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The Honorable Luke E. Torian, Chairman, House Appropriations Committee  
The Honorable Janet D. Howell, Chairman, Senate Finance Committee  
The Honorable Grindly Johnson, Secretary of Administration

**Subject: Biennial Compensation Report - 2021**

The attached report is pursuant to § 2.2-1202 B. of the Code of Virginia which requires that:

*B. The Director of the Department shall, on or before September 1 of each odd-numbered year, submit a report on (i) the classified job roles that should receive higher salary increases based on identified recruitment and retention challenges, (ii) the appropriate amount by which the salary of such classified job roles should be increased, and (iii) cost estimates for funding any salary increases to the Governor and the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations.*

DHRM in conjunction with Deloitte Consulting, LLP benchmarked 213 Commonwealth occupations against private and public sector comparators. Among those occupations, the average statewide turnover rate was 12%, with the most distressed roles ranging from 17.2% - 40.8% turnover. The vast majority of these distressed roles are assigned to Pay Bands 1 through 4.

Base salaries in the Commonwealth lag the market average -15.7% and -11.9% respectively versus the private and public sector. However, base salary averages range from 63% above market to -58% below market depending on the distinct occupation.

Inconsistent appropriated salary adjustments have made it difficult for state agencies to build a proactive and sustainable approach to addressing compensation, recruitment and retention concerns. The method of awarding flat rate increases and select compression adjustments continues to stress the classified salary structure and has accelerated compression issues in Pay Bands 1 through 4. Near term minimum wage increases (January 2022 & January 2023) will further exacerbate compression in Pay Bands 1 through 4.

The compensation methodology recommended as part of the 2020 mandated Compensation Workgroup to address these issues was not adopted. Reconsideration of the workgroup's recommendations should be explored as a means to provide relief from the ongoing stress on the compensation infrastructure.

This report presents recommendations to properly align strategic workforce methodologies that will address increasingly problematic challenges with employee pay, compression, recruitment, and retention.

Sincerely,

A handwritten signature in blue ink that reads "Emily S. Elliott".

Emily S. Elliott



**Virginia Department of Human Resource Management**

# **Biennial Compensation Report**

**Occupational Recruitment, Retention, & Market Position  
Analysis of the Commonwealth's Classified Workforce**

**Data as of July 2021**

**Report as of September 2021**

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## Executive Summary

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The 2021 Biennial Compensation Report produced the following findings:

- DHRM in conjunction with Deloitte Consulting benchmarked 213 Commonwealth occupations against private and public sector comparators
- Among those occupations:
  - The average statewide turnover rate was 12%, with the most distressed roles ranging from 17.2% - 40.8% turnover.
  - Base salaries in the Commonwealth lag the market average by -15.7% and -11.9% respectively versus the private and public sector.
  - However, base salary averages range from 63% above market to -58% below market depending on the distinct occupation.
- Inconsistent appropriated salary adjustments have made it difficult for state agencies to build a proactive and sustainable approach to addressing compensation concerns.
- The current classified salary structure has become reactive and critically distressed over time.
- The statewide adjustment method of awarding flat rate increases has continued to put stress on the classified salary structure and has accelerated compression issues in the lower pay bands.
- Near term minimum wage increases (January 2022 & January 2023) will further exacerbate compression in Pay Bands 1 through 4.
- The combination of stress on the classified salary structure and near term minimum wage increases supports a recommendation to realign the salary structure over the next two years.
- The compensation methodology recommended as part of the 2020 mandated Compensation Workgroup to address these issues was not adopted, and therefore is re-recommended to provide relief from structural collapse and to enable state agencies the autonomy to proactively address recruitment, retention, and compression challenges.

# Introduction

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## Purpose

This report identifies recruitment and retention workforce challenges by occupation and presents overviews of the Commonwealth's market position compared to similar jobs in private industry and other public sector organizations. This report also analyzes the impact of several economic conditions affecting the Commonwealth's workforce as outlined below:

- Impact of the legislated minimum wage increases through calendar year 2023.
- Current salary structure compression in pay bands 1-4.
- Distortion of salary structure ratios in pay bands 5-9.
- Current employee adjustment methodology versus a variable methodology.

The analysis presented in this report is limited to salaried Commonwealth positions whose terms and conditions of employment are subject to the Virginia Personnel Act (VPA) and are employed in classified positions. The analysis was also limited to the data readily available to the Department of Human Resource Management (DHRM) and its central Human Resource Management Systems. Understanding that each individual state agency is in the most advantageous position to analyze and manage its workforce and distinct lines of business, the Commonwealth of Virginia maintains a decentralized salary administration plan and program. This approach delegates authority and accountability to individual agencies. This will be addressed further in the Methodology portion of the report.

This report was designed to be an indicator of the Commonwealth's overall workforce position as well as identify occupational focus areas for recruitment and retention opportunities based on the data available to DHRM. It is not intended to identify specific and unique agency workforce challenges.

## Background

The Commonwealth's Compensation Philosophy, codified in 2001, states that the *"goal of the Commonwealth to compensate its employees at a rate comparable to the rate of compensation for employees in the private sector of the Commonwealth in similar occupations, and consistently recruit and retain the most suitably qualified employees."*

Pursuant to § 2.2-1202 of the Code of Virginia:

B. The Director of the Department shall, on or before September 1 of each odd-numbered year, submit a report on (i) the classified job roles that should receive higher salary increases based on identified recruitment and retention challenges, (ii) the appropriate amount by which the salary of such classified job roles should be increased, and (iii) cost estimates for funding any salary increases to the Governor and the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance.

Updates to the 2019 Appropriation Act also required DHRM to convene a workgroup (the “compensation workgroup”) to develop a methodology that can be used to determine (i) the amount of funding that should be appropriated for state employee salary increases each year and (ii) how to distribute that funding to address state agencies' most significant workforce challenges. The methodology was directed to be data-driven and include (i) recruitment and retention trends for each job role in the state workforce, (ii) how salaries and total compensation for each job role compare to similar jobs at other employers, (iii) the extent to which recruitment and retention challenges can be addressed by salary increases, and (iv) the impact of recruitment and retention challenges in each job role on state agency operations. DHRM partnered with Deloitte Consulting LLP (Deloitte) to complete this scope of work. The proposed methodology recommended as a result of this workgroup is further outlined in the recommendations section of this report.

Although not directly related by mandate, the aforementioned workforce trends analysis was used as a key input to the economic conditions analysis outlined in the Purpose section above and its outcomes serve as critical risk factors affecting the Commonwealth’s workforce. In order to capture the full picture of the Commonwealth’s workforce position, both the recruitment and retention indicators as well as the economic conditions analysis findings are outlined below.

## Turnover & Market Position Analysis

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### COVA Occupation Methodology

The Commonwealth’s classified workforce is composed of just over 56,000 employees.

The Commonwealth’s job organizational structure consist of seven occupational families, 56 career groups and three to seven broadly defined roles within each career group. An occupational family is a broad grouping of jobs that share similar vocational characteristics. A career group is a sub-group of an occupational family and identifies a specific occupational field common to the labor market. A role describes a broad group of occupationally related positions that represent different levels of work and career progression. Roles are further defined by individual agencies through the use of standard occupational titles (SOC) and through unique work titles developed within each agency.

Due to this broad banded classification structure, decentralized classification authority, and the diverse nature of the services provided by the Commonwealth’s workforce, multiple and wide ranging

occupations as well as multiple industries are often represented within one role code. It is also common for one employee role title to contain multiple unique Standard Occupational Codes (SOC) and vice versa; a single Standard Occupational Code (SOC) may contain multiple unique employee role titles.

Table 1 – COVA Job Structure Analysis  
**SOC Description: Office Clerks General (SOC Code: 439061)**

	Office Clerks General SOC		Across the Commonwealth				
Employee Role Title	Number of Employees	Unique Working Titles	Number of other SOC Codes with Employee Role Title	Total Employees with Role Title <sup>1</sup>	Unique Working Titles	Percentage of Employees with Missing Working Title Info	Most Populated Working Title <sup>2</sup>
Admin and Office Spec I	7	3	1	21	5	43%	Receptionist
Admin and Office Spec II	1166	83	15	1601	164	11%	Office Svcs Spec
Admin and Office Spec III	126	46	35	5790	893	22%	Office Services Specialist
Direct Service Associate II	3	2	13	1501	87	14%	Office Svcs Spec-Ds
Education Support Spec II	4	1	12	696	208	31%	Workforce Operations Assistant

This varying structure dictated the creation of a “Commonwealth Occupation” for the purposes of benchmarking and analyzing common themes and general occupational indicators. A Commonwealth Occupation is defined as the unique combination of one employee role code plus one unique standard occupation code (Role + SOC). Where further clarification was necessary for market benchmarking base salary levels, the most common working title was used to assist in making the appropriate job match.

Table 2 - Market Benchmarking Job Match Analysis

Job Num	COVA Position	Working Title Used to Benchmark	Survey Match	Premium or Discount	Reason for Premium or Discount
3	Security Officer IV-First-Line Supervisors/Managers of Correctional Officers	Security Sergeant	Security Supervisor I		
4	Admin and Office Spec II-Office Clerks General	Office Services Specialist	Administrative Assistant II		
5	Prog Admin Specialist I-Support Enforcement Officers	Support Enforcement Specialist	Program Administrator I		
6	Admin and Office Spec III-Court Municipal & License Clerks	Customer Service Representative	Customer Service Representative I		
7	Security Manager I-First-Line Supervisors/Managers of Correctional Officers	Security Lieutenant	Security Supervisor II		

Using these Commonwealth occupations to represent one Commonwealth job, DHRM and Deloitte analyzed data related to each comparator group to indicate recruitment and retention challenges found across the Commonwealth.

All analyses focused on Commonwealth employee and occupation data from June 30<sup>th</sup>, 2021 and was subject to the data available to DHRM through central HRIS “PMIS” (Personnel Management Information System). Therefore, agencies or positions not recorded in these centralized systems were excluded from this analysis.

## Turnover & Market Position Methodology

For the purpose of this study “turnover” is defined as the number of separation instances divided by the total classified headcount as of June 30, 2021.

Due to the large number of unique jobs found across the Commonwealth, this study used FY20 turnover data to identify the Commonwealth occupations with the highest retention concerns; of which best represented the Commonwealth’s general population. The benchmarked population included a diverse mix of management, professional, support, and technical positions. Where possible, positions benchmarked cover a large number of employees. Furthermore, the base salary and average benefits value were annualized for part-time employees.

