

**Strategic Plan**  
(2012-2014 Version 1)

Department of Human Resource Management (129)  
Agency Plan

**Mission Statement**

The Virginia Department of Human Resource Management is the central human resource agency for state government dedicated to providing a broad range of leadership, services and guidance to the Commonwealth and its stakeholders.

**Vision Statement**

To be a national leader of innovative human resource practices.

**Values**

- **Excellence** - We strive to be the best at what we do and are accountable for our own performance.
- **Teamwork** –We support each other and blend our diverse talents and backgrounds and share information and resources.
- **Honor** – We model integrity, mutual respect, and fairness in everything we do.
- **Innovation** – We encourage the acquisition of new skills, thoughtful risk taking, and receptiveness to change.
- **Customer Focus**– We deliver products and services of the highest quality in a timely manner to our customers.
- **Stewardship** - We manage public resources responsibly.

**Information Technology**

**Current Operational IT Investments**

**Factors Impacting the Current Agency IT**

**Proposed IT Solutions**

**Financial Overview**

See Financial Breakdown tab.

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	3,533,015	7,371,723	3,533,015	7,371,723
Changes to Base	-23,428	46,601	-17,844	46,601
<b>Total</b>	<b>3,509,587</b>	<b>7,418,324</b>	<b>3,515,171</b>	<b>7,418,324</b>

**Agency Goals**

- Use resources efficiently and manage programs effectively, consistent with applicable state and federal requirements

*Goal Summary and Alignment*

To ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements.

*Long Term Goal*

Be recognized as the best-managed state in the nation.

*Societal Indicator:* Government Operations

*Objectives for this Agency Goal*

**Objective**

Provide high-level customer service

*Description*

A high-level of customer service will be achieved by applying customer satisfaction measures to each of the seven service areas within DHRM.

*Objective Strategies*

- Maintain customer satisfaction surveys in each of the seven service areas.

*Measures*

- Percentage of DHRM customers rating services received as good or better

Measure Class **Agency Key** Measure Type **Outcome** Preferred Trend **Increase** Frequency **Annually**

Data Source and Calculation

We will receive 90% favorable customer service ratings from state and local government agencies and employees receiving training, consulting, and administrative services. Agencies and employees respond annually to DHRM surveys, and provide feedback upon the completion of training with a DHRM course evaluation.

- Provide timely, accurate, and consistent human resource information utilizing cost effective delivery channels.

Goal Summary and Alignment

Provide timely, accurate, and consistent human resource information utilizing cost effective delivery channels.

Long Term Goal

Be recognized as the best-managed state in the nation.

Societal Indicator: Government Operations

Programs and Service Areas for Agency

- 70401: Agency Human Resource Services
- 70403: Equal Employment Services
- 70406: Health Benefits Services
- 70409: Personnel Development Services
- 70416: Employee Dispute Resolution Services
- 70417: State Employee Program Services
- 70418: State Employee Workers' Compensation Services
- 70419: Administrative and Support Services

Customers

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Governor	Governor, Cabinet, & staff	15	15	Stable
State Agency(s),	State Agencies	241	241	Stable
State Government Employee	State Employees	117,325	117,325	Stable
General Assembly	General Assembly	140	140	Stable
Local or Regional Government Authorities	Local Governments	375	960	Stable
Employer/ Business Owner	Private Sector	10,000	221,127	Stable
Resident	General Public	25,000	6,129,000	Stable
Federal Agency	Federal Government Agencies	8	10	Stable
State Agency(s),	DHRM Internal Service Areas	7	7	Stable
General Assembly	Legislative branch agencies	6	7	Stable
State Agency(s),	Judicial branch	3	7	Stable
Interstate Entity	Other states	49	49	Stable
Retirees	State Retirees	38,800	38,800	Stable

Key Risk Factors

The Department of Human Resource Management routinely conducts an analysis of potential impediments to accomplishing the agencies mission. The following have been identified:

- As the need for services increase, funding and staffing levels have not increased
- Eroding total compensation compared to the market
- Rising national and regional health care costs
- Inadequate reserves for Health Benefit and Workers' Compensation Programs and loss of interest income
- Aging workforce
- Inadequate central information systems
- Inflexibility of laws, regulations, policies and procedures
- Risk aversion
- Unfunded mandates
- Continuous change
- Health reform uncertainty

## Products and Services

DHRM consists of the following seven service areas: Agency Human Resource Services, Equal Employment Services, State Employee Services, State Employee Workers' Compensation Services, Health Benefits Services, Employment Dispute Resolution Services, and Administration and Support Services. Each Service Area provides a diverse array of services which are measured by customer satisfaction. The average of all customer satisfaction results for service area produces the Agency Key Measure of DHRM Customer Satisfaction.

Agency Human Resource Services provides statewide support to the Commonwealth around human resource policy, consulting, compensation, salary administration, employment, shared services, talent management, data stewardship, and analytics.

Equal Employment Services provides statewide support to the Commonwealth around Equal Employment Office (EEO) policy, consulting, compliance, investigation, reporting, and grievance appeals.

Employment Dispute Resolution Services provides statewide support to the Commonwealth around adviceLine, mediation, training, grievances and hearings.

State Employee Programs provides statewide support to the Commonwealth around communications, employee discounts, workplace giving, employee wellness, and employee events.

Health Benefits Services provides statewide support to the Commonwealth around the state health plan, local government health plan, retiree health plan, flexible spending, COBRA administration, policy, systems, employee services, employer services, ombudsman services and vendor services.

State Employee Workers' Compensation Services provides statewide support to the Commonwealth around Workers' Compensation policy, claims administration, return to work services, loss control services and training.

Administration and Support Services includes Information Technology, Administration, and Contracts and Finance. Information Technology provides statewide support services to the Commonwealth around Personnel Management Information System (PMIS), Benefits Eligibility System (BES), Time, Attendance and Leave (TAL), COVA Knowledge Center, human resource data warehouse services, human resource web applications, and employee self service.

Contracts and Finance provides support services to the agency service areas around contracts, procurement, finance, travel and mail.

## Trends

### Rankings & Customer Trends

Customers of DHRM include all of Virginia State Government, state employees, local governments and citizens of the Commonwealth. The agency expects to see an increase in customers using the Shared Service Center that provides comprehensive on-site human resource services to agencies without human resource staff. The DHRM Shared Service Center (SSC) evolved in the mid 1990s when a few small agencies with no in-house human resource expertise asked if DHRM could provide routine transactional services for them for a fee. This included personnel and benefits transactions, posting job announcements, and when necessary, providing support in the resolution of non-routine personnel matters. To date the SSC has reduced the average client's HR administrative services cost by 30% to 50%.

