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Joint Legislative Audit and Review Commission



# Proposed Study of Compensation

Subcommittee Briefing

September 11, 2006



JLARC

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# Current 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, long-term disability, holidays, paid leave, and others
- Costs can range from 30% to 70% of salary

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# Purpose of a Review of Compensation

- Increase employee productivity and work performance
- Control growth of salary and benefit costs
- Enhance recruitment and retention of workforce
- Enhance benefit flexibility for employees
- Reduce administrative workload and costs for agencies

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## Scope of the Review

- Comparative analysis of salaries (salary survey)
- Mix of salary and benefits/benefit flexibility
- Defined benefit, defined contribution, hybrid retirement options (including political subdivisions, law enforcement, judges)
- Health insurance benefit options and costs
- Best practices

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# Project Management and Resources

## ■ JLARC study team

- Overall management of project and consultants
- Research on benefits other than retirement, health
- Coordinate with workforce commission planned by the executive branch (DHRM)

## ■ Consultants

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

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## Proposed Schedule

- Project planning January – March 2007
- Consultant procurements March – June 2007
- Research and analysis May 2007 – March 2008
- Report development April – July 2008
- Final report October 2008