In total 213 Commonwealth occupations were benchmarked, representing 42,029 classified employees or approximately 75% of the Commonwealth’s classified population.

To determine the Commonwealth position in the market, Deloitte compared employee compensation to market data illustrating the 25<sup>th</sup>, median/50<sup>th</sup>, and 75<sup>th</sup> percentiles of government and general industry data for total cash compensation (TCC equal the sum of base salary and annual bonus awards), and total compensation (TC equals the sum of TCC and the annual value of employee benefits). The general industry analysis covers 192 COVA occupations; the government industry analysis covers these and 21 additional occupations found only in government (e.g. law enforcement roles).

Select Commonwealth agencies apply market-based differentials to national market data to recognize differences in the local cost of labor and recruiting difficulties in certain locations for select positions. Deloitte did not geographically adjust the market data to accommodate those unique agency differentials.

## Turnover & Market Position Findings

### **Turnover:**

According to Mercer Saratoga 2020 industry benchmarking data, the average turnover rate was 16% and 8.3% in the private and public sector respectively. Out of the 213 Commonwealth occupations selected for benchmarking, there were seven job families that represented the highest turnover challenges. **The Commonwealth’s high turnover roles range from 17.2% - 40.8%, which is significantly**



**above the national average.** Administrative and Office staff, which reside in the lower pay bands (1-3), were one of the job families with the highest turnover recorded. These positions could be leaving the Commonwealth due to the rapidly increasing starting pay of other private sector administrative or lower skilled occupations.

Direct Care and Nursing staff were also identified as one of the highest turnover roles. The majority of the employees represented in this group are also positioned in the lower pay bands (1-4).

The full list of Commonwealth jobs by turnover percentage can be found in Appendix A – Turnover Analysis by COVA Occupation, including 10 alternate positions considered for benchmarking.

Table 3 - Saratoga Turnover Benchmarking

			Participants	Median
	2020	All	345	16.0%
Total Turnover / Headcount	2020	Company Size: 50,000+	32	13.6%
	2020	Industry: Public Sector	21	8.3%
	FY 2021	COVA Statewide Total Turnover	105	12%

Table 4 – Top Turnover Challenges by Occupational Family

Turnover Indicators by Occupational Family		
COVA Occupational Family	Average Turnover Rate	Number of High Turnover COVA Occupations
Admin and Office Specialist	<b>22.4%</b>	20
Direct Services Associates (Nursing, Psychiatric, & Healthcare Staff) Registered Nurses/Nurse Practitioners	<b>33.4%</b>	20
Law Enforcement (Troopers, Corrections, Campus Police, etc.)	<b>35.8%</b>	17
Program Administration (Community and Social Services)	<b>25.3%</b>	15
Information Technology	<b>17.2%</b>	11
Security Management	<b>40.8%</b>	10
Trades Technicians	<b>24.1%</b>	10

**Market Position:**

Compared to the private sector (general industry) as well as the public sector (government industry), **85% and 75% respectively of the Commonwealth’s employees are paid below the market median** for base salary. Considering that the analysis done in 2020 indicated that 84% and 63% respectively were paid below market median for base salary, we can assume that the 5% state increase awarded in June of 2021 kept our market position steady against private sector comparators, but did not when compared to other government industry competitors.

Table 5 - Market Quartile Comparison Overall

Percentage of EEs Compared to Each Market Quartile Overall							
General Industry Base Salary Market Data (n=194 COVA positions and 32,417 Commonwealth employees)				Government Industry Base Salary Market Data (n=215 positions and 42,182 Commonwealth employees)			
< 25 <sup>th</sup>	25 <sup>th</sup> < 50 <sup>th</sup>	50 <sup>th</sup> < 75 <sup>th</sup>	> 75 <sup>th</sup>	< 25 <sup>th</sup>	25 <sup>th</sup> < 50 <sup>th</sup>	50 <sup>th</sup> < 75 <sup>th</sup>	> 75 <sup>th</sup>
60%	25%	8%	7%	50%	25%	18%	7%
85%		15%		75%		25%	

The Commonwealth’s overall average position to market has improved slightly from 2020 to 2021 when compared to private sector market base salaries. In 2020 the Commonwealth’s average base salaries were -16.5% when compared to general industry, where in 2021 that has improved to -15.7%. However, **all other metrics have not improved compared to 2020 data**. The Commonwealth’s benefits package against both private and public sector markets is weakening in value, as well as our overall position for base salaries compared to other government industry competitors has also weakened slightly.

Table 6 – Overall Variance to Market Median Year over Year

	Private Sector (General Industry) Market Data		Public Sector (Government) Industry Market Data	
	Base Salaries	Total Compensation	Base Salaries	Total Compensation
<b>2020</b>	<b>-16.5%</b>	<b>+0.6%</b>	<b>-10.1%</b>	<b>-6.8%</b>
<b>2021</b>	<b>-15.7%</b>	<b>-1%</b>	<b>-11.9%</b>	<b>-10%</b>

With the averages being noted, it is important to understand the wide range of market variances that exist across the Commonwealth. Among the positions benchmarked, the Commonwealth has occupations that are as high as **63% above market averages** where others are as low as **58% below market averages** demonstrating that not all positions in the Commonwealth are in distress. State agencies have a diverse population of occupations and experience unique workforce challenges that could be industry specific, role specific, or even employee specific. Although the average is hovering around 15%-16% below market and some occupations are in a *critical* market position, **not all occupations across the commonwealth are in need of market adjustments**. This variance will be further explored under the Economic Conditions Analysis sections of this report.

### **Market Movement:**

The average market increase for **2021 was reported as 3.0% and is projected to be 3.3% in 2022**. According to WorldatWork's "2021-2022 Salary Budget Survey," after dipping in 2020 because of the COVID-19 pandemic, total salary increase budgets in the United States beat projections and rose to 3% in 2021. This survey also found that salary increase budgets are projected to grow beyond pre-pandemic levels to 3.3% in 2022. This data signals continued economic recovery and an increasingly tight labor market.

However, a majority of private organizations **vary their salary increases based on employee performance and position in relation to market target**. According to a recent survey by Willis Towers Watson, companies gave management and professional employees who received their top rating an average increase of 4.5% in 2021, 73% higher than the 2.6% raise given to workers who received average ratings. According to the Society of Human Resource Management (SHRM), the private industry best practice is to use a compa-ratio approach (calculated as the employee's current salary divided by the current market rate) to award employee increase dollars based on the greatest business need and to ensure the best return on investment (ROI). For the Commonwealth's population, this would mean a smaller increase for those occupations that are above market averages (e.g. occupations 63% above market target range) and a larger increase for those occupations below market averages (e.g. occupations 58% below market target range). This method would also continue to ensure the Commonwealth's commitment to a fiscally sound approach to employee compensation.

The market positions for the top turnover roles can be found in Appendix B – Market Benchmark Results; Table 6 – Market Position of High Turnover Occupational Families.

Market positions for all benchmarked Commonwealth occupations can be found in the accompanying excel document: Total Compensation Analysis\_2021\_Final.

# Economic Conditions Analysis

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## Background & Methodology

Due to the rapidly moving labor market, increasing turnover rates in critical and hard-to-hire positions (e.g. many of the front-line workers in the COVID response efforts), and the minimum wage increases mandated by sub section § 40.1-28.10 of the Code of Virginia, DHRM began to assess the overall salary distribution of the Commonwealth's classified workforce and the impact of an increasing minimum wage on our current classified salary structure.

Through this analysis DHRM was able to identify the population that would fall below the new minimum wage requirements in each respective year as well as the average salary distribution compared to the forecasted salary structure in 2022 and 2023. The below analysis findings illustrates critical areas of compression affecting the workforce. The distribution of average salary to the minimum of the pay band also represents an inequity among the lower pay bands (1-4) versus the higher pay bands (5-9).

This analysis was conducted under the assumption that the minimum wage will increase to \$11 per hour in January of 2022 and \$12 per hour in January of 2023 and that the classified compensation structure would adjust according to the minimum wage increase in pay band one and by the representative percentage to maintain the structure ratios through pay bands 2 through 9. This adjustment to the classified compensation structure includes a realignment of the all pay bands and the creation of additional pay bands at the top of the range. This realignment would result in the pay band minimums for pay bands 5 through 7 decreasing below their current levels. The full, proposed new 2023 pay bands are detailed in Appendix C of this report. DHRM did not analyze the effect of the increase in January 2025 to \$13.50. The forecasted models also do not take into consideration any unforeseen legislative changes or funding implications. Lastly, the models depicted below assume one, three percent increase for all classified employees in calendar year 2022. Standard compensation practices include annual salary increases for employees. Salary survey companies specialize in employee pay, but they also inform their clients on how the market as a whole will move. This information provides insight on ranges for annual increases of employee salaries. Per SHRM, the 2022 annual increase is expected to be three percent, which is on par for salary increases over the past 10 years. In the analysis, one three percent increase was assumed when projecting outcomes of the salary structure recommendations, to keep up with the assumed market movement.

## Economic Conditions Analysis Findings

The figure below is a visualization of the average salary for all employees in each pay band compared to the range of each pay band projected for years 2022 and 2023. It is intended to show that the

average salary in pay bands 1 through 4 are hovering the minimums of their respective pay bands (compression), while average salaries in the upper pay bands are out of alignment with their respective pay band minimums and maximums. Currently the lower pay bands (1-4), which represent approximately 70% of the classified workforce, hover the minimum of their respective band. **This indicates severe compression within bands 1 through 4.** The forecasted lines for 2022 and 2023 show that the mandated minimum wage increases further exacerbate that compression at the bottom of the structure.

The top of the classified structure tells a very different story. The higher level pay bands (5-9) have averages significantly above the minimum. To the contrary of pay bands 1 through 4, this gap in minimum and average salary is a structural distortion due to flat percentage increases to employee salaries over time. Considering that a flat percentage of a larger number represents a larger increase, this forecasted model becomes more distorted as additional flat rate increases are awarded and represents an inequity in the population in pay bands 1 through 4.

Industry best practice regarding a compensation structure is to manage to market targets for each specific occupation, as well as maintain stable ratios throughout the minimum to minimum and minimum to maximum of each pay band. Due to flat percentage increases and varying changes to the salary structure, current ratios have become inconsistent through the structure which could be contributing to already significant compression, recruitment, and retention challenges. Below are two figures that project out employee salaries compared to the minimum salary of their pay band. The minimum salaries shown are part of a two phased approach to move the salary structure with the minimum wage increases, and also build a salary structure that is consistent in width and depth. See Appendix C for additional details.

