

REPORT OF THE
DEPARTMENT OF PERSONNEL AND TRAINING ON

**Instituting Salary Differentials
in the Cities of Fredericksburg and
Winchester and the Counties of
Frederick, Spotsylvania, and Stafford**

TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA



SENATE DOCUMENT NO. 39

COMMONWEALTH OF VIRGINIA
RICHMOND
1994



COMMONWEALTH of VIRGINIA

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January 12, 1994

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Dear Governor Wilder and Members of the General Assembly:

Senate Joint Resolution 237 requested that a study be conducted of the necessity for instituting a salary differential for state employees working in the Cities of Fredericksburg and Winchester and the Counties of Frederick, Spotsylvania and Stafford.

Enclosed for your review and consideration is the report that has been prepared in response to this request.

Respectfully submitted,

A handwritten signature in cursive script that reads "Dorthula H. Powell-Woodson".

Dorthula H. Powell-Woodson

Enclosure

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EXECUTIVE SUMMARY

Senate Joint Resolution No. 237 (see Appendix A) requested that a study be conducted of the "necessity for instituting a salary differential for state employees working in the Cities of Fredericksburg and Winchester and the Counties of Frederick, Spotsylvania and Stafford." This report examines the salaries paid in these areas by the local governments and private firms who responded to the survey.

In conducting this study, the Department of Personnel and Training considered whether the existing northern Virginia salary differentials¹ should be extended to all job classes in the study locations, or whether salary differentials should be extended to specific job classes.²

The salary and turnover data gathered in the study indicate that, currently, there appears to be no compelling basis to extend the northern Virginia salary differential to all job classes in the cities of Fredericksburg and Winchester and the counties of Frederick, Stafford and Spotsylvania. The average salary deviation for the job classes surveyed for each area is less than the average statewide deviation for the same job classes. Thus, there is not sufficient evidence that all job classes in the cities of Fredericksburg and Winchester and the counties of Frederick, Stafford, and Spotsylvania warrant a salary differential.

Certain job classes, however, have higher salary deviations than the statewide average and, thus, specific salary differentials may be necessary to address these limited staffing problems. Accordingly, the Department of Personnel and Training will contact each affected agency with job classes which have a high salary deviation to review the viability of establishing salary differentials for these specific classes.

¹ The northern Virginia salary differential was established during World War II, when defense efforts created a disadvantage to the state in attracting and retaining employees in the immediate Washington, D. C. area. The differential has been expanded gradually over the years to include more job classes and geographical areas. Northern Virginia salaries are reviewed annually by the Department of Personnel and Training and the differential is adjusted to comport with changes in competitive conditions.

²As specified in Section 4-6.01(i) of Chapter 994, Virginia Acts of Assembly, pay differentials for employees in specific job classifications in particular geographic areas can be authorized. Under this authority, agencies experiencing staffing problems with specific job classes may request that the Department of Personnel and Training establish salary differentials.

METHODOLOGY

A survey was conducted to collect salary data for 32 job classes representative of the Commonwealth's occupational groups, salary grades, and employee population in the cities of Fredericksburg and Winchester and the counties of Frederick, Stafford, and Spotsylvania. The employers surveyed were selected randomly from a list of all employers in these cities and counties in order to obtain a representative cross-section of employers of various sizes, locations, and industrial categories in the areas. Of the 83 firms contacted, 33 responded to the survey (see Appendix B).

Because there were too few job classes and survey responses from which statistically reliable results could be drawn in each locality, the salary data was combined for the city of Fredericksburg, Stafford County, and Spotsylvania County. This combined area is referred to as the "Fredericksburg area" in this report. Also, salary data was combined for the city of Winchester and Frederick County, referred to as the "Winchester area" in this report.

First, salary deviations were calculated to determine the percentage by which the Commonwealth's salaries for each job class differed from the salaries of survey respondents. This calculation compared the Commonwealth's average salary with the weighted average salary of the survey participants for each job class surveyed.

The weighted average approach was used to ensure that the number of employees in each job class was considered in determining the salary average for the surveyed class. For example, if the salaries paid for two classes of the Commonwealth were \$100,000 and \$10,000 respectively, the simple average is \$55,000. However, this average does not consider the number of employees in each job class. If it were shown that the \$100,000 class was occupied by one person and the \$10,000 class was occupied by 1,000 people, the weighted salary average would be \$10,090. Thus, under this approach, the salaries of job classes with large numbers of employees are given greater emphasis.