Trend Name	Trend Area
Number of Customers	Steady
Information Technology Costs	Increase
Agencies Served	Increase

## Performance Highlights: Service Performance & Productivity Initiatives

The Virginia Department of Human Resource Management (DHRM) is the central human resource agency for the Commonwealth of Virginia. We are dedicated to promoting a culture of leadership that cultivates a talented and proficient public workforce for the citizens of Virginia. We design and deliver the framework for human resource programs through a system of centralized program and operational services for state government and their stakeholders, including employee information, online learning systems, salary administration, human resource policy, human resources shared services, equal employment services, state employees workers' compensation services, state and local government health benefits programs, wellness, and workplace giving.

The agency has developed efficient business processes and has made greater use of technology to automate those processes. The agency has been in the forefront in using technology with the development of a statewide Time, Attendance and Leave system which was made available to state agencies in the Spring of 2013.

The agency key performance measure is customer satisfaction. This is measured in each service area of the agency and all results are averaged to compute the overall result. The agency target is to have 90 percent of survey respondents rate the services received from DHRM as good or better. DHRM has consistently met and exceeded this measure target.

The agency productivity measure is average employer health care cost. The goal of controlling the cost of health care is a program goal. The state employee health plan's annual cost trend should be equal to or below the average national large employer health care annual cost trend.

## Management Discussion & Analysis

### Future Direction, Expectations, and Priorities

FUTURE DIRECTION (immediate, short-term, and long-term)

The Department of Human Resource Management (DHRM) in consultation with the Secretary of Administration has developed immediate, short-term, and long-term goals

for the agency.

Immediately, DHRM coordinated e-verify implementation for state government. E-Verify is an Internet-based system operated by the Department of Homeland Security (DHS), U.S. Citizenship and Immigration Services (USCIS) that allows employers to verify the employment eligibility of their employees, regardless of citizenship. Based on the information provided by the employee on his or her Form I-9, E-Verify checks this information electronically against records contained in DHS and Social Security Administration (SSA) databases.

The Department of Human Resource Management has developed the short-term goal of offering a TRICARE Supplemental Insurance program to qualifying employees. The state health benefits program will begin offering a voluntary supplement to TRICARE health benefits as a health plan option on October 1, 2011. Enrollment will be open to state employees and early retirees who are military retirees, and eligible for both TRICARE and the state health benefits program.

DHRM will develop an effective consumer driven health plan, and as part of this, will continue to explore opportunities for new technologies, including the use of electronic medical records and improved cost and quality.

## 70401: Agency Human Resource Services

### Description

#### Agency Human Resource Services (AHRIS)

This statutorily mandated service area is responsible for delivering services in all functional areas of human resource (HR) management. These functional areas include: HR program development, administration, consultation, oversight, and compliance; HR infrastructure development and management; compensation management and salary administration; HR information system (HRIS) systems support; policy development and administration; talent management and workforce planning; employment, including an online Recruitment Management System (RMS); legislative studies; related communication and training; talent management; and a Shared Service Center that provides comprehensive on-site HR services to 16 agencies without human resource staff.

This service area provides statewide oversight, consultation, advice, technical assistance, guidance, systems support, and direct services to agencies in the management of their human resource programs. The unit also works in collaboration with other DHRM program offices to ensure that the agency's mission is achieved.

### Mission Alignment and Authority

This unit provides statewide oversight, consultation, advice, technical assistance, guidance, systems support, and direct services to agencies in the management of their human resource programs. The unit also works in collaboration with other DHRM program offices to ensure that the agency's mission is achieved.

§ 2.2-1202 - Annual Salary Survey – Review Commonwealth salaries annually to determine where discrepancies in compensation exist between the public and private sector. Report findings to the Governor and General Assembly by December 15.

§ 2.2-1201(7) - Application Form - Design and utilize an employment application form that also includes information on prior volunteer work performed by applicant.

§ 2.2-2817.1. State agencies to establish alternative work schedules; reporting requirement (09) - Requires each agency to develop policy on alternate work schedules and telecommuting, identifying employees eligible to participate and noting, with justification, broad categories of employees ineligible to participate. Requires each agency head to set annual percentage targets for the number of positions eligible for alternative work schedules. By July 1, 2009, each state agency shall have a goal of not less than 25% of its eligible workforce participating in alternative work schedules. By January 1, 2010, each state agency, except the Department of State Police, shall have a goal of not less than 20% of its eligible workforce telecommuting. Requires each agency to report annually to the Secretary of Administration (SOA) and DHRM on the status and efficiency of telecommuting and employee participation in alternate work schedules.

§ 2.2-1201(1) – Classification – Make recommendations to the Governor regarding establishment and maintenance of a classification plan for service of the Commonwealth. Recommend amendments as necessary.

§ 2.2-1201(2) – Compensation – Make recommendations to the Governor regarding the establishment and administration of a compensation plan for all employees. Recommend amendments as necessary.

§ 2.2-1201.1 – Criminal Background Checks – Develop a statewide policy on conducting criminal background checks for sensitive positions.

§ 2.2-1201(5) – Performance Evaluation – Establish and administer a system of performance evaluation for all state employees, based on quality of service rendered, related where practicable to specific standards of performance.

§ 2.2-1201(3) – Personnel Information System – Design and maintain personnel information system.

§ 2.2-1201(11) – Disciplinary Actions – Establish and administer regulations relating to disciplinary actions. Regulations permit no suspension of any state employee under investigation to be without pay for more than 10 days without a hearing by a level of supervision above the employee's immediate supervisor or agency head.

§ 2.2-1201(14-15) – Employment Level Annual Report – Submit to members of the General Assembly by September 30th an annual report showing employment levels, changes, and terminations.

§ 2.2-1201(9) – Evaluation of Personnel Activities – Establish and administer a program evaluating the effectiveness of agencies' performance of personnel activities.

§ 29 U.S.C. Chapters 8,9; Executive Order 27 (02) – Fair Labor Standards Act (FLSA) – Establishes minimum wage, overtime, record keeping, child labor, and equal pay standards.

§ 29 U.S.C. 2611(et seq.) – Family & Medical Leave Act (FMLA) – Comply with requirements of federal law to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for certain specified family and medical reasons, to maintain employees' health insurance during the period of leave under FMLA, and to return employees to their same or equivalent positions upon their return from FMLA leave.

