



AHRS PERIODICAL

Office of Agency Human Resource Services

Statewide Pay Action Summary Report October – December 2003

Pay Action	# Actions	# Pay Adjustments	Ave. % Adjustment
Promotions	444	434	13.50
Demotion – Voluntary	65	19	-5.76
Demotion – Disciplinary	2	2	-7.05
Role Change – Upward	240	226	8.56
Role Change – Lateral	64	39	7.23
Role Change – Downward	7	2	-10.00
Voluntary Transfer – Competitive	750	34	9.62
Vol. Transfer - Non-Competitive	212	21	-2.53
Temporary Pay	172	172	8.07
End Temporary Pay	123	123	-9.10
Acting Pay	151	151	9.21
Competitive Salary Offer	58	58	15.37
Reassignment within Band	60	1	10.00
Adjust Special Rate	587	587	.47
IBA – Change in Duties Increase	351	351	7.22
IBA – New KSAs/Competencies	213	213	8.17
IBA – Retention	550	550	5.14
IBA – Internal Alignment Increase	1050	1050	6.76
IBA Special – State Troopers	1661	1661	1.21
Bonus – Change in Duties	67	67	1.98
Bonus – Internal Alignment	3	3	7.13
Bonus – New KSAs/Comp.	49	49	2.60
Bonus – Retention	20	20	1.60
Bonus – Recognition, Monetary	669	669	.98
Bonus – Referral	2	2	1.64
Bonus – Sign-On	8	8	1.83
Bonus – Special State Troopers	1661	1661	1.13
Bonus – Excep. Incentive- Retention	2	2	10.15
Bonus – Recognition Leave	417	417	-
Bonus – Project	18	18	1.13
Overall Approximate Totals	9676	8610	3.66

The average pay increase was 5.86%

The average pay decrease was -6.89%¹

AHRS POLICY GUIDE

Limits on the Accumulation of Overtime Leave

Policy 3.15, Overtime Leave, states that, "In no instance shall an employee's overtime leave balance exceed 240 hours, unless the employee holds a non-exempt public safety, emergency or seasonal position, in which case his or her overtime leave balance shall not exceed 480 hours."

Department of Labor regulations (29 CFR 553.24) explain the three ways that an employee may qualify for the 480-hour limit, rather than the normal 240-hour limit. Eligible employees are those engaged in:

1. *public safety activities*, which includes law enforcement and fire fighting workers;
2. *emergency response activities*, which includes dispatchers, rescue and ambulance workers; and
3. *seasonal activities*, which includes workers whose work is characterized by a regular and recurring increase in workload and by the likelihood of the increase resulting in the 240-hour limit being exceeded.

It is important to note that emergency response does not mean employees who are required to report to work during office closings (e.g., a snow day). Furthermore, weather-related activities do not qualify as seasonal either, unless such activities are recurring and last for a lengthy period. On the other hand, seasonal activities may include work that is not directly related to the four seasons, including, for example, the processing of tax returns over an extended period of time.

Schedule Adjusting: The Good, the Bad, and the Ugly

Agencies, especially those with 24/7 operations and other coverage challenges, often need to minimize employee absences. Throughout state government, agencies' budgets are affected when employees accrue significant overtime earnings. As a result, agencies often adjust the schedules of their employees to ensure adequate coverage and/or to eliminate overtime obligations. Following are examples of schedule adjusting situations:

Flexing the Work Week

Employees who may be required to work additional hours early in the work week can have their work schedule adjusted at the end of the work week to avoid overtime. This is both acceptable and fiscally prudent.

Substituting Work Hours for Annual Leave

An employee taking approved annual leave during the week may also be asked to work additional hours on his or her scheduled days off. With the approval of the employee, the agency can substitute the hours of annual leave with the additional hours worked; thus reducing or eliminating the need to use the employee's annual leave. This practice is appropriate as long as both the employee and management agree. It may be inappropriate if the agency consistently adjusts the employee's schedule so that the

employee always works a full workweek and rarely gets to use his leave for a break, or if the leave is adjusted without the employee's consent.