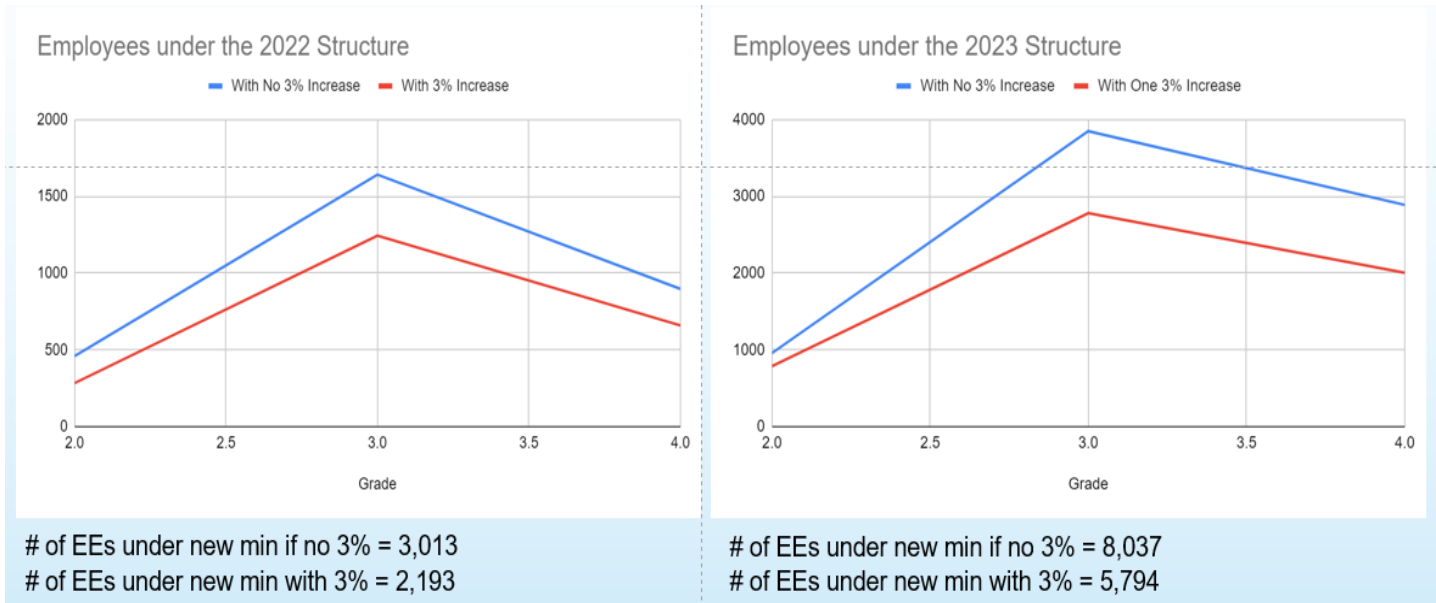
Figure 1A – Minimum Salary Distribution versus Pay Band Range

**Average Salary by Pay Band Compared to Salary Structure Changes**



\*The median salaries and average salaries of grades 1-4 are within 3% of each other

Figure 1B – Projected Employee Population that will fall below Pay Band Minimum



Furthermore, of the employees who are projected to fall below the new role code minimums in 2022 and 2023 proposed in this report, **60% are in high turnover roles indicative of the lower pay bands.** Combined with the minimum wage increases in 2022 and 2023, this signifies that without targeted and consistent occupational adjustments the Commonwealth occupations that are currently the most compressed and hard to hire / retain will be further misaligned when compared to market targets as well as within our classified structure. This population in particular will need dedicated pay actions in order to bring salaries to their new minimum pay bands. Depending on assumptions, 2,200 to 8,000 employees are at risk to fall below their pay band minimums over the next two years, if the new salary structure changes are applied. Budgeting for annual adjustments for at risk occupations, can help alleviate future spending at a large scale.

Table 7 – Majority Distribution under 2022 Salary Structure Minimums by COVA Occupation

Grade and Role Code + SOC		
Grade	Role + SOC	# EEs
2	Admin and Office Spec II + Office Clerks General	77
2	Direct Service Associate II + Psychiatric Technicians	205
3	Admin and Office Spec III + Court Municipal & License Clerks	207
3	Admin and Office Spec III + Eligibility Interviewers Government Programs	157
3	Admin and Office Spec III + Office & Administrative Support Workers All Other	242
3	Direct Service Associate III + Psychiatric Technicians	253
4	Prog Admin Specialist + Eligibility Interviewers Gov Programs	61
4	Security Officer IV + Correction Officers & Jailers	88

\*assumes all pay band (grade) one employees are increased to the new minimum wage

When considering the industry best practice of awarding annual increases based on performance and market position as well as the wide range of market benchmarking results (63% above market though - 58% below market), it is concluded that not every position across the Commonwealth is in need of the same market adjustment.

It is also concluded that in relation to 2020 benchmarking, the Commonwealth’s market position is weakening. This could be a result of specific occupations (mainly in the lower pay bands) becoming increasingly compressed and falling further behind the market, while other occupations (typically in the higher pay bands) are only keeping up with market movement.

This analysis indicates that in order to sustain the Commonwealth’s market position, appropriated increases should be prioritized annually based on reported market movement. It also indicates the need for a variable merit/performance structure to ensure the most effective impact on recruitment and retention.

## Summary of Findings

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Base salaries of the Commonwealth classified population are on average **15.7% below the private sector median** and **11.9% below the public sector median**. Total compensation is on average 1% below the private sector median and 10% below the public sector median. The Commonwealth is paying an average of \$24,600 more than private companies in benefits, per the Deloitte analysis. It is likely that benefits data for the private sector is underrepresented, which is lowering the overall total compensation numbers of the private sector.

**85% and 75% respectively** of the Commonwealth's employees are paid below the market median for base salary.

Not every position is in need of the same market adjustment. Currently occupations range from **63% above market though -58% below market**, signifying unique workforce challenges across state agencies.

Recruitment and retention analysis clearly indicates critical challenges within several job families ranging from **17.2% - 40.8% turnover**, which could be caused by a weak market position and compression within those representative groups.

The current classified salary distribution indicates **severe compression within pay bands 1 through 4** while **ratios in the higher pay bands have become distorted**.

**Prioritizing appropriated increases based on reported market movement** could sustain the Commonwealth's current market position.

The use of a **variable merit/performance structure** could ensure a **proactive and effective workforce impact on recruitment and retention**.

## Recommendation

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It is the purpose of this report to identify (i) the classified job roles that should receive higher salary increases based on identified recruitment and retention challenges, and (ii) the appropriate amount by which the salary of such classified job roles should be increased.

Based on the aforementioned market analysis, DHRM has identified several job families that are experiencing critical turnover challenges, compression risks in pay bands 1 through 4, and specific positions with an overall weak market position.

It has also been concluded that in order to keep pace with market competitors, annual employee increases should be consistent and prioritized. It is recommended that appropriated employee adjustments be included as part of the biennial budget development process based on reported market movement. This will allow the Commonwealth to move to a sustainable and steady methodology for addressing compression, recruitment, and retention risks.

When considering the wide range of our multi-industry and multi-occupational workforce, it is recommend that the Commonwealth adopt a modern and market based approach to salary adjustments. It is recommended to empower each agency to award variable increases based on established metrics such as a performance multiplier component and a market variance component (as outlined below). This will enable each agency the discretion to address unique workforce challenges while protecting the stability, equity, and integrity of our overall compensation strategies and

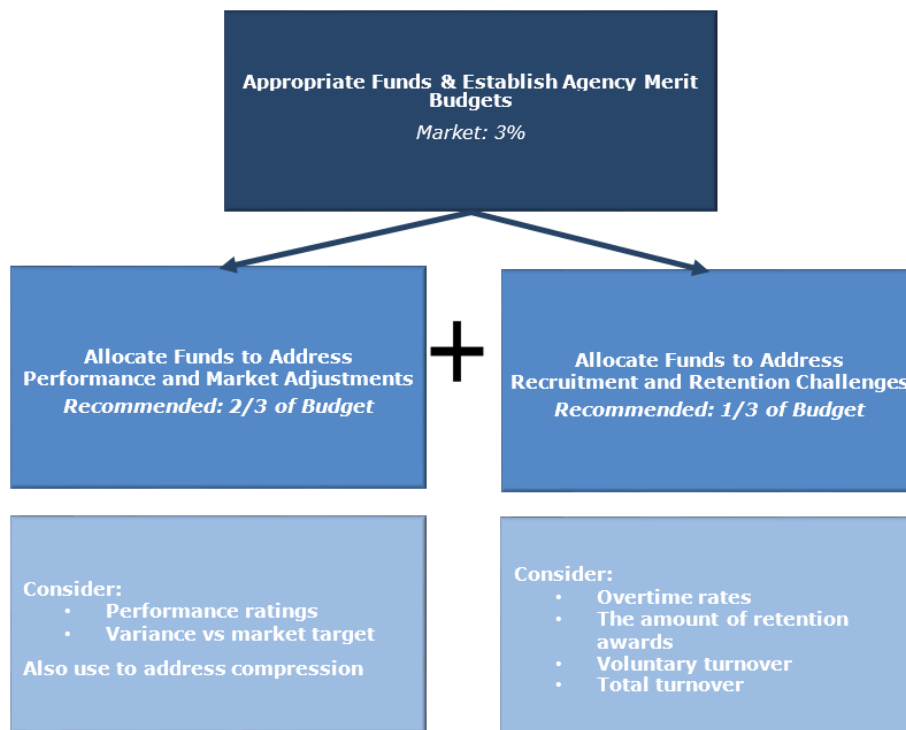


structures. This will also support the financial accountability of the Commonwealth’s compensation approach as well as maximize the workforce impact of appropriated funding.

After a collaborative and iterative design process, DHRM and Deloitte recommend that the Commonwealth adopt the below compensation methodology:

1. Appropriate funds each year for annual salary increases using market data for merit/performance budgets to determine the general Commonwealth merit budget.
2. Allocate budgets to each agency to address unique workforce challenges.
3. Instruct agencies to award increases based on performance and market position, as well as recruitment and retention considerations.