2012 Appropriation Act, Item 83.B.1 – Human Resource Shared Service Center – Requires DHRM to operate a human resource service center to support the human resource needs of agencies identified by the Secretary of Administration in consultation with the Department of Planning and Budget and to recover the costs of services provided.

§ 2.2-1201(13) – Personnel Policies – Develop, disseminate and interpret state personnel policies and procedures to all agencies covered by the Virginia Personnel Act. Has authority to establish and interpret personnel policies and procedures, and to assure full compliance with such policies. Has no authority over state grievance procedures.

Executive Directive 3 – Government Reform, Operational Improvements in Human Resources - Requires DHRM to streamline, simplify, and modernize the state employee leave program; simplify and automate the employee time, attendance, and leave (TAL) process resulting in significant administrative efficiencies, cost savings, and cost avoidance; examine and communicate strategies that will expand agencies' use of the four-day, ten-hour work week schedule; examine strategies and create a plan for expanding the use of telework and flexible scheduling for state employees where practicable; increase awareness statewide of the benefits and savings strategies of Q-Status Employment which permits state employees to receive health benefits, retirement, and prorated paid time off if they work a minimum of 32 hours per week; partner with the Virginia Department of Planning and Budget ("DPB") to develop a replacement for Agency Maximum Employment Level (MEL) requirements which focuses on increasing transparency into the actual utilization of salaried and wage employees and contractors; and provide guidance, consultation, and technical assistance in organizational design and development, to promote effective and efficient spans of control. ("Span of Control" is a term that refers to the number of subordinates a supervisor oversees.) Span of control ratios should be flexible, tailored to each agency and its mission, and should consider industry standards when possible.

Executive Order 73 (01) Recruitment and Position Advertising – Expands use of the Internet for the Commonwealth Recruitment and Position Advertising.

§ 2.2-1201(6) – Recruitment; Re-employment Opportunities Pool – Establish and administer a system of recruitment designed to attract high quality employees to service of the Commonwealth.

§ 22.1-289.1 – Teacher Salary Survey – Review biannually to determine if teachers are paid at a competitive rate and report to Governor, General Assembly and Board of Education by June 1 of odd numbered years.

§ 2.2-2903 amended (12) – Veterans Preference – § 2.2-2903. Requires grade or rating increase and other preferences for veterans; the surviving spouses and children of veterans killed in the line of duty, for and members of the National Guard.

Chapter 3, HB 1301, 2012 Central Appropriations (995) Item 468.N. - Any supplemental salary payment to a state employee or class of state employees by a local governing body shall be governed by a written agreement between the agency head of the employee or class of employees receiving the supplement and the chief executive officer of the local governing body. Such agreement shall also be reviewed and approved by the Director of the State Department of Human Resource Management. At a minimum, the agreement shall specify the percent of state salary or fixed amount of the supplement, the resultant total salary of the employee or class of employees, the frequency and method of payment to the agency of the supplement, and whether or not such supplement shall be included in the employee's state benefit calculations. A copy of the agreement shall be made available annually to all employees receiving the supplement. The receipt of a local salary supplement shall not subject employees to any personnel or payroll rules and practices other than those promulgated by the State Department of Human Resource Management.

Customers for this Service Area

**Anticipated Changes to Customers Base**

No changes to Agency Customer Base expected.

**Current Customer Base**

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Governor	Governor, Cabinet, & staff	1	1	Stable
State Agency(s),	State Agencies	241	241	Stable
State Government Employee	State Employees	117,325	117,325	Stable
General Assembly	General Assembly	25	140	Stable
Local or Regional Government Authorities	Local Governments	25	960	Stable
Employer/ Business Owner	Private Sector	25	221,127	Stable
Taxpayer	General Public	100	6,129,000	Stable
Federal Agency	Federal Government Agencies	2	10	Stable
State Agency(s),	Legislative branch agencies	5	7	Stable
State Agency(s),	Judicial branch	4	7	Stable
Interstate Entity	Other states	49	49	Stable

Partners for this Service Area

Partner	Description
Community College Workforce Alliance (CCWA)	This partnership provides professional development for state employees in an economical manner.

Products and Services

**Factors Impacting the Products and/or Services**

**Anticipated Changes to the Products and/or Services**

**Listing of Products and / or Services**

Provide HR Management Consulting - Consulting to agencies' HR staff, agencies' management, cabinet officials - HR policy - Infrastructure management: - HR Management Manual - Development/application of compensation tools - Surveys - Organizational design

Operate agency HR Service Center - Provide HR services to agency management in small agencies -Provide HR services to employees in small agencies

Provide HR Policy Analysis and Development - Research, revise, and develop policies, monitor interpretations and provide technical assistance - policy exceptions - Compliance with federal and state laws and guidelines - Maintain HR Policy Manual, Employee Handbook, Agency Head Handbook

Talent Management - Provide data management and reporting - Develop and maintain workforce demographics

Provide overall guidance to the statewide Employment Services: - Virginia Jobs - Develop and manage re-employment of employees (Re-Op Pool) - Provide Veterans' Outreach services

Serve as HRIS Data Owner/Steward: - System liaison - Assistance to agencies

Provide FLSA guidance and advice

Prepare studies, reports, research papers, and legislative impact statements

Prepare and distribute related communication and training

The Managing Virginia Program (MVP) - is an initiative by the Commonwealth to provide comprehensive management and leadership training to all state supervisors and managers. The program provides a standard curriculum and philosophy that will be consistent throughout state government. The MVP, unlike other programs, is of no direct cost to agencies and is available to all supervisors and managers. AHRM is responsible for notifying the site administrator when the curriculum requires revisions related to state human resource policy.

Statewide LMS (Learning Management Center) –This enterprise system provides a vast array of self-directed, online training and development courses for state employees in all branches of government. Coursework includes mandatory and non-mandatory topics. DHRM's Office of Information Technology is the site administrator and AHRM functions as the business owner for the system.

AHRM manages the formal partnership and Memorandum of Understanding with the Community College Workforce Alliance (CCWA). This business agreement facilitates the enhancement and expansion of training opportunities throughout the Commonwealth using the DHRM Knowledge Center as the primary learning management system serving state employees, state agencies and other system users. This partnership is intended to create economies of scale and efficiencies that will provide for the professional development of state employees in the most economical manner possible. Under the MOU, DHRM and CCWA have identified four distinct and ongoing objectives that will be initiated in a phased approach based on the priority of needs and the immediacy of return-on-investment: (1) Adding current CCWA curriculum to the KC; (2) Adding CCWA third-party coursework to the KC; (3) Adding coursework from multiple community colleges to the KC; and (4) Identifying new staff development needs that are not currently fulfilled by any available curriculum or existing curricula that are need of updating and will develop such curricula for addition to the DHRM Statewide Knowledge Center offerings.

