.18%
8	\$121,332	\$293,605	\$350,528	143	0.26%
9	\$158,513	MARKET	MARKET	15	0.03%

STATE SALARIES	MEAN	MEDIAN	1ST QUARTILE	3RD QUARTILE	LOWEST	HIGHEST	COUNT
All Pay Areas	\$67,644	\$59,230	\$47,115	\$80,325	\$17,850	\$407,369	55,522
NOVA Pay Area (FP)	\$75,424	\$68,544	\$56,228	\$87,255	\$23,442	\$332,704	6,798
Statewide Pay Area (SW)	\$66,558	\$57,834	\$46,601	\$79,053	\$17,850	\$407,369	48,724

PRIVATE INDUSTRY AVERAGE PAY INCREASES

Private Industry Average 2022-2023 Salary Increase	Commonwealth Statewide 2022-2023 Salary Increase
8.5%	12.0%

Biennium Compensation Report - 2023

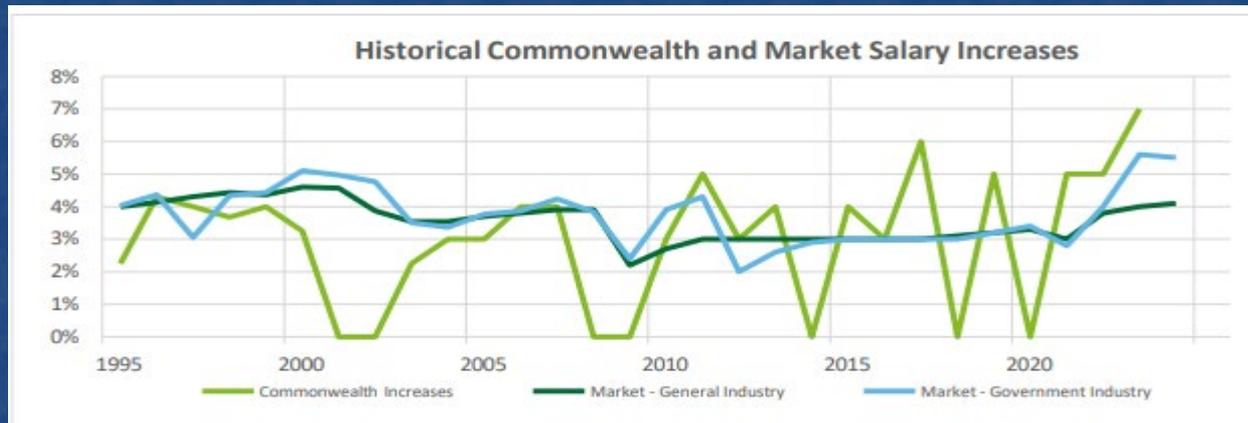
PRIVATE INDUSTRY AVERAGE PAY INCREASES

Private Industry Average Salary Increases 2001 - 2023

3.4%

Commonwealth Statewide Average Salary Increases 2001 - 2023

2.9%



Biennium Compensation Report - 2023

PROJECTED PRIVATE INDUSTRY AVERAGE PAY INCREASES IN 2024

Projected Private Industry Average 2024 Salary Increase	Estimated Commonwealth Classified Average Statewide 2024 Salary Increase
4.0%	0.0%

Biennium Compensation Report - 2023

VIRGINIA MINIMUM WAGE IMPACTS

Year	New Virginia Minimum Wage	Number of Classified Employees Impacted	Total Estimated Expense ¹
2021	\$9.50/hour		
2022	\$11.00/hour	218	
2023	\$12.00/hour	589	
2025*	\$13.50/hour	140	\$231,000
2026*	\$15.00/hour	557	\$1,109,300

¹ Does not include overtime or other employment related expenses and assumes no other pay changes

*Projected based on proposed legislation

HUMAN RESOURCE SYSTEMS

HR TECHNOLOGY IMPROVEMENTS

HR INFORMATION TECHNOLOGY INVESTMENTS

- Exploring options for automating Performance Management and Onboarding processes, leveraging our current PageUP Recruitment Management System

