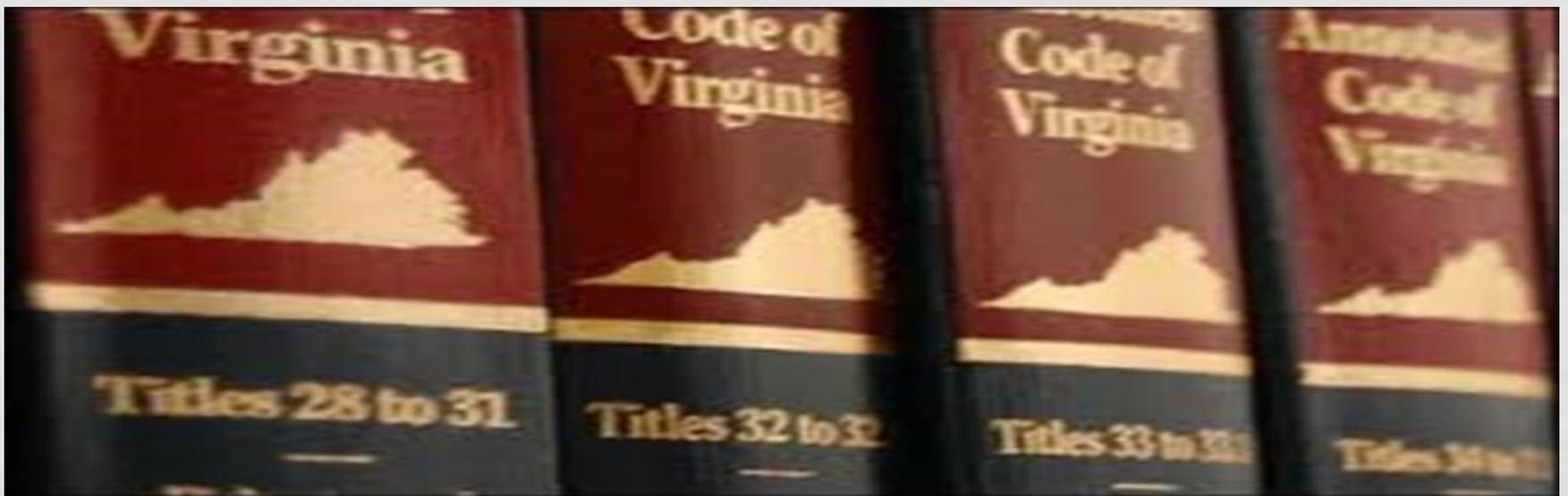


LEGISLATIVE UPDATE & HORIZON INITIATIVES

DHRM 2016 HR LEADERSHIP CONFERENCE

#DHRMLeadCon





LEGISLATIVE INITIATIVES

OVERVIEW

- **2172 bills introduced**
- **811 bills passed**
 - 30 budget amendments by Governor
 - 54 bills amended by Governor
 - 32 bills vetoed by Governor



COMPENSATION

- **3% salary increase for state employees and faculty**
 - Effective November 10, 2016
 - \$57.4 million GF in FT 2017
 - \$98.4 million GF in FY 2018
- **2% for state-supported local employees**
 - Effective December 1, 2016
 - \$9.4 million GF in FY 2017
 - \$18.7 million GF in FY 2018
- **Contingent on actual FY 2016 GF revenues**
 - Not more than 1% shortfall compared to Appropriation Act revenue forecast

OTHER COMPENSATION ACTIONS

| Other Compensation Actions (in millions) | FY 2017 | FY 2018 |
|--|---------|---------|
| <ul style="list-style-type: none"> • Salary compression for employees in sheriff's offices and regional jails <ul style="list-style-type: none"> ▪ Effective January 1, 2017 | \$3.6 | \$8.7 |
| <ul style="list-style-type: none"> • Additional participation in Career Development Programs for Constitutional Officers <ul style="list-style-type: none"> ▪ Effective December 1, 2016 | \$1.7 | \$3.5 |
| <ul style="list-style-type: none"> • 2nd phase of State Police Compression Adjustment Plan <ul style="list-style-type: none"> ▪ Effective November 10, 2016 | \$2.3 | \$4.0 |
| <ul style="list-style-type: none"> • Compression Adjustment for District Court and Deputy District Court Clerks <ul style="list-style-type: none"> ▪ Effective November 10, 2016 | \$3.6 | \$8.7 |