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	2,034,968	1,087,463	2,034,968	1,087,463
Changes to Base	-77,100	0	-77,100	0
<b>Total</b>	<b>1,957,868</b>	<b>1,087,463</b>	<b>1,957,868</b>	<b>1,087,463</b>

Objectives for this Service Area

Objectives for this Service Area

**Objective**  
Streamline, simplify and modernize the state employee leave program

*Description*

Streamline, simplify, and modernize the state employee leave program to reduce the current multiple layers in order to make it more consistent and manageable, ensuring that it will continue to attract and retain critical talent; is modeled after recognized best practices used by major corporations and governmental entities; simplifies and lowers the cost of leave administration; increases flexibility in how leave may be used; supports the business needs of state agencies; is affordable; and is easy for employees to understand.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

**Objective**  
Provide high-level customer service

*Description*

Customers are surveyed annually, and include assessments of individual staff, and services and products. This information is used to improve service and develop staff. The goal is to have 90% of our customers rate services and staff as "Good" or better.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

*Measures*

- Percentage of Agency Human Resource Services customers rating services received as good or better

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

Agencies and employees respond annually to DHRM surveys, and provide feedback upon the completion of training with a DHRM course evaluation. Customer satisfaction surveys use a Likert scale of 1 to 6, with 6 as the highest score. Percentage of favorable ratings represents number of ratings 4 to 6 divided by total number of responses.





## 70403: Equal Employment Services

### Description

#### Equal Employment Services

This statutorily mandated service area is responsible for the administration of a comprehensive equal employment opportunity program. This includes investigation/resolution of complaints of illegal discrimination filed by state employees (classified, faculty, wage and probationary) and applicants for state employment as well as the administration of a compliance program to determine whether agencies' human resource management practices result in disparate impact against protected classes.

In addition, this service area provides training and technical guidance to state agencies and local governments concerning equal employment opportunity related matters. Moreover, this service area is responsible for responding to appeals of hearing officers' rulings from grievant and agency management officials concerning whether rulings comport with state human resource management policies and procedures.

### Mission Alignment and Authority

Equal employment opportunity is an integral component of human resource management. Federal and state anti-discrimination laws prohibit discrimination in all privileges and conditions of employment.

Code of Virginia at § 2.2-1201(10), Equal Employment Opportunity, establishes and administers a program to assure equal employment opportunity to applicants and to state employees in all incidents of employment;

Governor's Executive Order Number 6 (2010), Equal Employment Opportunity, prohibits state agencies from engaging in acts of unlawful employment discrimination and authorizes OEES to investigate and resolve such complaints.

Governor's Executive Directive Number 1 (2010) represents the Governor's policy regarding fairness and equity in state employment. In addition to prohibiting illegal discriminatory practices in the workplace, civility, fair treatment, and mutual respect shall be the standard of conduct expected in state government and authorizes DHRM/OEES to conduct an inquiry and to resolve such concerns.

Code of Virginia at § 2.2-1201(9), Evaluation of Personnel Activities, establishes and administers a program to evaluate the effectiveness of performance of the personnel activities of the agencies;

29 U.S.C. §§ 621-633(a), Age Discrimination in Employment Act of 1967, as amended, prohibits discrimination in all privileges and conditions of employment against persons age 40 and over;

42 U.S.C. Chapter 126, Americans with Disabilities Act of 1990, prohibits discrimination in all privileges and conditions of employment against qualified persons with a disability;

29 U.S.C. § 206, Equal Pay Act of 1963, prohibits differentiation in pay for equal work based on gender;

42 U.S.C. 2000ff, Title II of The Genetic Information Nondiscrimination Act of 2008, prohibits use of genetic information in employment decision-making; restricts employers and other entities subject to Title II of GINA from requesting, requiring, or purchasing genetic information; requires that genetic information be maintained as a confidential medical record, and places strict limits on disclosure of genetic information; and provides remedies for individuals whose genetic information is acquired, used, or disclosed in violation of its protections.

8 U.S.C. 1324 a & b, Immigration Reform and Control Act of 1986, prohibits discrimination based on national origin and citizenship status in all privileges and conditions of employment;

42 U.S.C. 2000(e)(k), Pregnancy Discrimination Act of 1978, requires employers to treat women affected by pregnancy, childbirth, and related medical conditions, the same as other employees for all employment-related purposes;

42 U.S.C. 2000h 2, Title IX of the Education Amendments of 1972, prohibits discrimination based on gender in all privileges and conditions of employment in education programs or activities that receive federal financial assistance;

42 U.S.C. 2000C-2000E-17, Title VII of the Civil Rights Act of 1964, as amended, prohibits discrimination in all privileges and conditions of employment due to race, color, national origin, gender (including sexual harassment), and religion;

29 U.S.C. § 1607.18, Uniform Guidelines on Employee Selection Procedures, requires employers to determine whether tangible employment practices result in disparate impact against minorities and women, and to take affirmative corrective action if found; and

Code of Virginia at Chapter 413§ 2.2-2903 amended (05), Veterans Preference, requires that "additional consideration" shall be given to veterans who have a service-connected disability rating fixed by the United States Veterans Administration.

PL 110-325, 2008 § 3406, ADA Amendments Act of 2008, carries out the ADA's objectives of providing a clear and comprehensive national mandate for the elimination of discrimination and clear, strong, consistent, enforceable standards addressing discrimination by reinstating a broad scope of protection to be available under the ADA;

PL 111-2, 2009 §181, Lilly Ledbetter Fair Pay Act of 2009, amends Title VII of the Civil Rights Act of 1964 (42 USC 2000e-5(e)), the Age Discrimination in Employment Act of 1967(29 U.S.C. 626(d)), the Americans With Disabilities Act of 1990 (42 U.S.C. 12111 et seq., 12203) and the Rehabilitation Act of 1973 (29 U.S.C. 794a(a)) to declare that an unlawful practice occurs when a discriminatory compensation decision or other practice is adopted, when a person becomes subject to the decision or other practice, or when a person is affected by the decision or practice, including each time wages, benefits, or other compensation is paid.

