

Recommendations: Total Compensation for State Employees

RECOMMENDATION 1

The Department of Human Resource Management (DHRM) should (i) identify where career ladder programs already exist across state agencies and (ii) identify which job roles could most benefit from new or improved career ladder programs. DHRM should use this information to work directly with agencies to develop new or more effective career ladder programs. (Chapter 3)

RECOMMENDATION 2

The Department of Human Resource Management (DHRM) should configure the state's electronic recruitment management system to allow agencies to capture consistent and accurate data on (i) the time it has taken agencies to fill positions and (ii) the number of, and reasons for, declined job offers. DHRM should regularly communicate with agency human resource staff and managers to provide feedback and assistance to agencies to ensure they provide complete and accurate information for these categories of data. (Chapter 3)

RECOMMENDATION 3

The General Assembly may wish to consider including language in the Appropriation Act requiring the Department of Human Resource Management to convene a workgroup of state agency leaders to develop a methodology for determining the base amount of funding that should be appropriated for state employee salary increases each year. The methodology should take into account (i) recruitment and retention trends for each state job role, (ii) the value of each job role's median salary and total compensation as compared to the market, (iii) the extent to which workforce challenges can be addressed by salary increases, and (iv) the impact on state agency operations of workforce challenges in each job role. (Chapter 4)

RECOMMENDATION 4

The General Assembly may wish to consider appropriating funds for the Department of Human Resource Management to contract with a third party consultant to periodically update calculations of how the value of Virginia's total compensation compares to the value of other employers' total compensation, including salaries, bonuses, and fringe benefits. (Chapter 4)

RECOMMENDATION 5

The General Assembly may wish to consider amending § 2.2-1201 of the Code of Virginia to require the Department of Human Resource Management to provide a report that specifies (i) the job roles that should receive higher salary increases based on their recruitment and retention challenges; (ii) the amount by which other job roles' salaries should be increased, if at all; and (iii) cost estimates for funding the proposed increases. The report should also include supporting information on recruitment and retention trends, the functions performed by each job role, the number of employees and distribution of job roles across state agencies, and how the salaries for each job role compare to salaries paid by other employers. The report should be submitted through the Secretary of Administration to the governor and the House Appropriations and Senate Finance committees, by the last day in August prior to the first year of every new biennial budget. This Code change would require technical amendments to eliminate the reports currently required under §§ 2.2-1201 A.15 and 2.2-1202. (Chapter 4)

RECOMMENDATION 6

The General Assembly may wish to consider including language in the Appropriation Act requiring the Department of Human Resource Management to conduct analysis on the effect of salary increases from the previous two biennial budgets on recruitment and retention of state employees. Analysis should focus on job roles with previously-identified recruitment and retention challenges and the effect of salary increases, or lack thereof, on recruitment and retention. This information should be included in a biennial report to the governor and the House Appropriations and Senate Finance committees at the end of August in the first year of every biennial budget. (Chapter 4)

RECOMMENDATION 7

The General Assembly may wish to consider including language in the Appropriation Act granting agencies the option to increase individual employee salaries by different percentages, within the total amount appropriated for salary increases for each job role. The Appropriation Act should require the Department of Human Resource Management to specify, through policy, the factors that agencies should consider when determining salary increases for individual employees. These factors should include experience, job responsibilities, and performance. (Chapter 4)

RECOMMENDATION 8

The General Assembly may wish to consider including language in the Appropriation Act (i) directing the Department of Human Resource Management (DHRM) to establish guidelines for performance-based pay models and (ii) allowing agencies to implement performance-based pay models within the guidelines established by DHRM. (Chapter 4)

RECOMMENDATION 9

The Department of Human Resource Management should develop and offer training and support for all state agency human resources staff on how to (i) maximize the use of pay practices and salary data; (ii) manage staffing issues and handle employee complaints; (iii) identify and address workforce challenges; and (iv) align salaries based on individual factors. This training should be mandatory for each agency's human resources manager. (Chapter 4)