HEALTH BENEFITS

HEALTH BENEFITS

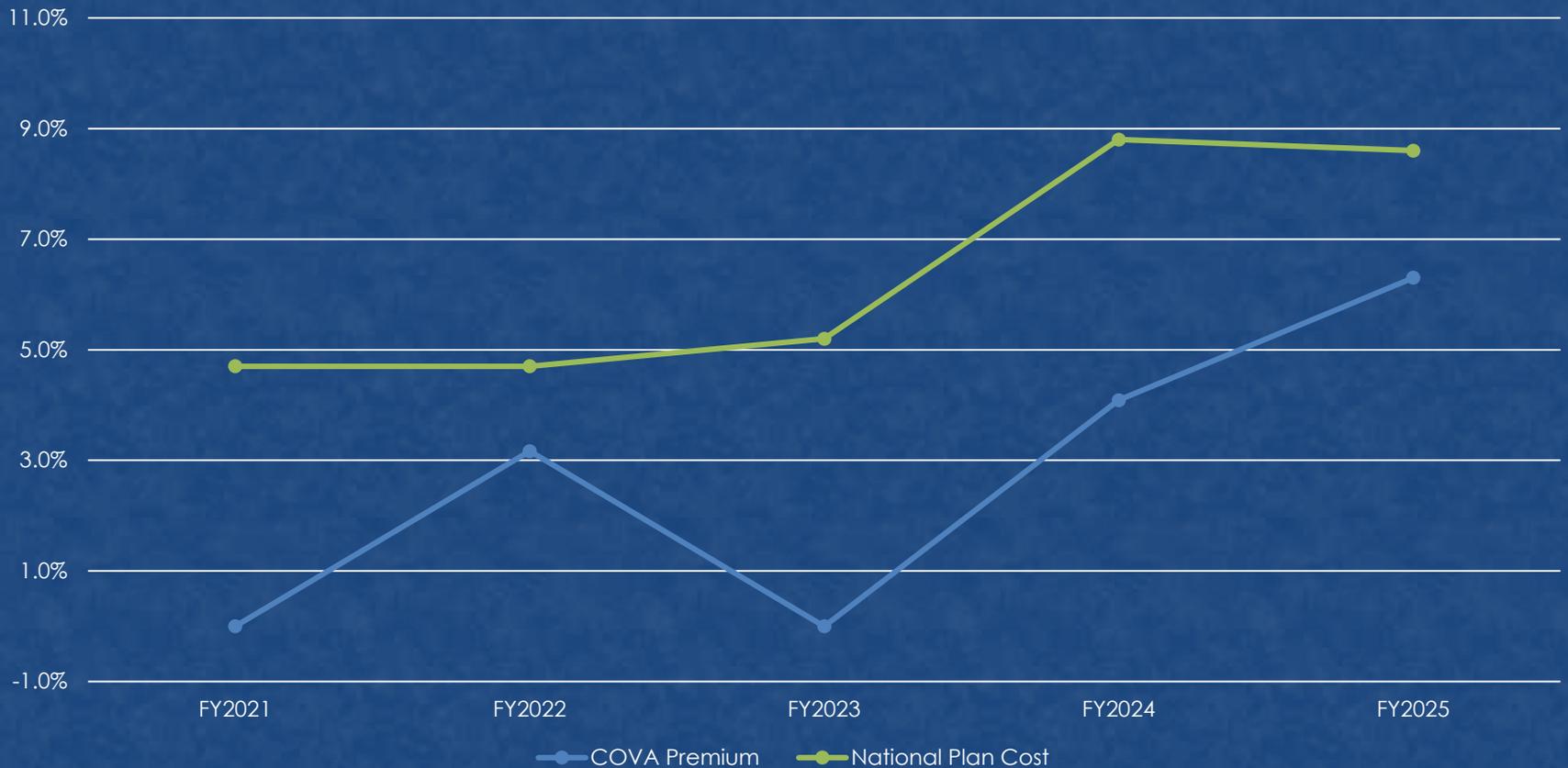
- Office of Health Benefits provides oversight for the state health plan that covers:
 - Just over 207,000 eligible state employees, non-Medicare retirees and their dependents
 - A local government/political subdivision health plan that covers 85,000 participants
 - A Medicare retiree health plan that covers over 43,000 members
 - The Line of Duty Act health program with 3,600 members.
- In aggregate, these plans have a total claims and administrative cost of approximately \$2 Billion a year.
- Current contract in place since 2019 for 10 years, however we are considering a rebid in 2024.