Anticipated Changes to Customers Base

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Governor	Governor's office incl. Cabinet & Staff	1	1	Stable
State Agency(s),	State Agencies	241	241	Stable
State Government Employee	State Employees	117,325	117,325	Stable
General Assembly	General Assembly	15	140	Stable
Local or Regional Government Authorities	Local Governments	4	960	Stable
Employer/ Business Owner	Private Sector	20	221,127	Stable
Resident	General Public	23,250	6,129,000	Stable
Federal Agency	Federal Government Agencies	7	10	Stable
State Agency(s),	DHRM Internal Service Areas	4	6	Stable
State Agency(s),	Legislative branch agencies	6	7	Stable
Attorney General	Judicial branch	3	7	Stable
Interstate Entity	Other states	49	49	Stable

Partners for this Service Area

Partner	Description
No partners currently entered in plan	

Products and Services

Factors Impacting the Products and/or Services

Need to re-establish EEO training programs.

Need to complete the development of the EEO Assessment Tools.

Anticipated Changes to the Products and/or Services

Listing of Products and / or Services

- Complaints of Discrimination and Appeals- Investigates and resolves complaints of illegal discrimination (eg, race, gender, age, retaliation, sexual harassment, religion, national origin, disability, veterans status) filed by state employees and applicants for state employment. On behalf of the Director of DHRM, responds to grievants and agencies policy- related appeals of hearing officers' rulings. The Code of Virginia mandates that such appeals be addressed within 30 days after receipt of all relevant information necessary to process administrative appeals.
- EEO Compliance Program-Administers the review of agencies tangible employment practices to ensure compliance with the Uniform Guidelines on Employee Selection Procedures, a progeny of Title VII of the Civil Rights Act of 1964, as amended, the Governor's Executive Order Number Six (2010), and the Commonwealth's Policy 2.05- Equal Employment Opportunity. Where there are indicators of disparate impact, the law requires that the employer either articulate a legitimate, non- discriminatory business reason or develop a corrective action plan designed to eradicate the disparate impact. Administers the Commonwealth's Equal Employment Opportunity Compliance Program consists of the EEO Assessment Tool, the EEO Compliance Calculator, and the Applicant Flow component. These web-based tools include all of the statistical applications sanctioned by the US Supreme Court and the federal Equal Employment Opportunity Commission (EEOC) for determining whether agencies employment practices result in adverse impact against protected groups. Prepares the Commonwealth's EEO-4 Report. This report, a statistical employment survey of state government which is submitted to the federal Equal Employment opportunity Commission biennially, is required by Section 709(c) of Title VII of the Civil Rights Act of 1964, as amended.
- Provides Technical Assistance and EEO Training (i.e., Legal Recruitment & Selection Practices, Sexual Harassment Prevention for Supervisory/Non-Supervisory, ADA for Managers/Supervisors, Fundamentals of EEO Laws) to state employees, state management officials, and local governments. Provides technical guidance/assistance to citizens, state employees, and state and local management officials concerning EEO related issues.

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	917,648	10,300	917,648	10,300
Changes to Base	8,114	0	8,114	0
<b>Total</b>	<b>925,762</b>	<b>10,300</b>	<b>925,762</b>	<b>10,300</b>

Objectives for this Service Area

Objectives for this Service Area

**Objective**

Provide high-level customer service

*Description*

Provide high-level customer service.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

*Measures*

- Percentage of customers rating services received as good or better

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

Agencies and employees respond annually to DHRM surveys, and provide feedback upon the completion of training with a DHRM course evaluation. Customer satisfaction surveys use a Likert scale of 1 to 6, with 6 as the highest score. Percentage of favorable ratings represents number of ratings 4, 5 and 6 divided by total number of responses.

**Objective**

Promote fairness and equity in state employment.

*Description*

Promote fairness and equity in state employment.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

*Measures*

- Percentage of agencies with disparate impact indicators counseled

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

Statistical analysis of indicators using the "EEO Assessment Tool", review of response of agencies showing pre-audit non-compliance, and documentation of counseling agencies who are post-audit non-compliant. Measure is calculated by dividing the number of post-audit non-compliant agencies counseled by the total number of post-audit non-compliant agencies to yield the percentage of agencies with disparate impact indicators counseled.

## 70406: Health Benefits Services

### Description

This statutorily mandated service area has the responsibility of administering a comprehensive health benefits program for state employees, state retirees and their dependents. It is also responsible for providing health benefits to local governments and school jurisdiction employees, dependents and retirees. Associated outcomes include providing health benefits and related programs that are competitive with private industry and other governmental entities.

### Mission Alignment and Authority

This service area directly aligns with DHRM's mission to provide our customers with guidance, consultation, training, and delivery of services.

The service area also aligns with agency goals:

- Provide statewide leadership in all areas of human resources management and address continuously changing management needs of state agencies throughout the Commonwealth
- Provide timely, accurate and consistent human resource information utilizing cost effective delivery channels.

In addition, the service area aligns with Council on Virginia's Future vision and long-term objectives; to be the best managed state in the country, and to inspire and support Virginians toward healthy lives and strong and resilient families.

### Statutory Authority and Mandates:

26 U.S.C. § 105 - Health Insurance – Allows amounts received under an accident and sickness plan to not be included in an employee's gross income.

26 U.S.C. § 106 - Health Insurance – Allows the cost of the employer-provided coverage to not be included in the employee's gross income.

26 U.S.C. § 125 - Health Insurance - Cafeteria Plan Rules - Requires state to comply with IRS 125 rules to avoid constructive receipt when employees are allowed to pay health care premiums on pre-tax basis.

29 U.S.C. Chapters 8 & 9 Executive Order 27 (02) - Fair Labor Standards Act (FLSA) - Establishes minimum wage, overtime, record keeping, child labor, and equal pay standards.

29 U.S.C. § 1169 - Health Insurance - Qualified Medical Child Support Orders. Requires state to honor DSS orders to cover a child under an employee's plan; allows for alternative recipient to receive benefit payments rather than employee.

29 U.S.C. § 1181, 29 U.S.C. § 1182, 42 U.S.C § 1320d-1329d-8, 26 U.S.C. § 7702B - Health Insurance - Health Insurance Portability and Accountability Act Requires state to issue certification of prior coverage upon termination of coverage; prohibits discrimination based on an individual's health status; requires privacy protection of plan members' individual identifiable health information; requires submission of electronic data in a standard format to business partners. Requires that electronic systems, which store or transmit individual identifiable health information be evaluated and made secure from unauthorized sources.