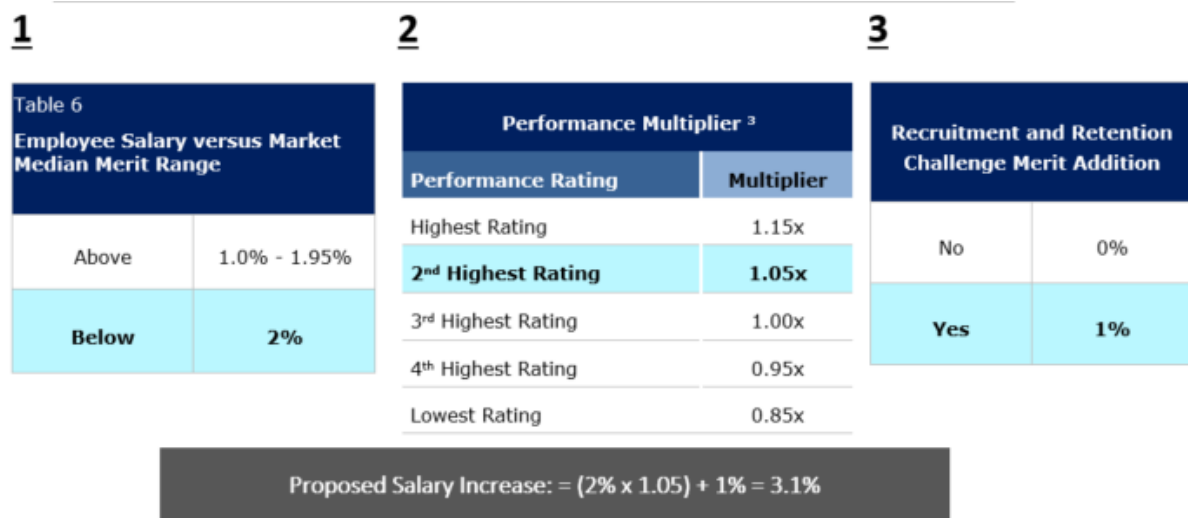
Figure 2 - Illustrative Example of Appropriation Model and Agency Metrics



For the purposes of this example, the following scenario represents an individual employee:

1. The employee is compensated below the market median base salary and met all performance expectations.
2. The employee received the second highest performance rating.
3. The employee’s occupation has experienced recruitment and retention challenges.

Figure 3 Illustrative Example of Agency Implementation Process



If this strategy is adopted it is recommended that each agency be required to report to DHRM and DPB how the allocations were awarded.

## Appendix

**Appendix A** – Turnover Analysis by COVA Occupation incl. 10 alternate positions considered for benchmarking

COVA Occupation	EE Count	Turnover Instances	Annual Turnover %	Most Populated Working Title within COVA Position	Average Salary for Working Title
Retail Manager II-General & Operations Managers	3	48	1600.0%	Buyer/Product Manager	\$51,220.00
Retail Specialist II-First-Line Supervisors/Managers of Retail Sales Workers	6	62	1033.3%	Assistant Buyer	\$34,724.00
Retail Specialist I-Retail Salespersons	7	32	457.1%	Store Clerk	\$25,855.00
Law Enforcement Officer II-Police Detectives	3	5	166.7%	Lieutenant	\$59,617.00

Direct Service Associate I-Nursing Aides Orderlies & Attendants	18	22	122.2%	Patient Care Assistant	\$22,301.91
Security Officer III-Protective Service Workers All Other	26	21	80.8%	Advise, Train, & Counsel (ATAC)	\$36,411.23
Prog Admin Specialist I-1st-Ln Supvrs/Mgrs of Ofc & Administrative Support Wrkrs	19	13	68.4%	Senior Medical Evaluator	\$52,963.89
Direct Service Associate II-Psychiatric Technicians	684	442	64.6%	Psych Care Technician	\$26,190.23
Law Enforcement Manager II-1st-Ln Supvrs/Mgrs of Police & Detectives - Lt	48	31	64.6%	Lieutenant	\$105,617.11
Security Manager III-First-Line Supervisors/Managers of Correctional Officers	82	43	52.4%	Assistant Warden	\$75,590.40
Human Resource Analyst II-Employment Recruitment & Placement Specialists	18	9	50.0%	Health Services HR Coordinator	\$68,250.00
Prog Admin Specialist I-Managers All Other	14	7	50.0%	Apprenticeship Coordinator	\$52,123.00
Direct Service Associate III-Psychiatric Technicians	617	302	48.9%	Psych Tech III	\$35,273.85
Security Manager I-First-Line Supervisors/Managers of Correctional Officers	413	194	47.0%	Lieutenant	\$49,415.72
Hearing Legal Servcs Offcr I-Paralegals & Legal Assistants	13	6	46.2%	Adjudication Specialist	\$61,374.75
	<b>EE Count</b>	<b>Turnover Instances</b>	<b>Annual Turnover %</b>	<b>Most Populated Working Title within COVA Position</b>	<b>Average Salary for Working Title</b>
Security Officer IV-Correctional Officers & Jailers	143	62	43.4%	Resident Specialist I	\$40,153.69
Auditor I-Accountants & Auditors	14	6	42.9%	Staff Auditor	\$57,750.00
Human Resource Analyst I-Human Resources Training & Labor Relations Specialists AO	132	56	42.4%	Personnel Analyst	\$58,530.31
Counselor Manager-Community & Social Service Specialists All Other	52	22	42.3%	Program Manager	\$51,189.46
Law Enforcement Officer II-Police Patrol Officers	64	27	42.2%	Police Officer II	\$50,323.31
Security Officer III-Correctional Officers & Jailers	4718	1989	42.2%	Corrections Officer	\$40,013.03
Direct Service Associate III-Healthcare Support Workers All Other	19	8	42.1%	Senior Human Services Care Specialist	\$33,365.33

Human Resource Analyst I- Compensation Benefits & Job Analysis Specialists	31	13	41.9%	HR Benefits Specialist	\$58,891.67
Counselor II-Probation Officers & Correctional Treatment Specialists	332	137	41.3%	Casework Counselor	\$42,732.05
Food Service Technician III-1st-Ln Supvrs/Mgrs of Food Preparation & Serving Workers	223	92	41.3%	Food Operations Supervisor	\$36,859.03
Security Manager II-First-Line Supervisors/Managers of Correctional Officers	266	106	39.8%	Captain	\$57,147.56
Licensed Practical Nurse-Licensed Practical & Licensed Vocational Nurses	404	158	39.1%	Licensed Practical Nurse	\$50,856.62
Hsekeep &/or Apparel Worker I- Laundry & Dry-Cleaning Workers	41	16	39.0%	Laundry Worker	\$24,139.00
Hearing Legal Servcs Offcr I- Administrative Law Judges Adjudicators & Hearing Ofcrs	131	51	38.9%	Hearing Officer Trainee	\$40,946.53
Security Officer III-Security Guards	173	67	38.7%	Security Officer	\$37,027.17
Counselor II-Mental Health & Substance Abuse Social Workers	202	77	38.1%	Cognitive Counselor	\$47,318.33
Trades Technician IV-1st-Ln Supvrs/Mgrs of Mechanics Installers & Repairers	21	8	38.1%	Trades and Utility Master Mechanic	\$48,193.43
				<b>Most Populated Working Title within COVA Position</b>	<b>Average Salary for Working Title</b>
<b>COVA Occupation</b>	<b>EE Count</b>	<b>Turnover Instances</b>	<b>Annual Turnover %</b>		
Food Service Manager II-1st-Ln Supvrs/Mgrs of Food Preparation & Serving Workers	38	14	36.8%	Assistant Director of Food Operations	\$43,377.26
Info Technology Specialist I- Computer Programmers	19	7	36.8%	Assistant Manager of Information Technology	\$67,230.00
Law Enforcement Officer I-Police Patrol Officers	66	24	36.4%	Police Officer I	\$46,554.54
Prog Admin Manager II- Community & Social Service Specialists All Other	22	8	36.4%	Evidence Based Practice Manager	\$72,707.43
RN II/Nurse Prct I/Phy Asst- Registered Nurses	611	222	36.3%	Registered Nurse	\$74,350.73
Registered Nurse Manager I- Medical & Health Services Managers	28	10	35.7%	RN Care Consultant	\$89,388.00

Trades Technician II-Landscaping & Groundskeeping Workers	20	7	35.0%	Grounds Equipment Operator	\$31,584.00
Admin and Office Spec III-Purchasing Agents xcpt Wholesale Retail & Farm Products	23	8	34.8%	Buyer	\$53,085.56
Law Enforcement Manager I-First-Line Supervisors/Managers Law Enforcement Workers	23	8	34.8%	Law Enforcement Manager I	\$100,366.75
Registered Nurse Manager I-Registered Nurses	127	43	33.9%	Nursing Unit Manager	\$91,300.82
Therapy Assistant/Therapist I-Recreational Therapists	65	22	33.8%	Recreation Therapist I	\$43,652.18
Admin and Office Spec III-Eligibility Interviewers Government Programs	298	100	33.6%	Customer Contact Center Representative	\$32,208.98
Engineering Technician I-Construction & Building Inspectors	18	6	33.3%	Inspector Apprentice	\$42,717.44
Therapist II-Recreational Therapists	42	14	33.3%	Recreation Therapist II	\$41,404.70
Human Resource Manager I-Human Resources Training & Labor Relations Specialists AO	53	17	32.1%	Human Resources Officer	\$65,597.04

COVA Occupation	EE Count	Turnover Instances	Annual Turnover %	Most Populated Working Title within COVA Position	Average Salary for Working Title
Psych I/Psychology Assoc I-Mental Health & Substance Abuse Social Workers	22	7	31.8%	District Mental Health Clinician	\$59,981.95
Food Service Technician I-Combined Food Preparation & Serving Wrkrs Includg Fast Food	101	32	31.7%	Food Service Technician	\$22,927.80
Info Technology Specialist III-Computer Occupations, All Other	64	20	31.3%	Project Manager	\$108,600.92
Psych II/Psychology Assoc II-Clinical Counseling & School Psychologists	32	10	31.3%	Senior Psychologist	\$74,359.00
Counselor II-Medical & Public Health Social Workers	29	9	31.0%	Health Counselor	\$48,137.40
Admin and Office Spec III-Procurement Clerks	13	4	30.8%	Administrative Support Specialist	\$40,001.00
Emergency Coordinator II-Police Fire & Ambulance Dispatchers	91	28	30.8%	Dispatcher	\$41,084.26