HEALTH BENEFITS

- No plan design changes introduced this year
- Applied Behavioral Analysis for autism spectrum disorder
 - Passed last year
 - Effective July 1, 2016
 - Expanded coverage from 2 - 6 years to 2-10 years
- Premium increases
 - 9.3% average increase

| HEALTH CARE PLANS | | Premium | | | Premium with Rewards | | | | |
|--|----------------------|--------------|----------------|----------------------|----------------------|--------------------|-------------------|--------------------|-------------------|
| | | You Only | You Plus One | You Plus Two or More | You Plus Spouse | | | | |
| | | | | | Employee | Employee or Spouse | Employee & Spouse | Employee or Spouse | Employee & Spouse |
| COVA Care | Employee Pays | \$82 | \$188 | \$254 | \$65 | \$171 | \$154 | \$237 | \$220 |
| | State Pays | \$392 | \$1,000 | \$1,503 | \$392 | \$1,000 | \$1,000 | \$1,503 | \$1,503 |
| | Total Premium | \$477 | \$1,254 | \$1,817 | \$460 | \$1,237 | \$1,220 | \$1,800 | \$1,783 |
| COVA Care + Out-of-Network | Employee Pays | \$98 | \$210 | \$284 | \$81 | \$193 | \$170 | \$267 | \$250 |
| | State Pays | \$392 | \$1,000 | \$1,503 | \$392 | \$1,000 | \$1,000 | \$1,503 | \$1,503 |
| | Total Premium | \$493 | \$1,270 | \$1,847 | \$470 | \$1,259 | \$1,242 | \$1,830 | \$1,813 |
| COVA Care + Expanded Dental | Employee Pays | \$111 | \$243 | \$338 | \$94 | \$220 | \$209 | \$321 | \$304 |
| | State Pays | \$392 | \$1,000 | \$1,503 | \$392 | \$1,000 | \$1,000 | \$1,503 | \$1,503 |
| | Total Premium | \$700 | \$1,309 | \$1,901 | \$489 | \$1,292 | \$1,275 | \$1,884 | \$1,807 |
| COVA Care + Out-of-Network + Expanded Dental | Employee Pays | \$127 | \$265 | \$368 | \$110 | \$248 | \$231 | \$351 | \$334 |
| | State Pays | \$392 | \$1,000 | \$1,503 | \$392 | \$1,000 | \$1,000 | \$1,503 | \$1,503 |
| | Total Premium | \$722 | \$1,331 | \$1,931 | \$705 | \$1,314 | \$1,297 | \$1,914 | \$1,897 |
| COVA Care + Expanded Dental + Vision & Hearing | Employee Pays | \$128 | \$272 | \$377 | \$111 | \$255 | \$238 | \$360 | \$343 |
| | State Pays | \$392 | \$1,000 | \$1,503 | \$392 | \$1,000 | \$1,000 | \$1,503 | \$1,503 |
| | Total Premium | \$723 | \$1,338 | \$1,940 | \$706 | \$1,321 | \$1,304 | \$1,923 | \$1,906 |
| COVA Care + Out-of-Network + Expanded Dental + Vision & Hearing | Employee Pays | \$144 | \$294 | \$407 | \$127 | \$277 | \$260 | \$390 | \$373 |
| | State Pays | \$392 | \$1,000 | \$1,503 | \$392 | \$1,000 | \$1,000 | \$1,503 | \$1,503 |
| | Total Premium | \$739 | \$1,340 | \$1,970 | \$722 | \$1,343 | \$1,326 | \$1,953 | \$1,936 |
| COVA HealthAware | Employee Pays | \$21 | \$70 | \$87 | \$4 | \$59 | \$42 | \$70 | \$53 |
| | State Pays | \$392 | \$1,000 | \$1,503 | \$392 | \$1,000 | \$1,000 | \$1,503 | \$1,503 |
| | Total Premium | \$410 | \$1,142 | \$1,630 | \$399 | \$1,125 | \$1,108 | \$1,633 | \$1,616 |
| COVA HealthAware + Expanded Dental | Employee Pays | \$49 | \$131 | \$170 | \$32 | \$114 | \$97 | \$153 | \$136 |
| | State Pays | \$392 | \$1,000 | \$1,503 | \$392 | \$1,000 | \$1,000 | \$1,503 | \$1,503 |
| | Total Premium | \$444 | \$1,197 | \$1,733 | \$427 | \$1,180 | \$1,103 | \$1,716 | \$1,699 |
| COVA HealthAware + Expanded Dental & Vision | Employee Pays | \$59 | \$147 | \$191 | \$42 | \$130 | \$113 | \$174 | \$157 |
| | State Pays | \$392 | \$1,000 | \$1,503 | \$392 | \$1,000 | \$1,000 | \$1,503 | \$1,503 |
| | Total Premium | \$454 | \$1,213 | \$1,754 | \$437 | \$1,190 | \$1,179 | \$1,737 | \$1,720 |
| COVA HDHP | Employee Pays | \$0 | \$0 | \$0 | | | | | |
| | State Pays | \$211 | \$387 | \$1,387 | | | | | |
| | Total Premium | \$211 | \$387 | \$1,387 | | | | | |
| COVA HDHP + Expanded Dental | Employee Pays | \$28 | \$55 | \$83 | | | | | |
| | State Pays | \$211 | \$387 | \$1,387 | | | | | |
| | Total Premium | \$239 | \$1,004 | \$1,470 | | | | | |
| Kaiser Permanente HMO (available primarily in Northern Virginia) | Employee Pays | \$65 | \$154 | \$220 | | | | | |
| | State Pays | \$530 | \$961 | \$1,375 | | | | | |
| | Total Premium | \$595 | \$1,095 | \$1,595 | | | | | |
| TRICARE Voluntary Supplement | Total Premium | \$61 | \$120 | \$101 | | | | | |