29 U.S.C. § 1185 Health Insurance - Newborns' and Mothers' Protection Act of 1996 Provides protections for mothers and their newborns with regard to length of hospital stays following birth of a child.

29 U.S.C. § 1185a Health Insurance – Mental Health Parity Act of 1996 Provides for parity in application of limits to certain mental health benefits.

29 U.S.C. § 1185b - Health Insurance - Women's Health and Cancer Rights Act of 1998 Requires plans that provide mastectomy coverage to also provide for reconstructive surgery; also requires annual notice of this benefit.

29 U.S.C. § 1607.18 - Uniform Guidelines on Employee Selection Procedures - Requires employers to determine whether tangible employment practices result in disparate impact against minorities and women, and to take affirmative corrective action if found.

29 U.S.C. 2611 (et seq.) Family & Medical Leave Act (FMLA) - Comply with requirements of federal law to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for certain specified family and medical reasons, to maintain employees' health insurance during the period of leave under FMLA, and to return employees to their same or equivalent position upon their return from FMLA leave.

§ 29 U.S.C. § Chapters 8,9; Executive Order 27 (02) – Fair Labor Standards Act (FLSA) – Establishes minimum wage, overtime, record keeping, child labor, and equal pay standards.

42 U.S.C. Chapter 126 - The Americans with Disabilities Act of 1990 - Prohibits discrimination in all privileges and conditions of employment against qualified persons with a disability.

42 U.S.C. § 300bb-2 - Health Insurance - Consolidated Omnibus Budget Reconciliation Act. Requires state to provide notice to employees and dependents covered under the state's health care plan of their rights to continue coverage upon certain qualifying events, such as termination of employment.

42 U.S.C. 2000C-2000E-17 - Title VII of the Civil Rights Act of 1964 - Prohibits discrimination in all privileges and conditions of employment due to race, color, national origin, gender (including sexual harassment), and religion.

42 U.S.C. 2000(e)(k) - The Pregnancy Discrimination Act of 1978 - Requires employers to treat women affected by pregnancy, childbirth, and related medical conditions, the same as other employees for all employment-related purposes.

42 U.S.C. 2000h 2 - Title IX of the Education Amendments of 1972 - Prohibits discrimination based on gender in all privileges and conditions of employment in education programs or activities that receive federal financial assistance.

42 U.S.C. § 1395y Health Insurance - Medicare Secondary Payor. Requires state coverage to be primary to Medicare for active employees and their dependents; forbids state from offering any incentive to enroll in Medicare in lieu of state's coverage.

Customers for this Service Area

*Anticipated Changes to Customers Base*

Partnerships with private sector employers for Healthy Virginians initiatives will increase number of customers in that area. Expansion of The Local Choice health program to more local government entities will increase the number of local governments and local government employees and retirees served

*Current Customer Base*

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Governor	Governor, staff and cabinet	1	1	Stable
State Government Employee	HR Departments	180	180	Stable
State Government Employee	State Employees	92,000	117,325	Stable
General Assembly	Senators, delegates & staff	140	140	Stable
Local Government Employee	Individuals provided health benefits through the Local Choice (TLC) groups and retirees	28,000	120,000	Stable
Local or Regional Government Authorities	Local Governments and school boards	297	960	Stable
Employer/ Business Owner	Private Sector	125	221,127	Stable
Resident	General Public	100	6,129,000	Stable
State Agency(s),	Agency internal service areas	6	6	Stable
State Agency(s),	Legislative branch agencies	7	7	Stable
Interstate Entity	Other states	49	49	Stable
Retirees	State Retirees	38,800	38,800	Stable

Partners for this Service Area

Partner	Description
Actuarial Consultant	Actuarial and health benefits consulting for state and The Local Choice health programs
Health Maintenance Organization	Insurance provider for HMO coverage provided under the state and The Local Choice health programs
Independent Review Organization	Independent review organization for external appeals
Supplemental Insurance Provider	Insurance provider for TRICARE supplement
Third Party Administrator	Third party administrator for behavioral health and employee assistance benefits provided under the state and The Local Choice programs
Third Party Administrator	Third party administrator for COVA Connect, State Employee Health Benefits in the Hampton Roads area.
Third Party Administrator	Third party administrator for dental benefits provided under the state and The Local Choice health
Third Party Administrator	Third party administrator for drug benefits provided under state and The Local Choice health programs
Third Party Administrator	Third party administrator for flexible reimbursement accounts provided under the state health program and direct billing for COVA Connect
Third Party Administrator	Third party administrator for medical/surgical benefits and disease management program provided under state and The Local Choice health programs
Third Party Administrator	Third party administrator for Medicare primacy

Products and Services

**Factors Impacting the Products and/or Services**

Increasing cost of health care (typical program trend line of 5 - 9% over the past several years) and budget constraints requiring use of health insurance fund revenues to offset premium increases makes it increasingly difficult to offer a comprehensive yet affordable health program to state and local government employees and retirees.

Claims related to lifestyle and behavioral choices account for approximately 27% of annual medical claims cost. This, in conjunction with an aging population, contributes to escalating cost of health program and impacts quality of life.

For Medicare-eligible retirees, with the exception of minor ancillary benefits, the payment of secondary medical benefits is defined by Medicare's primary payment. The premium history for these plans is generally stable. Because these plans are funded solely by retiree premiums, there is no cost to the state. As this population ages, it may incur increased claims experience resulting in higher premiums, which could lead to the plan pricing itself out of competition with non-state program plans. However, in the meantime, the state program will work to ensure that participants get the benefit of any federal program contributions to the costs of their benefit.

**Anticipated Changes to the Products and/or Services**

National health care reform puts increased emphasis on the need for programs focused on changing lifestyle and behavioral choices that impact health. The average age of the state population continues to increase, with inherently higher cost.

Key components of health care reform will continue to impact the state and local health benefits program: the Medicare Part D manufacturer's discount, eligibility expansion, and the ability for small groups to enter the state exchange may impact TLC.

The Office of Health Benefits will bring TLC eligibility and enrollment data exchanges in-house. Previously, these functions were handled by Anthem. This will encourage competition in future procurements by making the vendor provided services more generic.

Program changes will continue to be incorporated to incent wellness and preventive care, with a view toward avoidance as well as early detection and treatment of chronic disease. A structured obesity program integrating medical and behavioral health has successfully been launched to promote behavior change through workplace wellness education and supervised weight loss, and we will continue to evaluate and modify it to maximize its benefit. In addition, opportunities for collaboration will be explored in areas such as telemedicine and disease management.