Law Enforcement Officer III- Criminal Investigators & Special Agents - Senior	72	22	30.6%	Senior Special Agent	\$101,046.70
Admin and Office Spec III-Human Resources Assistants Except Payroll & Timekeeping	95	29	30.5%	Personnel Assistant	\$39,757.00
Registered Nurse I-Registered Nurses	278	84	30.2%	Registered Nurse	\$69,410.61
Law Enforcement Manager I-1st- Ln Supvrs/Mgrs of Police & Detectives - Sgt	200	60	30.0%	Sergeant	\$82,814.77
Law Enforcement Manager II- First-Line Supervisors/Managers of Police & Detectives	20	6	30.0%	Special Agent In Charge Supervisor	\$87,363.00
Admin and Office Spec III-Bill & Account Collectors	27	8	29.6%	Legal Collector	\$35,211.83
Trades Technician IV-Electricians	27	8	29.6%	Electrician Supervisor	\$51,469.43
Psych I/Psychology Assoc I- Mental Health Counselors	78	23	29.5%	Psychology Associate	\$56,273.36
Direct Service Associate III-Social & Human Service Assistants	146	43	29.5%	Senior Employment Services Specialist	\$47,995.43
Direct Service Associate III- Community & Social Service Specialists All Other	34	10	29.4%	Offender Grievance Counselor	\$41,398.13
<b>COVA Occupation</b>	<b>EE Count</b>	<b>Turnover Instances</b>	<b>Annual Turnover %</b>	<b>Most Populated Working Title within COVA Position</b>	<b>Average Salary for Working Title</b>
Education Support Spec III- Instructional Coordinators	24	7	29.2%	Outreach Education Instructor	\$39,166.33
Trades Manager I-Administrative Services Managers	24	7	29.2%	Section Manager of Facilities	\$92,115.89
Computer Operations Techn II- Computer Support Specialists	14	4	28.6%	Computer Operations Specialist	\$37,042.00
Human Resource Analyst I- Employment Recruitment & Placement Specialists	84	24	28.6%	Personnel Analyst	\$49,549.67
Prog Admin Specialist III- Community & Social Service Specialists All Other	49	14	28.6%	Licensing Administrator	\$82,732.85
Education Administrator III- Education Administrators Elementary & Secondary School	46	13	28.3%	Principal	\$87,538.82

Law Enforcement Officer III- Police Patrol Officers - Master	96	27	28.1%	Master Trooper	\$97,168.76
Health Care Compliance Spec II- Compliance Officers xcpt A C H&S & T	79	22	27.8%	Senior Investigator	\$72,383.70
Store & Warehouse Spec II-Stock Clerks & Order Fillers	51	14	27.5%	Storekeeper	\$32,379.79
Psych II/Psychology Assoc II- Psychologists	22	6	27.3%	Senior Psychologist	\$81,884.33
Law Enforcement Manager II-1st- Ln Supvrs/Mgrs of Police & Detectives - Cpt	26	7	26.9%	Captain	\$121,820.44
RN III/Nurse Prct II-Registered Nurses	52	14	26.9%	Senior Certified Nurse Practitioner	\$94,482.81
Trades Technician III-Helpers-- Installation Maintenance & Repair Workers	26	7	26.9%	Utility Lead Worker	\$52,822.00
Law Enforcement Officer II-Police Patrol Officers - I	160	43	26.9%	Trooper I	\$48,570.09
Prog Admin Specialist I-Claims Adjusters Examiners & Investigators	75	20	26.7%	Veterans Services Representative	\$46,594.45
Scientist I-Life Physical & Social Science Occupations	105	28	26.7%	Epidemiologist	\$51,533.17
Store & Warehouse Spec III-Stock Clerks & Order Fillers	98	26	26.5%	Storekeeper Supervisor	\$39,127.95
				<b>Most Populated Working Title within COVA Position</b>	<b>Average Salary for Working Title</b>
<b>COVA Occupation</b>	<b>EE Count</b>	<b>Turnover Instances</b>	<b>Annual Turnover %</b>		
Trainer and Instructor II-Training & Development Specialists	80	21	26.3%	Trainer Instructor II	\$56,128.90
Admin and Office Spec III-Court Municipal & License Clerks	797	209	26.2%	DMV Customer Service Generalist	\$34,191.91
Admin and Office Spec II- Bookkeeping Accounting & Auditing Clerks	23	6	26.1%	Fiscal Assistant	\$37,456.08
Procurement Officer I-Purchasing Agents xcpt Wholesale Retail & Farm Products	180	46	25.6%	Procurement Officer I	\$59,495.62
Prog Admin Specialist I- Community & Social Service Specialists All Other	231	59	25.5%	Human Services Program Specialist	\$52,240.85
Human Resource Manager II- Human Resources Managers All Other	59	15	25.4%	HR Manager	\$110,378.10

Security Officer IV-First-Line Supervisors/Managers of Correctional Officers	641	161	25.1%	Sergeant	\$44,891.12
Compliance/Safety Officer III-Construction & Building Inspectors	12	3	25.0%	Construction Safety Coordinator	\$57,750.00
Health Care Compliance Spec I-Eligibility Interviewers Government Programs	224	56	25.0%	Dental Analyst Trainee	\$43,802.39
Law Enforcement Manager I-1st-Ln Supvrs/Mgrs Protective Service Workers All Other	16	4	25.0%	Assistant Special Agent in Charge	\$69,118.00
Procurement Manager II-Purchasing Managers	60	15	25.0%	Procurement Manager	\$85,932.00
Therapist III-Occupational Therapists	36	9	25.0%	Occupational Therapist	\$76,987.67
Trades Technician III-Industrial Machinery Mechanics	16	4	25.0%	Power Plant Mechanic	\$46,806.73
Auditor I-Tax Examiners Collectors & Revenue Agents	77	19	24.7%	External Auditor	\$46,984.88
Probation Officer I-Probation Officers & Correctional Treatment Specialists	1222	299	24.5%	Probation Officer	\$44,432.41
Natural Resource Spec II-Protective Service Workers All Other	112	27	24.1%	Park Ranger	\$41,730.71
<b>COVA Occupation</b>	<b>EE Count</b>	<b>Turnover Instances</b>	<b>Annual Turnover %</b>	<b>Most Populated Working Title within COVA Position</b>	<b>Average Salary for Working Title</b>
Natural Resource Spec II-Biological Technicians	17	4	23.5%	Fish Culturist	\$38,072.69
PR & Mktg Mgr III-Public Relations Managers	17	4	23.5%	Communications Director	\$106,896.25
Transport Opertns Manager I-1st-Ln Supvrs/Mgrs of Construction Trades & Extraction Wrkrs	319	75	23.5%	Maintenance Supervisor	\$53,575.78
Admin and Office Spec II-Office Clerks General	1108	259	23.4%	Office Services Specialist II	\$34,884.64
Food Service Technician I-Cooks Institution & Cafeteria	91	21	23.1%	Dietary Aide	\$28,759.77
Security Officer I-Security Guards	13	3	23.1%	Security Guard	\$34,059.00
Procurement Officer II-Purchasing Agents xcpt Wholesale Retail & Farm Products	118	27	22.9%	Procurement Officer II	\$70,311.38



Direct Service Associate III- Nursing Assistants	35	8	22.9%	Human Services Care Worker	\$34,541.62
Equipment Serv Repair Tech I- Automotive Service Technicians & Mechanics	57	13	22.8%	Equipment Repair Technician	\$45,375.50
Physician Manager I-Public Health District Directors MD	22	5	22.7%	District Public Health Director	\$195,145.50
Food Service Manager III-Food Service Managers	53	12	22.6%	Director of Food Operations	\$54,598.87
Admin and Office Spec III- Information & Record Clerks All Other	240	54	22.5%	Program Support Technician III	\$37,155.69
Education Support Spec II-Health Educators	27	6	22.2%	Health Educator	\$43,783.04
Hearing Legal Servcs Offcr II- Administrative Law Judges Adjudicators & Hearing Ofcrs	81	18	22.2%	Appeals Examiner	\$63,611.38
Gen Admin Manager I- Administrative Services Managers	59	13	22.0%	General Administrative Manager I	\$109,866.71
Environmental Specialist I- Agricultural Inspectors	64	14	21.9%	Food Safety Specialist	\$52,951.61
Admin and Office Spec III-Medical Records & Health Information Technicians	55	12	21.8%	Senior Medical Records Technician	\$47,467.00
Counselor I-Social Workers All Other	46	10	21.7%	Social Worker	\$46,617.58
				<b>Most Populated Working Title within COVA Position</b>	<b>Average Salary for Working Title</b>
<b>COVA Occupation</b>	<b>EE Count</b>	<b>Turnover Instances</b>	<b>Annual Turnover %</b>		
Psych II/Psychology Assoc II- Mental Health Counselors	65	14	21.5%	Senior Psychology Associate	\$73,430.96
Admin and Office Spec II- Secretaries Except Legal Medical & Executive	168	36	21.4%	Senior Secretary	\$44,000.00
Info Technology Specialist II- Database Administrators	14	3	21.4%	Reporting Analyst	\$86,310.50
Compliance/Safety Officer III- Occupational Health & Safety Specialists	89	19	21.3%	Safety Specialist	\$46,124.46
Direct Service Associate III- Pharmacy Technicians	33	7	21.2%	Pharmacy Assistant	\$44,394.14
Electronic Technician II-Electrical & Electronics Repairers C & I Equipment	66	14	21.2%	Senior Electronic Technician	\$56,181.32

Prog Admin Specialist II-Community & Social Service Specialists All Other	943	199	21.1%	Licensing Inspector	\$62,453.90
Electronic Technician II-Electronics Engineering Technicians	19	4	21.1%	HVAC Technician	\$70,166.50
Trades Technician II-Maintenance & Repair Workers General	19	4	21.1%	Trades Technician II	\$32,881.50
Direct Service Associate II-Nursing Aides Orderlies & Attendants	257	54	21.0%	Certified Nursing Assistant	\$38,318.26
Hsekeep &/or Apparel Worker I-Maids & Housekeeping Cleaners	1253	263	21.0%	Housekeeping Worker	\$25,168.03
Admin and Office Spec III-Business Operations Specialists All Other	24	5	20.8%	Contact Center Agent	\$38,394.00
Admin and Office Spec II-Mail Clerks & Mail Machine Operators xcpt Postal Svc	96	20	20.8%	Postal Assistant	\$32,442.98
Dentist I-Dentists General	29	6	20.7%	Dentist	\$151,691.27
Procurement Manager III-Purchasing Managers	29	6	20.7%	Director of Procurement	\$104,273.00
PR & Mktg Spec II-Public Relations Specialists	63	13	20.6%	Communications Specialist	\$48,392.50
Agricultural Specialist IV-Agricultural Inspectors	78	16	20.5%	Plant Protection Inspector	\$48,888.29