Adjustment of Sick Leave

Agencies should be cautious when changing the kind of leave requested by an employee and approved by the supervisor, and should ensure that employees are able to use their leave as intended within the business demands of the agency. It is not acceptable for an agency to substitute compensatory leave for sick leave without the employee's permission.

The use of sick leave is limited in its application. Compensatory leave is flexible, and by design, can be used by the employee for a variety of reasons. Leave is a benefit that employees should be allowed to use within the intent of policy.

Withdrawing an Employment Offer

Reference checks are a critical part of the pre-employment procedure. Policy 2.10 contains information about how reference checks should be conducted. Note that this process should be completed BEFORE an offer is made.

Although it is not illegal to withdraw an offer of employment based on information learned after an offer has been extended, it is not good Human Resource practice. Further, it is unfair to put the candidate in the position of having resigned from a previous position only to withdraw the offer that was accepted in good faith.

If agencies believe it is necessary to extend an employment offer before all information has been received, it should be made clear to the candidate that the offer is conditional and will become final only after further background or reference information has been received and evaluated.

Reminders Regarding Military Leave Issues

- Annual Leave Carryover: Qualified employees with annual leave balances over the maximum carryover amount may be eligible to have the excess leave converted to Military Bank leave. Military Bank leave can be used to maintain paid status during future military deployments.
- Reinstatement from Military Leave: Employees cannot be reinstated to their classified status prior to the date of their military discharge.
- Active Military Supplement: Employees on military leave without pay may be eligible to receive the active military supplement. A copy of the employee's Leave and Earnings Statement (LES) must be provided to the agency to verify his or her military salary and any allowances.

- 15 days of paid leave. Employees on military leave without pay do not have access to the 15 days of paid military leave unless they have returned from military leave and are again deployed or required to attend military training.
- FMLA: The time employees are on military leave counts towards their eligibility for FMLA.

Voluntary Transfer-Non-Competitive

In Policy 3.05, one of the pay practices described is the Voluntary Transfer – Non-Competitive. Policy 2.10 refers to this practice in citing exceptions to normal recruitment practices. Two points need further emphasis:

- A non-competitive transfer should be an unusual event. Most vacancies should be filled through posting and the competitive process.
- Non-competitive voluntary transfers are intended for employees that move to another position in the same pay band *within an agency*, not between agencies.

Holidays and Alternate Work Schedules

The Department of Human Resource Management has received numerous inquiries regarding the recent holidays. Following is a summary of how holidays are implemented for employees on alternate work schedules.

- Employees required to work on a holiday
 - Employees who work will be paid for 8 hours of holiday and will be paid or credited with compensatory leave for the hours actually worked.
 - Employees who call in sick or who are on approved leave will have the day charged to holiday and no other leave will be recorded.
 - Employees who don't report to work or who are not on approved leave face disciplinary action, loss of holiday and/or loss of pay.
- Holidays that fall on an employee's scheduled day off
 - Employees receive compensatory leave or pay for the holiday.
- Employees scheduled to work alternate schedules
 - Employees will receive 8 hours of holiday pay and, if necessary, may use other leave to receive full pay for the holiday. (Example: An employee scheduled to work 10-hour days receives 8 hours of holiday and then must either use 2 hours of other accrued leave or must work 2 extra hours on another day to receive full pay for the holiday.)

Criminal History Records

Based on consultation with the Office of the Attorney General and the Virginia State Police, agencies should destroy criminal history reports obtained for use during the hiring process once they have served that purpose. As indicated in Policy 2,10, Hiring, a brief summary of the impact of the report on the hiring decision may be retained in a confidential section of the recruitment file. The original report should be destroyed by a thorough method such as shredding or pulping.

A number of factors make retention of a criminal history report inadvisable. Criminal history reports are only valid at the time of their issue. Their reliability decreases with the passing of time. Further, confidential methods of record keeping may not be foolproof. The potential liability if such information should become known is greater than the cost of obtaining another report when one may be needed.

Circumstances may vary among agencies according to their status as criminal justice agencies or non-criminal-justice agencies, or for other reasons. Agencies should consult their own contacts in the Attorney General's Office for legal advice on the treatment of criminal history records.