Premiums and plan benefits may change subject to final state budget approval.

HEALTH BENEFITS OPPORTUNITIES

- **Line of Duty (LODA)**
 - HB1345 (Jones)
- **COVA Care Local for Schools & Local Government**
 - SB364 (Chafin)
- **Musculoskeletal Bundled Payments**
 - Item 475 #G7
- **Analysis of Pharmacy Claims Expenditures**
 - Item 85 #1c
- **High Cost Medication Study**
 - Item 284 #1c
- **Cost of Top 100 Drugs**
 - Item 82 #1c
- **Bariatric Surgery Program Study**
- **Waste Calculator**



RETIREMENT

- **Expedited Repayment to VRS**
 - **HB 29 Conference Report**
 - \$189.5 million in FY 2016 lump sum payment
 - Fully repays VRS for 2010-12 biennium deferred contributions for 4 state employee plans
 - **HB 30 Conference Report**
 - Fully funds 100% of VRS Board certified rates for state employee plan in FY 2017
 - Eliminates repayment adjustment for deferred contributions
 - Results in net savings compared to the FY 2016 rates

VRS RATES

| VRS Program | Chapter 665 FY 2016* | HB 30 FY 2017 | HR 30 FY 2018 |
|--|----------------------|---------------|---------------|
| VRS – State Employees | 14.22% | 13.49% | 13.49% |
| State Police Officers Retirement System (SPORS) | 27.83% | 28.54% | 28.54% |
| Virginia Law Officers Retirement System (VALORS) | 19.00% | 21.05% | 21.05% |
| Judicial Retirement System | 50.02% | 41.97% | 41.97% |
| VRS – Teachers | 14.06% | 14.66% | 16.32% |
| State Employee – Retiree Health Credit | 1.05% | 1.18% | 1.18% |
| State Employee – Group Life Insurance | 1.19% | 1.31% | 1.31% |
| VSDP | 0.56% | 0.55% | 0.55% |
| Teacher – Retiree Health Credit | 1.06% | 1.11% | 1.23% |
| Teacher – Group Life Insurance - Employer Rate | 0.48% | 0.52% | 0.52% |

* Rates in effect for the last 11 months of the fiscal year

April 21, 2016

DHRM 2016 HR Leadership
Conference

COMMONWEALTH OF VIRGINIA KNOWLEDGE CENTER

- **Upgrading the next generation of Meridian Global Learning Management System**
 - Completion expected in 2016
- **Additional support staff**
 - Focus on course design
- **System centrally funded for state employees**
 - More details at the Knowledge Center Administrator Conference in May



WORKFORCE COMMISSION

- **Commission on Employee Retirement Security and Pension Reform established**
 - HB 665 (Howell)
 - Study and make recommendations about the **financial soundness** of state and local employee **retirement plans**
 - Suitability of **retirement plans** offered **current employees**
 - Attributes of **retirement plans** suitable for **future employees**
 - Anticipated **retirement of experienced employees in next 10 years** and strategies for replacing them
 - Elements of **compensation and benefits packages** to attract and retain highly productive state and local government workforce
 - **20 members**: 10 legislative, 8 non-legislative citizens, 2 ex-officio
 - **5 year Commission**
 - **Quarterly meetings**
 - **Annual reports** due by December 1st each year

WORKERS COMPENSATION

- **Injuries or Deaths Presumed to be in Course of Employment**
 - HB 44 (Habeeb)
- **Fee Schedules for Medical Services**
 - HB 378 (Farrell)
 - SB 631 (Wagner)
- **Employer Reporting Requirements**
 - HB 691 (Carr)
- **Safety and Health Program for Public Employees**
 - SB 607 (Dance)