COVA Occupation	EE Count	Turnover Instances	Annual Turnover %	Most Populated Working Title within COVA Position	Average Salary for Working Title
Trainer and Instructor II-Primary Secondary & Special Education School Teachers	74	15	20.3%	Special Education Teacher	\$72,532.00
Financial Services Manager II-Financial Managers	114	23	20.2%	Assistant Divisional Fiscal Administrator	\$116,224.20
Prog Admin Manager III-Social & Community Service Managers	194	39	20.1%	District Manager	\$90,637.07
Admin and Office Spec III-Payroll & Timekeeping Clerks	25	5	20.0%	Timekeeper	\$33,563.33
Environmental Specialist II-Environmental Engineers	15	3	20.0%	Senior Environmental Engineer Specialist	\$68,993.20
Financial Services Spec II-Budget Analysts	50	10	20.0%	Senior Budget Analyst	\$75,052.67

Health Care Compliance Manager-Managers All Other	15	3	20.0%	Contract Monitor Manager	\$103,637.00
Human Resource Analyst II-Human Resources Training & Labor Relations Specialists AO	116	23	19.8%	Senior HR Consultant	\$87,597.94
Registered Nurse I-Public Health Nurses	200	39	19.5%	Public Health Nurse	\$60,942.46
Utility Plant Specialist II-Stationary Engineers & Boiler Operators	36	7	19.4%	Boiler Operator	\$37,679.73
Admin and Office Spec III-Office Clerks General	134	26	19.4%	Office Services Specialist III	\$36,660.60
Psych III/Psychology Assoc III-Clinical Counseling & School Psychologists	31	6	19.4%	Psychology Supervisor	\$98,139.60
Financial Services Spec II-Accountants & Auditors	88	17	19.3%	Quality Assurance Analyst	\$65,332.60
Prog Admin Specialist II-Social & Community Service Managers	83	16	19.3%	Population Health Manager	\$67,858.36
Auditor II-Accountants & Auditors	52	10	19.2%	Senior Auditor	\$80,153.50
Transportation Operator II-Highway Maintenance Workers	2088	397	19.0%	Maintenance Operator	\$41,756.37
Library Specialist II-Library Assistants Clerical	16	3	18.8%	Access Services Specialist	\$43,183.00
Lnd Acq & Prop Mgmt Manager I-Managers All Other	16	3	18.8%	Right of Way Manager	\$93,024.08
<b>COVA Occupation</b>	<b>EE Count</b>	<b>Turnover Instances</b>	<b>Annual Turnover %</b>	<b>Most Populated Working Title within COVA Position</b>	<b>Average Salary for Working Title</b>
Trainer and Instructor I-Education Training & Library Workers All Other	16	3	18.8%	Trainer and Instructor I	\$45,056.00
Direct Service Associate III-Recreation Workers	43	8	18.6%	Recreational Supervisor	\$42,636.38
Direct Service Associate II-Dietetic Technicians	146	27	18.5%	Associate Nutritionist	\$35,335.80
Financial Services Spec I-Accountants	272	50	18.4%	Accountant I	\$57,189.21
Utility Plant Specialist II-Power Plant Operators	49	9	18.4%	Power Plant Lead Worker	\$41,984.03
Natural Resource Spec III-Foresters	71	13	18.3%	Forester	\$48,372.84
Prog Admin Specialist I-Business Operations Specialists All Other	530	97	18.3%	Disability Veterans Outreach Program (DVOP)	\$46,042.83

Environmental Specialist I- Environmental Health Specialists Sr	214	39	18.2%	Senior Environmental Health Specialist	\$52,419.59
Compliance/Safety Officer IV- Compliance Officers xcpt A C H&S & T	44	8	18.2%	Compliance Safety Officer	\$65,896.80
Lnd Acq & Prop Mgmt Agent II- Business Operations Specialists All Other	55	10	18.2%	Right of Way Agent	\$65,425.33
Trades Technician III-1st-Ln Supvrs/Mgrs of Lndscpng Lwn Svc & Grndskping Wrkrs	33	6	18.2%	Grounds Supervisor	\$42,797.80
Architect/Engineer I- Environmental Engineers	50	9	18.0%	Senior Environmental Engineer	\$80,846.59
Health Care Compliance Spec I- Compliance Officers xcpt A C H&S & T	56	10	17.9%	Recovery Analyst	\$57,285.85
Watercraft Operator I-Sailors and Marine Oilers	28	5	17.9%	Ferry Crew Member	\$35,629.38
PR & Mktg Spec V-Market Research Analysts	17	3	17.6%	Business Services Manager	\$76,939.00
Law Enforcement Officer III- Criminal Investigators & Special Agents - Agent	206	36	17.5%	Special Agent	\$76,873.15
Natural Resource Spec II-Forest & Conservation Technicians	46	8	17.4%	Forest Technician	\$39,841.76
<b>COVA Occupation</b>	<b>EE Count</b>	<b>Turnover Instances</b>	<b>Annual Turnover %</b>	<b>Most Populated Working Title within COVA Position</b>	<b>Average Salary for Working Title</b>
Prog Admin Manager II-Social & Community Service Managers	52	9	17.3%	Regional Manager	\$84,882.00
Policy Planning Spec I- Management Analysts	168	29	17.3%	Senior Agency Management Analyst	\$56,406.00
Trainer and Instructor II- Vocational Education Teachers Postsecondary	128	22	17.2%	Business Education Teacher	\$53,668.44
Info Technology Manager II- Computer and Information Systems Managers	70	12	17.1%	Chief Information Officer	\$148,925.00
Media Specialist III-Graphic Designers	53	9	17.0%	Graphic Designer	\$52,611.25
Info Technology Specialist III- Information Security Analysts	65	11	16.9%	Information Security Officer	\$95,177.17

Hsekeep &/or Apparel Worker II-1st-Ln Supvrs/Mgrs of Housekeeping & Janitorial Wrkrs	150	24	16.0%	Custodial Supervisor	\$35,417.00
Scientist II-Life Physical & Social Science Occupations	163	26	16.0%	Senior Epidemiologist	\$72,734.62
Direct Service Associate III-Dental Assistants	44	7	15.9%	Dental Assistant	\$40,007.23
Education Support Spec II-Educational Vocational & School Counselors	145	23	15.9%	Enrollment Coordinator	\$42,065.78
Counselor II-Rehabilitation Counselors	256	40	15.6%	Veterans Rehabilitation Councilor (VRC)	\$62,461.43
RN II/Nurse Prct I/Phy Asst-Public Health Nurses Senior	77	12	15.6%	Senior Public Health Nurse	\$68,059.77
Info Technology Specialist I-Computer Systems Analysts	26	4	15.4%	Business Intelligence Analyst	\$54,574.00
Security Officer III-Transportation Workers All Other	26	4	15.4%	Traffic Controller	\$44,004.38
Media Specialist III-Media & Communication Workers All Other	46	7	15.2%	Media Specialist III	\$54,628.73
Registered Nurse Manager II-Medical & Health Services Managers	40	6	15.0%	Senior Public Health Nurse Manager	\$92,373.00
Education Support Spec III-Education Administrators Postsecondary	167	25	15.0%	Academic Advisor	\$48,938.50
	<b>EE Count</b>	<b>Turnover Instances</b>	<b>Annual Turnover %</b>	<b>Most Populated Working Title within COVA Position</b>	<b>Average Salary for Working Title</b>
Education Support Spec III-Education Administrators All Other	234	35	15.0%	Education Support Specialist III	\$50,727.83
Trades Technician I-Landscaping & Groundskeeping Workers	94	14	14.9%	Grounds Worker	\$28,373.83
Engineering Technician III-Civil Engineering Technicians	326	48	14.7%	Weigh Station Technician	\$40,191.15
Prog Admin Specialist I-Eligibility Interviewers Government Programs	152	22	14.5%	Workforce Services Representative	\$41,635.06
Policy Planning Spec II-Management Analysts	167	24	14.4%	Agency Management Lead Analyst	\$74,194.33
Policy Planning Spec II-Business Operations Specialists All Other	155	22	14.2%	Policy Analyst Senior	\$76,591.75

Admin and Office Spec III-Office & Administrative Support Workers All Other	2347	329	14.0%	Program Support Technician III	\$41,863.26
Laboratory & Research Spec I-Life Physical & Social Science Technicians	50	7	14.0%	Laboratory Specialist	\$39,247.00
Trades Technician IV-1st-Ln Supvrs/Mgrs of Construction Trades & Extraction Wrkrs	315	44	14.0%	Building & Grounds Supervisor	\$48,550.60
Prog Admin Manager III-Managers All Other	181	25	13.8%	Program Management Manager	\$108,230.92
Trades Technician III-Maintenance & Repair Workers General	240	33	13.8%	Trades Technician III	\$49,847.84
Admin and Office Spec III-Bookkeeping Accounting & Auditing Clerks	904	122	13.5%	Fiscal Technician	\$44,886.31
Admin and Office Spec III-1st-Ln Supvrs/Mgrs of Ofc & Administrative Support Wrkrs	215	29	13.5%	Office Services Supervisor	\$44,176.85
Gen Admin Supv I/Coord I-General & Operations Managers	75	10	13.3%	Business Manager	\$59,641.21
Law Enforcement Officer III-Police Patrol Officers - Sr	379	49	12.9%	Senior Trooper	\$72,773.87
Law Enforcement Officer II-Police & Sheriff Patrol Officers	63	8	12.7%	Police Sergeant	\$62,573.09
				<b>Most Populated Working Title within COVA Position</b>	<b>Average Salary for Working Title</b>
<b>COVA Occupation</b>	<b>EE Count</b>	<b>Turnover Instances</b>	<b>Annual Turnover %</b>		
Admin and Office Spec III-Secretaries Except Legal Medical & Executive	173	21	12.1%	Administrative Assistant	\$42,802.30
Admin and Office Spec III-Executive Secretaries & Administrative Assistants	849	103	12.1%	Executive Secretary	\$46,166.42
Food Service Technician II-Cooks Institution & Cafeteria	124	15	12.1%	Cook	\$31,499.78
Education Support Spec II-Education Training & Library Workers All Other	350	42	12.0%	Education Support Specialist II	\$41,775.62
Law Enforcement Officer II-Police Patrol Officers - II	610	73	12.0%	Trooper II	\$57,588.97
Architect/Engineering Mgr II-Engineering Managers	262	31	11.8%	Area Construction Engineer	\$115,055.07