Next, the deviations were averaged for all surveyed job classes to assess the overall relationship of Commonwealth salaries to participants' responses. A negative deviation indicates the percentage by which state salaries would have to be increased to equal the survey average. A positive deviation indicates the percentage by which state salaries would have to be reduced to equal the survey average.

State employee turnover data was summarized for the Fredericksburg and Winchester areas and compared with the statewide turnover rate for all job classes.³

³Turnover rates provide an indication of the ability of the Commonwealth to retain employees in a given location. While some degree of turnover may be normal for an organization, excessive turnover may be an indicator of a potential problem with salary.

FINDINGS

SALARY DATA

The following summary displays the salary deviations between the Commonwealth's salaries and those of the survey participants in the Fredericksburg and Winchester areas. As indicated in the table, the Fredericksburg and Winchester areas experienced a smaller average salary deviation than the state as a whole for the 32 job classes surveyed. Accordingly, there is no compelling evidence that all job classes in the cities of Fredericksburg and Winchester and the counties of Frederick, Stafford, and Spotsylvania warrant a salary deviation.

AVERAGE SALARY DEVIATION

FREDERICKSBURG AREA	-3.87%
WINCHESTER AREA	-3.52%
STATEWIDE	-15.84%

The table on the following page shows the average salaries of the survey respondents for the 32 job classes.

SUMMARY SALARY DATA – 1993 FREDERICKSBURG/WINCHESTER

CLASS TITLE	STATEWIDE SURVEY AVERAGE SALARY(1)	FREDERICKSBURG WINCHESTER		
		VIRGINIA AVERAGE SALARY(2)	AREA SURVEY AVERAGE SALARY(3)	AREA SURVEY AVERAGE SALARY(3)
ACCOUNTANT	\$27,563	\$25,987	\$29,859	\$25,670
ACCOUNTING MANAGER	\$48,617	\$40,795	\$26,500	\$37,000
ADMIN. SUPPORT TECH. SR.*	\$28,048	\$22,417	N/A	\$35,000
BUYER	\$31,848	\$25,863	\$22,123	\$25,784
CARPENTER*	\$23,018	\$20,671	\$26,066	N/A
COMPUTER OPERATOR	\$20,921	\$18,814	\$20,063	\$17,786
ELECTRICIAN*	\$26,319	\$20,671	\$26,686	N/A
EQUIP OPER. CREW LEADER	\$29,082	\$22,829	\$26,000	\$20,734
EQUIP. REPAIR TECH.	\$23,787	\$20,161	N/A	\$19,500
EXECUTIVE SECRETARY*	\$23,202	\$21,115	\$23,021	\$26,187
EXECUTIVE SECRETARY SR.	\$27,625	\$23,498	\$24,514	\$19,300
FISCAL ASSISTANT	\$18,704	\$17,906	\$17,188	\$15,733
GRAPHIC ARTIST*	\$27,019	\$20,754	\$35,300	N/A
GROUNDWORKER	\$14,969	\$13,526	\$17,218	\$13,118
HOUSEKEEPING WORKER	\$13,733	\$12,585	\$12,916	\$9,600
HVAC INSTALL & REPAIR TCH.	\$25,026	\$23,022	\$23,650	\$22,000
INTERNAL AUDITOR	\$34,216	\$27,528	N/A	\$22,680
MECHANICAL ENGINEER*	\$41,710	\$32,268	N/A	\$40,227
MOTOR VEHICLE OPERATOR*	\$16,752	\$13,924	\$12,480	\$17,986
OFFICE SERVICES AIDE	\$15,406	\$13,623	N/A	\$15,343
OFFICE SUPERVISOR	\$25,407	\$20,833	\$21,427	\$22,309
PERSONNEL ASSISTANT	\$23,727	\$22,154	\$13,500	\$20,201
PLANNER	\$38,754	\$30,325	N/A	\$24,120
POLICE COMMUNICATNS OP.	\$19,963	\$17,893	N/A	\$17,923
PUBLIC RELATIONS SPEC.	\$27,508	\$25,878	N/A	\$25,990
SECRETARY	\$17,334	\$16,314	\$18,283	\$16,085
SENIOR BOOKKEEPER*	\$25,373	\$23,385	\$31,013	\$27,641
STOCK CLERK	\$17,283	\$15,684	\$13,376	\$16,000
STORE CLERK	\$15,441	\$15,193	\$11,543	\$14,808
STOREROOM SUPERVISOR	\$29,936	\$21,782	\$23,088	N/A
SYSTEMS ANALYST*	N/A	\$46,218	\$34,694	\$73,500
WAREHOUSE WORKER	\$17,146	\$16,180	\$16,051	\$17,107

*Agencies having these classes will be contacted for consideration of a differential because the deviation exceeds the statewide average.