The cost of providing medical benefits, including prescription drugs, is expected to continue to increase over time. An opportunity may exist to leverage increased buying power by contracting jointly with Workers' Compensation Services to procure a pharmacy vendor mutually beneficial to the two programs and with associated cost savings. Working with Workers' Compensation Services, we will explore the feasibility of this model. If determined to be feasible, we will move forward.

The Office of Health Benefits will develop an effective consumer driven health plan, and as part of this, will continue to explore opportunities for new technologies, including the use of electronic medical records and improved cost and quality transparency.

The Office of Health Benefits will implement a TRICARE supplement in fall 2011.

The Office of Health Benefits will review retiree eligibility criteria for health benefits to ensure equitable treatment of all state employees.

#### Listing of Products and / or Services

**Health Program Administration:** Comprehensive administration of state and TLC health programs for active and retired employees, including plan design, pricing, vendor liaison, communication, enrollment, training, problem resolution and funding analysis.

**Policy Administration:** Development, application and interpretation of policies and procedures as well as state and federal regulations related to or impacting the health program.

**Vendor Management:** procurement, contract administration and on-going management activities to ensure adherence to contract and plan benefits and an appropriate level to service to state and TLC employees and retirees.

**Federal and State Regulatory Compliance:** evaluation and application of federal and state laws as required to maintain all program components in compliance with applicable regulations.

**Customer Service: Ombudsman:** Interaction with employees, retirees, human resource and benefits administrators, legislators and other in response to written, telephone or email inquiries or requests for assistance related to health program benefits, claims, eligibility. Manages appeals processes and provides intervention in sensitive cases.

#### Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	3,345,658	0	3,345,658
Changes to Base	0	29,302	0	29,302
<b>Total</b>	<b>0</b>	<b>3,374,960</b>	<b>0</b>	<b>3,374,960</b>

#### Objectives for this Service Area

##### Objectives for this Service Area

###### Objective

Expand use of alternative health plans

###### Description

Develop an additional consumer driven health plan.

###### Objective Strategies

No Strategies for this Objective

###### Alignment to Agency Goals

No Agency Goals for this Objective

###### Objective

Provide high-level customer service

###### Description

Provide high-level customer service

###### Objective Strategies

No Strategies for this Objective

###### Alignment to Agency Goals

No Agency Goals for this Objective

###### Measures

- Percentage of Health Benefits Services customers rating services received as good or better

Measure Class **Other Agency** Measure Type **Outcome** Preferred Trend **Increase** Frequency **Annually**

Data Source and Calculation

Customer satisfaction surveys conducted annually for medical, surgical, dental, drug and behavioral health third party administrators (TPA). Surveys for each TPA are weighted based on percentage of total claims. Percentage represents customer ratings of 7 to 10.

**Objective**

Promote a healthy lifestyle for state employees

*Description*

Promote a healthy lifestyle for state employees.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

*Measures*

- Percentage of enrolled participants in maternity management program.

Measure Class **Other Agency** Measure Type **Outcome** Preferred Trend **Increase** Frequency **Annually**

Data Source and Calculation

Percentage participation of those eligible in maternity management program as provided by the third party administrators.

**70409: Personnel Development Services**

Description

This service area was eliminated when it was cut from the budget. Please eliminate this service area.

Mission Alignment and Authority

Customers for this Service Area

*Anticipated Changes to Customers Base*

*Current Customer Base*

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers

Partners for this Service Area

Partner	Description
No partners currently entered in plan	

Products and Services

**Factors Impacting the Products and/or Services**

**Anticipated Changes to the Products and/or Services**

**Listing of Products and / or Services**

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	2,546,830	2,732,364	2,546,830	2,732,364
Changes to Base	0	0	0	0
<b>Total</b>	<b>2,546,830</b>	<b>2,732,364</b>	<b>2,546,830</b>	<b>2,732,364</b>

Objectives for this Service Area



**70416: Employee Dispute Resolution Services**

Description

Employment Dispute Resolution Services (EDR)  
Employment Dispute Resolution Services implements the Commonwealth's employment dispute resolution statutes. Services include:

- administering the state employee grievance procedure
- developing the statewide workplace mediation program
- informing employees and agency management of workplace rights and responsibilities, and available options for preventing, managing and resolving workplace conflict, through a toll-free phone service and other outreach activities
- training on workplace conflict management, employee discipline and the use of the grievance procedure
- collection and reporting date on statewide workplace conflict management and resolution activities such as usage of the grievance procedure, mediation, problem-solving consultations, training, and other related services

Mission Alignment and Authority

Assuring solutions to workplace conflict consistent with the Commonwealth's policies and related law are key functions of providing statewide leadership in human resource management. EDR's services are designed to provide timely and appropriate resolution to state agencies and their employees to allow focus to be properly directed to effective and efficient job performance.

EDR's enabling legislation as currently set forth in Title 2.2, Chapter 12 of the Code of Virginia (Va. Code § 2.2-1202.1). These provisions mandate EDR to:

- Provide a comprehensive program of employee relations management that includes alternative processes for resolving employment disputes
- Establish and administer the state employee grievance procedure
- Adopt rules and set hearing officer fees for grievance hearings
- Render final decisions on all matters related to access to the grievance procedure, procedure compliance with the grievance procedure and qualification for hearing
- Establish a process to select hearing officer for grievance hearings
- Establish and administer a statewide workplace mediation program
- Provide a toll-free telephone number to provide information and guidance to state employees on workplace conflict resolution and the services of EDR
- Provide training for agency human resources, supervisory personnel, and other interested persons
- Publish hearing officer decisions and EDR rulings
- Investigate allegations of retaliation
- Collect data on the use of the grievance procedure and the effectiveness of employee relations management in state agencies
- Make recommendations to the Governor and the General Assembly to improve the grievance procedure and employee relations management.