Financial Services Spec I- Accountants & Auditors	207	24	11.6%	Accountant I	\$56,285.90
Education Support Spec III- Education Training & Library Workers All Other	259	30	11.6%	Education Support Specialist III	\$47,323.56
Gen Admin Supv I/Coord I-1st-Ln Supvrs/Mgrs of Ofc & Administrative Support Wrkrs	411	47	11.4%	Office Manager	\$50,425.35
Prog Admin Specialist II-Business Operations Specialists All Other	368	42	11.4%	Planning Specialist	\$85,343.00
Financial Services Spec I-Tax Examiners Collectors & Revenue Agents	257	29	11.3%	Financial Services Specialist	\$37,919.57
Info Technology Specialist II- Software Developers, Applications	196	22	11.2%	Sr Programmer Analyst	\$89,079.50
Law Enforcement Officer I-Police & Sheriff Patrol Officers	153	17	11.1%	Police Officer I	\$51,578.73
Architect/Engineer II-Civil Engineers	246	27	11.0%	Senior Engineer	\$105,639.15
Info Technology Specialist III- Software Developers, Applications	223	23	10.3%	Sr Programmer Analyst Expert	\$99,313.94
Info Technology Specialist II- Computer User Support Specialists	246	25	10.2%	Info Technology Specialist II	\$80,849.93
Info Technology Specialist III- Computer Systems Analysts	238	24	10.1%	Systems Analyst	\$103,670.28
<b>COVA Occupation</b>	<b>EE Count</b>	<b>Turnover Instances</b>	<b>Annual Turnover %</b>	<b>Most Populated Working Title within COVA Position</b>	<b>Average Salary for Working Title</b>
Engineering Technician III- Construction & Building Inspectors	201	20	10.0%	Senior Construction Inspector	\$65,937.59
PR & Mktg Spec III-Public Relations Specialists	257	25	9.7%	Public Relations & Marketing Specialist III	\$58,484.83
Gen Admin Supv I/Coord I- Executive Secretaries & Administrative Assistants	310	29	9.4%	Administrative Staff Specialist	\$56,580.86
Transportation Operator III- Highway Maintenance Workers	313	28	8.9%	Maintenance Crew Leader	\$49,402.50
Info Technology Specialist I- Computer User Support Specialists	281	24	8.5%	Info Technology Specialist I	\$47,754.91

Architect/Engineer I-Civil Engineers	417	35	8.4%	Traffic Engineer	\$86,862.67
Prog Admin Specialist I-Support Enforcement Officers	444	35	7.9%	Support Enforcement Specialist	\$45,161.73
Environmental Specialist II-Environmental Scientists & Specialists Including Health	652	49	7.5%	Senior Natural Resource Specialist	\$79,158.10

## Appendix B – Market Benchmark Results

Table 8 – Variance to Market: TCC & TC

Overall Variance to Market: Base Salary & TCC											
General Industry Market Data						Government Industry Market Data					
Base Salaries			TCC			Base Salaries			TCC		
25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
-2.6%	-15.0%	-25.4%	-4.1%	-16.8%	-27.4%	2.1%	-11.3%	-22.5%	0.7%	-13.0%	-24.4%

Table 9 – Variance to Market Total Compensation

Overall Variance to Market: TC					
General Industry Market Data			Government Industry Market Data		
TC			TC		
25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>	25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
9.2%	-0.5%	-9.5%	-1.7%	-9.5%	-17.0%

Table 10 – Market Position of High Turnover Occupational Families

Average Position to Market by Occupational Family	
COVA Occupational Family	Average Variance to Market (TCC/TC)



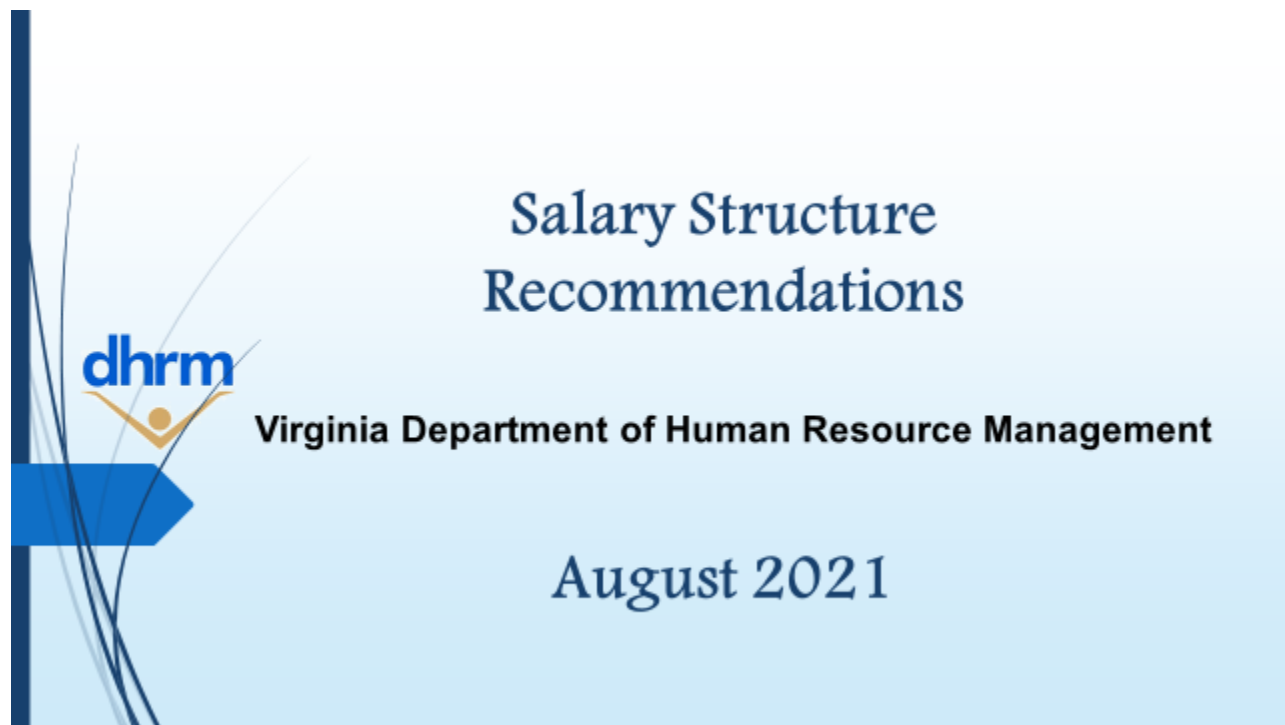
Admin and Office Specialist	-23% / -7.5%
Direct Services Associates (Nursing, Psychiatric, & Healthcare Staff) Registered Nurses/Nurse Practitioners	-19% / -7%
Law Enforcement	-10% / -11%
Program Administration (Community and Social Services )	-12.5% / -2.5%
Information Technology	-5% / .5%
Security Management	-14% / 4%
Trades Technicians	-22% / -9%

#### Appendix C – Deloitte Market Benchmark Methodology and Comparators

**Deloitte used the previous year's market data scope based on the Commonwealth's FY20 Annual Budget. Deloitte will make any necessary adjustments to the scope of the data pending confirmation of the Commonwealth's FY21 Annual Budget. Deloitte used the following salary surveys to compile market compensation data:**

• Economic Research Institute (ERI)
- 2021 Salary Assessor (data effective as of April 1, 2021)
• Empsight International
- 2020 "The Works" Survey (data effective as of March 1, 2020)
• Mercer
- 2020 Healthcare System Executives Report (data effective as of March 1, 2020)
- 2020 Healthcare Individual Contributors Report (data effective as of March 1, 2020)
- 2020 Physician Practices/Clinics Report (data effective as of March 1, 2020)
- 2020 Advanced Practice Clinicians and Nursing (data effective as of March 1, 2020)
- 2020 Executive Report (data effective as of March 1, 2020)
- 2020 Information Technology Report (data effective as of March 1, 2020)
• PayFactors (data effective as of July 1, 2021)
• Sullivan, Cotter & Associates
- 2020 Manager and Executive Compensation in Hospitals and Health Systems (data effective as of January 1, 2020)
- 2020 Health Care Staff Compensation Survey Report (data effective as of January 1, 2020)
• U.S. Bureau of Labor Statistics (BLS) 2020 Survey (data effective as of May 1, 2020)
• Willis Towers Watson
- 2020 Health Care Executive & Mgmt Report (data effective as of April 1, 2020)

Appendix C – Salary Structure Recommendations



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## Salary Structure Overview

- Legislated minimum wage increases:
  - Jan 1, 2022 = \$11 per hour
  - Jan 1, 2023 = \$12 per hour
  - Jan 1, 2025 = \$13.50 per hour
- ~70% of the population are in grades 1-4
- Focusing on the next two minimum wage increases will allow us to make impactful changes while keeping the future state goal in mind
- Analysis is solely based on salary structure; no budgeting outline is provided

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## Salary Forecasted Distribution

*Change targets ~70% of the states population*

- 2022 salary structure changes focuses on impacting a large population
- Creates the foundation for the width and depth of the salary structure
- Starts highlighting Role + SOC combos that will become outliers

Grade	# of Employees	% of Population
1	1,821	3.04%
2	5,647	9.43%
3	18,215	30.41%
4	17,124	28.59%
5	12,121	20.23%
6	4,241	7.08%
7	522	0.87%
8	198	0.33%
9	15	0.03%
Total	59,904	100%

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## Salary Forecasted Distribution

*The average salaries in grades 1-3 hover grade minimums*

Employees Under \$11 Currently	
Grade	# of Employees
1	213
2	2
3	3
Grand Total	218

Employees Under \$12 Currently	
Grade	# of Employees
1	476
2	108
3	5
Grand Total	589

Average Salaries by Grade Compared to Salary Structure Changes



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## 2022 Salary Structure Recommendations