(1) Average salary paid by private employers for these respective job classes (see Annual Salary Survey).

(2) Average salary of state employees in respective job classes.

(3) Average salary paid by private employers for these respective job classes in these particular areas.

TURNOVER DATA

The following table displays the turnover rate for all job classes (i.e., surveyed and not surveyed) in the Fredericksburg and Winchester areas, and the statewide turnover rate for all classes. (For example, a 1% turnover rate would mean that 1% of the employees in the area left state service during fiscal year 1992/93).

TURNOVER RATES BY LOCATION (Fiscal Year 1992-93)

<u>LOCATION</u>	<u>AVG. EMPLMENT</u>	<u>TURNOVER RATE</u>
FREDERICKSBURG AREA	914	3.61%
WINCHESTER AREA	194	2.58%
STATEWIDE TURNOVER RATE		9.16%

The turnover data show that the Fredericksburg and Winchester areas experience a lower rate of turnover than the Commonwealth's overall rate of turnover.

APPENDIX A

SENATE JOINT RESOLUTION NO. 237

Requesting the Secretary of Administration to study the necessity for instituting a salary differential for state employees working in the Cities of Fredericksburg and Winchester and the Counties of Frederick, Spotsylvania and Stafford.

Agreed to by the Senate, February 19, 1993

Agreed to by the House of Delegates, February 17, 1993

WHEREAS, in recognition of the high cost of living in the Northern Virginia area, the Commonwealth provides for salary differentials for state employees who work in that area; and

WHEREAS, these differentials allow state employees to enjoy a standard of living comparable to that of their private sector counterparts; and

WHEREAS, the differentials also allow state agencies located in Northern Virginia to attract qualified and competent employees who might otherwise seek employment in the private sector; and

WHEREAS, the federal Office of Management and Budget will soon officially announce a new "supermetropolis," combining the Baltimore and Washington areas into one large statistical area; and

WHEREAS, this area will include a subdivision entitled the Primary Metropolitan Statistical Area of Washington, D.C.; and

WHEREAS, that subdivision will include six Virginia counties, including Spotsylvania and Stafford, and the City of Fredericksburg; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Secretary of Administration be requested to study the necessity for instituting a salary differential for state employees working in the Cities of Fredericksburg and Winchester and the Counties of Frederick, Spotsylvania and Stafford.

The Secretary shall complete his report in time to submit his findings and recommendations to the Governor and the 1994 Session of the General Assembly, as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

APPENDIX B

1993 SURVEY PARTICIPANTS

(Fredericksburg, Spotsylvania County and Stafford County)

COMPANY

ALLMAN S BAR B Q INC.
AQUIA REALTY INC.
BRAFFERTON CLEANERS
LAWRENCE D BRENT JR.
C C CURTIS, INC.
CHEMETRICS INC.
FREDERICKSBURG CONSTRUCTION, INC.
HARVY D COREY
HOUR DEVELOPMENT CORP.
ROGER A INGER, ATTORNEY AT LAW
J W WYNE EXCAVATING
JAMES L CARVER
L. WHITE & COMPANY, INC.
MARY WASHINGTON HOSPITAL
MULLINS FUNERAL HOME, INC.
PERSONAL SELLING POWER, INC.
RAPPAHANNOCK REHABILITATION FACILITIES
TASK FORCE INC.
THE FLOWER SHOP

(Winchester and Frederick County)

COMPANY

ATHEY TRUCKING INC.
AUDIOPAK, INC.
CHOCK COMPANY, INC.
COUNTY OF FREDERICK
FABRITEK COMPANY, INC.
H N FUNKHOUSER & CO.
RANKIN'S HARDWARE, INC.
S W DELAWARE, INC.
SCHENCK FOODS COMPANY
TIRE DISTRIBUTORS INC OF VA
UNITED WAY FEDERAL CREDIT
VALLEY REGIONAL ENTERPRISE, INC.
WARRENTON LANES, INC.
WINCHESTER ANESTHESIOLOGY