COMPENSATION PERSPECTIVES

TURNOVER PROJECTIONS FOR NEW HIRES

In FY2003, 6,155 new classified employees were hired at an average salary of \$27,790. Based on historical trends, 53.74% of them will leave during their first five years of employment.

- 14.44% will leave during their first year
- 30.29% will leave during their first two years
- 40.69% will leave during their first three years
- 47.53% will leave during their first four years
- 53.74% will leave during their first five years

Figures are based on turnover averages for all Roles. There may be wide disparities in turnover among Commonwealth occupations. UVA employment data is not included.

Updates

PREPARING FOR THE REVISIONS TO THE FLSA

The Department of Labor is expected to issue the final revisions to the FLSA regulations by March 31, 2004. It is anticipated that employers will have a grace period in which to make necessary modifications to their current business practices. The Office of the Attorney General (OAG) is planning to conduct training during this time with DHRM's assistance.

Agency human resource representatives will have an opportunity to attend "train the trainer" sessions similar to those provided by the OAG in the past. The training materials provided to agencies in these sessions can be used as the foundation for agency training sessions. The OAG and DHRM will be available to consult with agencies on issues that arise when preparing or providing their training.

For current information on the expected rule revisions see [Thompson Publishing Group's series of FLSA publications](#), including the *FLSA Employee Exemption Handbook* and the *Public Employer's Guide to the FLSA Employee Classification*.

EPR EMPLOYMENT STATS NOW ONLINE

EPR Employment Statistics are now available from the DHRM ITECH web page located at <http://web1.dhrm.state.va.us/itech/>. Please keep this address available for your convenience.

1. Access the ITECH web page using the above web address.
2. Press the link labeled **>FTE Totals by Agency** on the left side of the page.
3. The statistical reports are available for your review from June 2000 forward. The date of the most recent report is listed first in the drop-down list box. To access the report, select the date of interest and press the **Request Data** button.
4. You may save the report by using the **Save As** option under the **File Menu**. If the report is saved with an "xls" extension, the usual Excel functions will be available for your use in the saved version. The latest monthly statistics should be available by the 10th of each month.

If you have questions or experience any problems in accessing the statistics, please contact your assigned AHRS Consultant.

**EMPLOYER COSTS FOR EMPLOYEE COMPENSATION (ECEC)
ADOPTS THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS)
AND THE STANDARD OCCUPATIONAL CLASSIFICATION (SOC) MANUAL**

The ECEC and the ECI (Employment Cost Index) are two quarterly reports issued by the U.S. Bureau of Labor Statistics (BLS) to monitor wages. These reports are issued as “Economic News Releases” and are available from the BLS web site at <http://www.bls.gov/ncs/ect/home.htm>

The ECI measures the “change in the cost of labor, free from the influence of employment shifts among occupations and industries.” The ECI is based on an index of 100 and references June 1989 data. Indices are published for 1) total compensation, 2) salaries and wages, and 3) benefits.

The ECEC “measures the average cost per employee hour worked that employers pay for wages and salaries and benefits.” The data for each report are collected for the pay period spanning the twelfth day of the survey months: March, June, September, and December. The reports are released one to two months after the survey months. Beginning March 2004 the ECEC will use the 2002 NAICS system and the 2000 SOC Manual. In the past it has used the 1987 Standard Industrial Classification (SIC) system and the occupational classifications of the 1990 Census of Population.

Details on methodology appear in “Explanatory Notes” at the end of each publication. Because of differences in the methods used by the two reports, they are not directly comparable, but provide data that may be useful in understanding and assessing trends between private industry and State and local government.

Our goal is to provide practical information that supports human resource objectives across the Commonwealth and to encourage innovative strategies in the management and delivery of agency services.

To tell us what you would like to see featured in upcoming issues email us at compensation@dhrm.state.va.us or policy@dhrm.state.va.us

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¹ Workforce Planning and the Periodical's Pay Action Summary data may vary within the same reporting period based on the timing of data runs, agency retraction requests, and the manual review and extraction of erroneous PMIS entries.