HEALTH BENEFITS

- Open Enrollment - May 2023 – continued to utilize the online open enrollment system with 21,000 transactions processed online.
- FY23-24 – monthly health insurance premiums increased by 4.1% for the plan year
- FY24-25 the premiums are projected to increase by 6.3% for classified employees and non-Medicare retirees.
- Average premium increase of only 2.7% over the last 5 plan years which is well below the national average of 6.5% over the last 5 plan years.
- Source: Aon Consulting

HEALTH INSURANCE PREMIUM INCREASES

COVA Premium vs National Plan Cost Increase Percentages



HEALTH BENEFITS – PROPOSED PREMIUM INCREASES

PLAN	Current Monthly Cost (FY24)				Proposed Monthly Change				Proposed Monthly Cost (FY25)			
	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
COVA Care Basic												
Employee	\$97	\$224	\$224	\$306	\$6	\$14	\$14	\$19	\$103	\$238	\$238	\$325
Employer	\$738	\$1,320	\$1,320	\$1,935	\$46	\$83	\$83	\$122	\$784	\$1,403	\$1,403	\$2,057
TOTAL PREMIUM	\$ 835	\$1,544	\$1,544	\$2,241	\$52	\$97	\$97	\$141	\$887	\$1,641	\$1,641	\$2,382
COVA HealthAware Basic												
Employee	\$17	\$53	\$53	\$54	\$1	\$3	\$3	\$3	\$18	\$56	\$56	\$57
Employer	\$723	\$1,320	\$1,320	\$1,932	\$46	\$83	\$83	\$122	\$769	\$1,403	\$1,403	\$2,054
TOTAL PREMIUM	\$740	\$1,373	\$1,373	\$1,986	\$47	\$86	\$86	\$125	\$787	\$1,459	\$1,459	\$2,111

HEALTH BENEFITS - HIGHLIGHTS

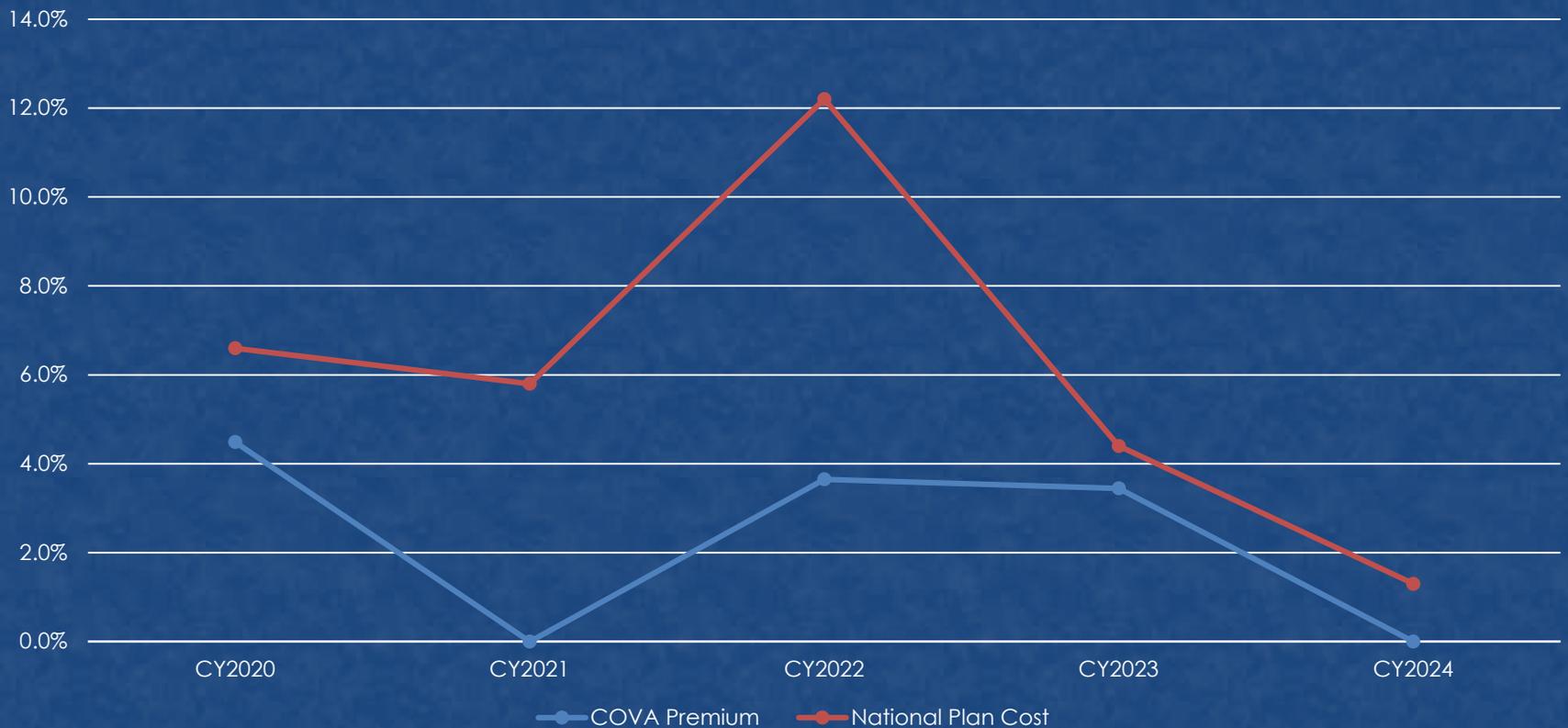
- Formulary drug program effective 7/1/23
 - State health plan will save \$15 million annually
- Prescription drug rebates have increased by approximately \$100 million since 2019
- Cutting edge Anthem and Aetna claims and policy review (initiated by OHB) that will save the state plan millions of dollars