Grade	Current Min	2022 Min	% Change from Current to 2022	Current Max	2022 Max	% Change from Current to 2022
1SW	\$19,760	\$22,880	16%	\$55,011	\$57,200	4.0%
2SW	\$23,727	\$27,456	16%	\$67,789	\$68,640	1.3%
3SW	\$28,354	\$32,947	16%	\$78,419	\$82,368	5.0%
4SW	\$37,042	\$39,537	7%	\$98,371	\$98,842	0.5%
5SW	\$48,391	\$48,391	0%	\$124,434	\$124,434	0.0%
6SW	\$63,219	\$63,219	0%	\$158,482	\$158,482	0.0%
7SW	\$82,592	\$82,592	0%	\$202,971	\$202,971	0.0%
8SW	\$107,894	\$107,894	0%	\$261,087	\$261,087	0.0%
9SW	\$140,957	\$140,957	0%	Market	Market	-

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## 2022 Salary Structure Recommendations

Jan 1, 2022 - minimum wage will increase from \$9.50 to \$11

- Salary structure changes will only occur to grades 1-4
  - Grade 1-3 min increase by 16%
  - Grade 4 min creased by 7%
  - Max of grades 1-4 will vary from an increase of 0%-5%
  - Grades 1-4 will have a 20% min to min and max to max difference
    - Ex: Grade 1 min = 22,880, Grade 2 min = 27,456 ( $22,800 * 20\% = 27,456$ )
    - Ex: Grade 3 max = 82,368, Grade 4 max = 98,842 ( $82,368 * 20\% = 98,842$ )
- No change to Grades 5-9
  - Target min wage = \$15, which is achieved at grade 4
  - Compress lower grades where employee salary ranges are clustered together
  - Avoid changes where change is not needed

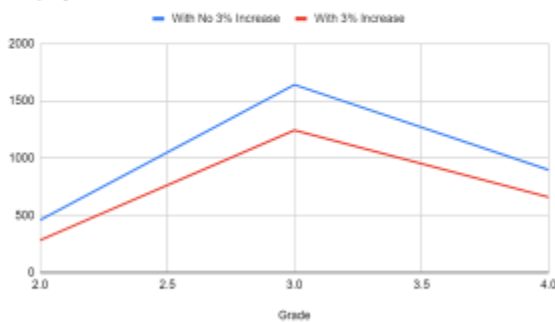
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## Salary Forecasted Distribution

*A significant number of employees will fall under their new salary grade minimums*

Employees under the 2022 Structure



# of EEs under new min if no 3% = 3,013  
 # of EEs under new min with 3% = 2,193

Employees under the 2023 Structure



# of EEs under new min if no 3% = 8,037  
 # of EEs under new min with 3% = 5,794

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## 2022 Impacts

*~60% of the population under their 2022 structure grade min are in the follow agencies and role codes*

Agency	# of EEs Under New Structure	% of Total Population	Role Code	# of EEs Under New Structure	% of Total Population
Dept Behav Hlth & Develop Svcs	688	23%	Admin and Office Spec III	859	29%
Dept of Motor Vehicles	443	15%	Direct Service Associate III	328	11%
Virginia Employment Commission	246	8%	Direct Service Associate II	229	8%
Dept of Corrections	206	7%	Prog Admin Specialist I	148	5%
Virginia Community College Sys	187	6%	Education Support Spec II	116	4%
			Admin and Office Spec II	106	4%

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## 2022 Impacts

*2022 EEs under new grade min. - Role + SOC*

Salaries Under Minimum		Grade and Role Code + SOC		
Grade	# of Employees	Grade	Role + SOC	# EEs
1	0	2	Admin and Office Spec II + Office Clerks General	77
2	459	2	Direct Service Associate II + Psychiatric Technicians	205
3	1,641	3	Admin and Office Spec III + Court Municipal & License Clerks	207
4	897	3	Admin and Office Spec III + Eligibility Interviewers Government Programs	157
		3	Admin and Office Spec III + Office & Administrative Support Workers All Other	242
		3	Direct Service Associate III + Psychiatric Technicians	253
		4	Prog Admin Specialist + Eligibility Interviewers Gov Programs	61
		4	Security Officer IV + Correction Officers & Jailers	88

Assumptions:

- No increases to current salaries
- Based on 2022 grade minimum
- Grade 1 EEs are at min (213)

\*\*Numbers will approx. decrease by 40 if 3% increases are provided

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## 2022 Role Recommendation

Grade and Role Code + SOC				
Current Grade	Role + SOC	New Grade	New Role + SOC	Comments
2	Admin and Office Spec II + Office Clerks General	2	-	Salaries adjustments are recommended (77)
2	Direct Service Associate II + Psychiatric Technicians	1&2	Psychiatric Technicians + Psychiatric Technicians (1,302)	also introduce an entry level psych tech at grade 1 (205)
3	Admin and Office Spec III + Court Municipal & License Clerks	3	Court Admin + Court Municipal & License Clerks (797)	-
3	Admin and Office Spec III + Eligibility Interviewers Government Programs	3	Government + Eligibility Interviewers Government Programs (719)	-
3	Admin and Office Spec III + Office & Administrative Support Workers All Other	3	-	Salaries adjustments are recommended (242)
3	Direct Service Associate III + Psychiatric Technicians	3	Psychiatric Technicians + Psychiatric Technicians (1,302)	-
4	Probation Officer I + Probation Officers & Correctional Treatment Specialists	4	-	Salaries adjustments are recommended (192)

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## 2023 Salary Structure Recommendations

Grade	2022 Min	2023 Min	% Change from 2022 to 2023	2022 Max	2023 Max	% Change from 2022 to 2023
1SW	\$22,880	\$24,960	9%	\$57,200	\$62,400	9.1%
2SW	\$27,456	\$29,952	9%	\$68,640	\$74,880	9.1%
3SW	\$32,947	\$35,942	9%	\$82,368	\$89,856	9.1%
4SW	\$39,537	\$43,131	9%	\$98,842	\$107,827	9.1%
5SW	\$48,391	\$51,757	7%	\$124,434	\$129,393	4.0%
6SW	\$63,219	\$62,108	-2%	\$158,482	\$155,271	-2.0%
7SW	\$82,592	\$74,530	-10%	\$202,971	\$186,325	-8.2%
8SW	\$107,894	\$89,436	-17%	\$261,087	\$223,590	-14.4%
9SW	\$140,957	\$107,323	-24%	Market	\$268,309	-
10SW	-	\$128,788	-	-	\$321,970	-
11SW	-	\$154,546	-	-	Market	-

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## 2023 Salary Structure Recommendations

Jan 1, 2023 - minimum wage will increase from \$11 to \$12

- The salary structure foundation will be based on width and depth
  - All grades will have a 250% range from min to max
    - Ex: Grade 1 min = 24,960 & max = 62,400 (24,960 \* 250% = 62,400)
  - All grades will have a 20% min to min and max to max difference
    - Ex: Grade 2 min = 29,952, Grade 3 min = 35,942 (29,952 \* 20% = 35,942)
    - Ex: Grade 7 max = 186,325, Grade 8 max = 223,590 (186,325 \* 20% = 223,590)
- Salary structure will add two additional grades
  - By controlling width and depth of each grade, we can introduce new grades with minimal operational impact
  - Ranges will target its employee population needs
    - Grades 1-5 will see an increase in min and max (91% of total population)
    - Grades 7-9 see an increase in range even if the max decreased
    - Grades 10-11 provide high end ranges for positions that commonly have expectations to their grade max

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## 2023 Impacts

*2023 EEs under new grade min. - Role + SOC*

Salaries Under Minimum	
Grade	# of Employees
1	0
2	786
3	2781
4	2005
5	222

Assumptions:

- One 3% annual increase awarded
- Based on 2023 grade minimum
- Grade 1 EEs are at min (371)

\*\*12 other Role + SOC combos have at least 90 EEs that fall under min

Grade and Role Code + SOC		
Grade	Role + SOC	# of EEs
2	Admin and Office Spec II + Office Clerks General	209
2	Direct Service Associate II + Psychiatric Technicians	334
3	Admin and Office Spec III + Court Municipal & License Clerks	390
3	Admin and Office Spec III + Eligibility Interviewers Government Programs	273
3	Admin and Office Spec III + Office & Administrative Support Workers All Other	538
3	Direct Service Associate III + Psychiatric Technicians	382
4	Probation Officer I + Probation Officers & Correctional Treatment Specialists	397

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## 2023 Impacts

### *2023 EEs over new grade Max. - Role + SOC*

Salaries Over Maximum	
Grade	# of Employees
5	3
6	24
7	6
8	79
9	11

**Assumptions:**

- One 3% annual increases awarded
- Based on 2023 grade maximum

Grade and Role Code + SOC		
Grade	Role + SOC	# of EEs
6	Dentist I + Dentists General	20
8	Physician II + Psychiatrists	53
8	Physician II + Physicians & Surgeons	13
8	Physician II + Physicians & Surgeons All Other	5
8	Physician Manager I + Medical & Health Svcs Mgr	3
9	Physician Manager II + Medical & Health Svcs Mgr	6
9	Physician Manager II + Psychiatrists	5

## 2023 Role Recommendation

Grade and Role Code + SOC			
Current Grade	Role + SOC	New Grade	Comments
6	Dentist I (30)	7	Move job family up a grade
7	Dental Manager (2)	8	Move job family up a grade
8	Physician II – All SOC Codes (107)	10	Move job family up two grades
8	Physician Manager I - All SOC Codes (32)	10	Move family up two grades
9	Physician Manager II - All SOC Codes (15)	11	Move family up two grades

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## Outstanding Topics

- Funding
  - What funding will be provided for employees who will fall under their new grade minimum
  - We will see compression issues as minimum wage increases
  - Compression and EEs under their grade minimum will significantly magnify if annual increase and salary adjustments are not provided
- Analysis is Based on Current Legislation (2022 - 2025)
  - If minimum wage legislation is expedited, agencies will not be able to make proper adjustments without significant funding
- Goal of Market Based Structure
  - Investment in market data and job matching is needed. If we lose sight of market position, the state will have a difficult time with recruitment, turnover, and succession planning
- Agency Socialization
  - Need to receive specific feedback from greatest impacted agencies
  - Webinar is recommended for all agency socialization

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## Recommendation Summary

### 2022 Salary Structure

- Update grades 1-4
- 20% difference between min to min
- 20% difference between max to max
- Grade range of 250%
- No change to grades 5-9

### 2023 Salary Structure

- Add two new grades 10 & 11
- All grades will have the same width and depth
- 20% difference between min to min
- 20% difference between max to max
- Grade range of 250%

### Role Codes & SOC Updates

- Update 8 Role Codes + SOC combos
  - Admin and Office Spec II & III
  - DSA II & III
  - Probation Officer I
- Update 2 job families to higher grades
  - Dentists
  - Physicians