WORKPLACE ISSUES

- **Commonwealth Mental Health First Aid Program**
 - HB 197 (Lingamfelter)
- **Control of Firearms by State Agencies, Rights of Employees**
 - HB 382 (Fowler)
 - Veto by Governor sustained
- **Firearms Regulation by State Entities**
 - HB 1096 (Webert)
 - Veto by Governor sustained

FOIA & TRANSPARENCY

- **FOIA: Public access to resumes and other information related to gubernatorial appointee**
 - HB 220 (Taylor)
- **FOIA: Designation of officer, posting of rights and responsibilities**
 - HB 818 (LeMunyon)
 - Amendment by Governor adopted
- **Auditor of Public Accounts Commonwealth Data Point**
 - HB 760 (Freitas)



WHISTLE BLOWER PROTECTION

- **Fraud and abuse whistle blower protection**
 - HB 778 (McQuinn)
- **Fraud and abuse whistle blower protection - local government entities**
 - HB 821 (LeMunyon)
- **Retaliatory actions by state employees against person providing testimony**
 - SB 294 (DeSteph)



ROLE SPECIFIC

- **Retirement of DGIF Conservation Officers**
 - HB 315 (Orrock)
- **Correction Officers Exit Survey**
 - HB 1322 (Rush)
- **Fire Protection Employees**
 - SB 704 (Lucas)
- **Virginia National Guard Employment Protections**
 - HB 111 (Lingamfelter)
- **Temporary Licenses for Military Service Member Spouses**
 - HB 405 (Yancey)
- **Military Medical Personnel Pilot Program**
 - SB 437 (Barker)
- **Assistant Speech-Language Pathologists Duties**
 - HB 252 (Kory)

OFFICIAL EMBLEMS & DESIGNATIONS

- **Eastern Garter Snake**

- HB 335 (Pogge)
- Designates the Eastern Garter Snake as the official snake of the Commonwealth



- **Nelsonite**

- SB 352 (Deeds)
- Designates Nelsonite as the state rock of Virginia





HORIZON INITIATIVES

AFFORDABLE CARE ACT

- **Changes way employers staff** their organizations
- Places **restrictions on re-hiring** former employees
- Continuing **expansion of health care coverage** required of employers
- **Potential liabilities for misclassifying** contract workers and common law employees



FAIR LABOR STANDARDS ACT

- Proposed changes to FLSA **definitions of exemption** status for “white collar” employees
- **New salary thresholds** may significantly increase the number of employees subject to overtime pay
- **Annual salary threshold** is projected to increase from approximately \$23,660 to **\$50,440** in 2016
- **Escalating salary** thresholds in the future
- **DOL fact sheet:**

<http://www.dol.gov/whd/overtime/NPRM2015/factsheet.htm>

EEOC CHANGES

- **Growing diversity of the workforce demographics**
- **Addition of new EEO Race Code Categories**
 - 2 or more races
 - Native Hawaiian or Other Pacific Islander (non-Hispanic or Latino)

CHANGING TIMES

- **Metrics/Analytics**

- Increasing need for data to be collected and analyzed to drive strategic HR planning

- **Employee Development and Pace of Change**

- Increasing learning agility needed in constantly changing work environments with workforces that are constantly transitioning

- **Social Media**

- Using the media to effectively promote the employer's brand while ensuring that employees use media appropriately in the workplace

- **Ethics in the Public Sector**

- Increasing scrutiny of practices by employees/public officials based on ethical standards

CHANGING TIMES

- **Diversity with a Capital “D”**
 - Multiple generations, multiple national origins, veterans, LGBT, increasingly diverse religious beliefs, employees with disabilities
 - Five generations in the workforce with different interests and needs
 - Employee relations, benefits, compensation, engagement, talent acquisition and retention polices/strategies/practices must evolve
- **Immigration Reform**
 - Will we be building walls or opening doors?
- **Expansion of Definition of “Family” Members**
 - Impacts benefits provided to employees and the application of related policies
- **Paid FMLA Leave**
 - Many states are legislating **paid** leave for FMLA absences

CAPITOL SQUARE HEALTHCARE

- Pilot **onsite health clinic** projected to open May 2016
- Located on **mezzanine** of the **James Monroe Building** in Richmond
- **Hours:** Monday through Friday
7:30 am to 6:00 pm
- **Treats many illnesses and injuries**, including coughs, cuts, contusions, ear or eye infections, headaches, and sore throats
- Has **MyActiveHealth Coach** onsite
- **Reduces time away** from work for treatment
- **\$15 co-pay** for most plans
- **\$75 for employees and early retirees not eligible** for \$15 co-pay
- www.capitolsquarehealthcare.com