HEALTH BENEFITS - RETIREES

- Post 65 Medicare retirees received a 0% premium increase for 2024 which is directly related to OHB negotiating a very favorable prescription contract with Express Scripts (9% reduction).

HEALTH BENEFITS - RETIREES

Medicare Retirees: COVA Premium vs National Plan Cost Increase Percentages



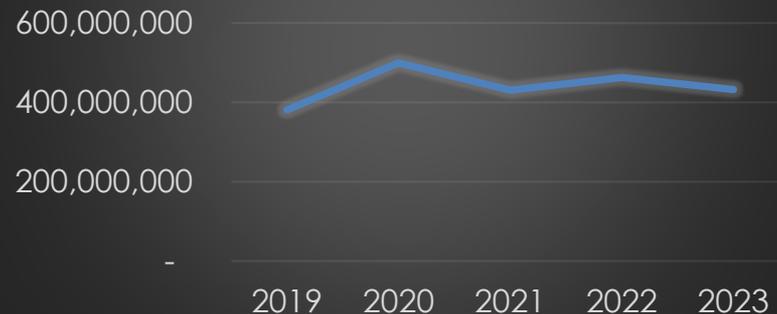
HEALTH BENEFITS

HEALTH INSURANCE FUND

Active & Early Retiree Plan Year End Balances

- FY 2019 - \$380.9 million
- FY 2020 - \$490.7 million
- FY 2021 - \$430.7 million
- FY 2022 - \$463.3 million
- FY 2023 - \$432.5 million

Health Insurance Fund Year End Balances



WORKERS' COMPENSATION

WORKERS' COMPENSATION

FY23 Office of Workers' Compensation Summary

Total Claims FY23: 5,727

Open Claims: 2,707
 Open Indemnity Claims: 1,883
 Open Medical Claims: 827

Reserves FY23

Medical: \$289,116,640.55
 Indemnity: \$39,380,159.17
 Expense: \$5,580,314.03

Payments FY23

Medical: \$30,683,868.91
 Indemnity: \$15,451,966.19
 Expense: \$1,064,791.09
 Total: \$47,200,626.79

Recommended Premiums

FY23: \$77,050,309
 FY24: \$66,846,118
 FY25: \$61,838,013



Payment Trends

Payment Type	#Checks	Check Amount
Expense	3,046	\$1,540,576.17
Indemnity	15,494	\$18,580,980.23
Medical	48,805	\$33,482,248.70
Total	67,345	\$54,603,805.10

Payment Type	#Checks	Check Amount
Expense	3,233	\$1,580,303.45
Indemnity	14,346	\$18,555,122.62
Medical	41,353	\$30,414,507.63
Total	58,932	\$50,550,933.70

Payment Type	#Checks	Check Amount
Expense	2,750	\$1,420,702.71
Indemnity	12,932	\$16,046,801.77
Medical	61,306	\$28,833,645.82
Total	77,088	\$44,271,149.30

Payment Type	#Checks	Check Amount
Expense	2,342	\$1,087,142.17
Indemnity	10,395	\$15,330,703.24
Medical	48,794	\$31,234,089.82
Total	61,531	\$47,651,935.23

Note: Payments down over all 12.97% from FY20; up 7.98% from FY22.

KEY INITIATIVES

KEY INITIATIVES

- Developing HR Dashboard and enhanced tools to support agency reporting needs.
- Conducting statewide employee engagement survey
- Revamping the Performance Management process
- Working with agencies to develop safety committees

QUESTIONS

