
Joint Legislative Audit and Review Commission



**Proposed Study of Compensation for
Employees of the Commonwealth**

Commission Briefing
Glen Tittermary, Deputy Director

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JLARC

JLARC Enabling Legislation

- JLARC is charged by §30-58.1 and §30-80 of the *Code of Virginia* with
 - evaluating the efficiency and effectiveness of State agencies and operations and
 - providing continuing oversight of the Virginia Retirement System (VRS)

Current State Employee Compensation

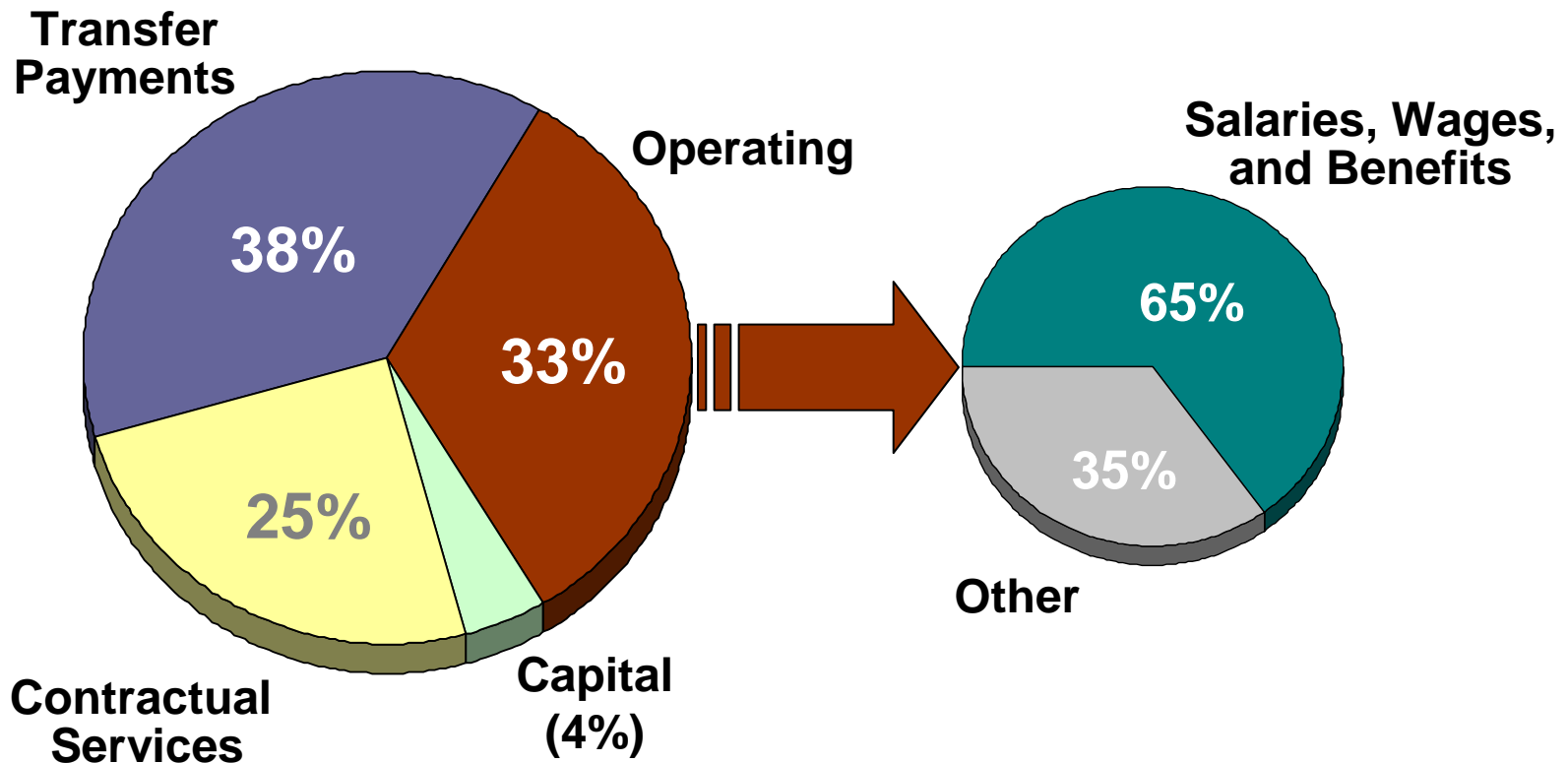
■ Salary

- 9 salary bands
- Actual salary based on specific position and employee's experience, education, licensure, and other factors

■ Benefits

- Social Security/Medicare, retirement, health insurance, group life insurance, paid leave, long- and short-term disability, holidays, and others
- Average about 34% of salary

Compensation Is a Major Portion of State Annual Operating Expenses



FY 2006 Total Expenditures = \$33.35 Billion

Proposal for a Review of Compensation

- Concerns about State employee compensation:
 - Impact on recruitment and retention of a qualified workforce
 - Effect on productivity
 - Equity across the State workforce
 - Consistency with best practices
 - Short- and long-term costs
- A comprehensive study of compensation would address these concerns

Scope of the Review

- Conduct a comparative analysis of salaries (salary survey)
- Determine the appropriate mix of salary and benefits in total compensation
- Assess defined benefit, defined contribution, and hybrid retirement options (including political subdivisions, law enforcement, judges)
- Evaluate health insurance benefit alternatives and costs
- Explore compensation best practices among public and private employers and identify alternative benefits for employees
- Develop alternatives for compensation reform

Goals for the Review

- Maximize employee productivity and work performance
- Promote recruitment and retention of qualified workforce
- Address long-term growth of salary and benefit costs
- Maximize benefit flexibility for employees
- Enhance employee job satisfaction
- Minimize administrative workload and costs for agencies

Project Management and Resources

■ JLARC study team

- Overall management of project and consultants
- Research on benefits other than retirement and health insurance
- Development of alternatives for implementation

■ Consultants

- Salary survey
- Retirement benefits analysis (paid for by VRS)
- Health insurance benefits

Proposed Schedule

- Project planning November 2006 – March 2007
- Consultant procurements March – May 2007
- Research and analysis May 2007 – April 2008
- Report development May 2008 – August 2008
- Final report October 2008

For More Information

<http://jlarc.state.va.us>

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