The State Grievance Procedure is established in Title 2.2, Chapter 30 of the Code of Virginia (Va. Code §§ 2.2-3000 through 2.2-3008). These provisions:

- Require state agencies to
  - provide through the state grievance procedure an immediate and fair method for the resolution of employment disputes between the agency and those employees with access
  - train supervisory personnel in the grievance procedure, personnel policies and conflict resolution, and to evaluate supervisors on their effectiveness in employee relations management
  - promote EDR's services and familiarize employees with their grievance rights
  - cooperate with EDR retaliation investigations
  - participate in the mediation program
- (Va. Code § 2.2-3000(B))
- Require EDR to monitor the above agency activities with respect to the above duties
- (Va. Code § 2.2-3000(C))
- Establish state employee coverage and exemptions under the grievance procedure
- (Va. Code §§ 2.2-3001 and 3002)
- Establish broad parameters for the grievance procedure's management levels and independent hearings, including relief that may be granted by a grievance hearing officer
- (Va. Code §§ 2.2-3003, 3004, and 3005)
- Establish administrative and judicial review of grievance hearing officer decisions
- (Va. Code § 2.2-3006)

Customers for this Service Area

*Anticipated Changes to Customers Base*

*Current Customer Base*

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
State Agency(s),	State agencies	241	241	Stable
State Government Employee	State employees	117,325	117,325	Stable

Partners for this Service Area

Partner	Description
Virginia Tech	EDR partners with Virginia Tech's Department of Human Resources Conflict Resolution Program to expand workplace mediation services to state employees in the Commonwealth's southwestern region. By way of this partnership, Virginia Tech mediators will provide mediation services, through EDR's statewide mediation program, to state employees working within 120 miles of Blacksburg.

Products and Services

**Factors Impacting the Products and/or Services**

Severe staffing and funding cuts limit EDR's ability to step aside from its daily service delivery responsibilities in order to conduct outreach activities with its stakeholders, or to comprehensively review, pilot, and implement planned innovations of additional early intervention services such as mediation and conflict coaching. In addition, certain of the recent changes to the grievance statutes will result in an even more increased workload for EDR staff, further complicating EDR's ability to address anything more than basic service delivery while maintaining its high-level performance and customer satisfactory ratings. At current staffing levels, it is virtually impossible for EDR to successfully pilot or implement new early intervention services on a statewide basis.

Many state employees are unaware of EDR and its services, and even if they are aware, they are reluctant to use these services, particularly the grievance procedure and mediation. In short, highly beneficial services currently offered by EDR, such as mediation, are underutilized. However, if EDR's planned promotional and educational activities are successful, a large increase in the use of the mediation program may be difficult to manage given the primary use of volunteer mediators.

State supervisors and managers are often untrained in conflict competencies and often uninformed about EDR's role in resolving employment disputes. In addition, managers often lack an understanding of the benefit and effectiveness of early dispute resolution processes in resolving disputes and avoiding potential litigation.

**Anticipated Changes to the Products and/or Services**

**Grievance Procedure:** Revisions to expedite the grievance process and clarify the Grievance Procedure Manual and Rules for Conducting Grievance Hearings have been finalized and implemented, resulting in a number of enhancements to the process. EDR will also assess whether increases in hearing officer fees is necessary to support the program's viability. Hearing fees have remained constant since July 1, 2007.

**Expansion of Early Intervention Services:** The merger with DHRM provides a great opportunity to rebrand EDR's mission to enhance its early intervention services with the goal of resolving workplace conflict as early as possible and providing the tools to state agencies and employees to improve workplace dynamics generally. To that end, EDR plans to explore a pilot conflict coaching program. Two of EDR's full-time staff have already been trained in the Cinergy individual coaching model. EDR will also explore the potential of adding further group facilitation and team building coaching to its services available to state agencies.

**Promote EDR's Statewide Mediation Program:** EDR plans to promote and strengthen its mediation program, an early intervention service, through training and outreach to its agency mediation coordinators, training opportunities for its volunteer mediators, and additional partnerships with public and private organizations.

**Direct Outreach:** EDR plans to provide direct support to agencies needing information or training on the recent changes to EDR and its services. The merger with DHRM also provides unique opportunities to partner in the holding of informational sessions for state employees on workplace rights and responsibilities.

**Expand Training:** EDR expects to expand the reach of its training while keeping costs down by increasing its offerings of online training courses on the grievance procedure and workplace conflict management. For example, EDR will introduce its revamped workplace conflict skills instructor-led training, developed under a partnership with Virginia Tech.

**Upgraded Data Collection:** EDR plans upgrades and/or enhancements to its statewide grievance activity database to enhance the availability of useful reports and lead to more comprehensive analyses of employment dispute resolution trends. Further partnership with other offices and agencies in data collection services and development of IT resources will provide additional resources for EDR and state agencies in this area.

**Listing of Products and / or Services**

- **Grievance Procedure:** EDR is the neutral administrator of the Commonwealth's grievance procedure, a process that allows state employees to bring their workplace concerns to the attention of upper management, and in some cases, to present their concerns to an independent hearing officer.
- **Mediation:** EDR administers the Commonwealth's workplace mediation program, a voluntary, confidential process through which neutral third parties (mediators) assist employees in conflict with exploring their differences and developing their own solutions to workplace concerns. Mediation occurs between two or more parties.
- **Consulting:** EDR provides the toll-free AdviceLine, through which all Commonwealth employees, including agency managers, may seek confidential guidance on preventing and resolving workplace conflict, as well as information on employment rights and responsibilities.
- **Training:** EDR offers a variety of training courses on subjects such as workplace conflict management, employee discipline, and the grievance procedure.
- **Employment Dispute Resolution Data Collection:** EDR collects a comprehensive body of workplace dispute resolution data focusing on dispute prevention and resolution activities within the Executive Branch.

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	0	0	0
Changes to Base	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Objectives for this Service Area

*Objectives for this Service Area*

**Objective**

Provide high-level customer service

*Description*

Provide high-level customer service to enhance the effectiveness of EDR's workplace mediation program, training, and direct consultant.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

*Measures*

- Percentage of Employment Dispute Resolution Services respondents rating services as good or better

Measure Class  Measure Type  Preferred Trend  Frequency

*Data Source and Calculation*

Contacts and training and mediation participants receive and complete an evaluation questionnaire after a consultation or mediation/training session. The questionnaire rates various factors, using a 5-point scale for each, with 5 being the highest rating. The overall rating (either a 1, 2, 3, 4, or 5) for each questionnaire is calculated by averaging the ratings for the various factors and rounding up or down to the nearest whole number. The total number of questionnaires is then divided into the number of questionnaires with an overall rating of either 4 or 5 to derive the percentage.

**Objective**

Advance the effectiveness of the state employee grievance procedure in resolving workplace disputes.

*Description*

The grievance procedure is to afford "an immediate and fair method for the resolution of employment disputes." EDR consultants research, investigate and draft administrative rulings in pending grievances and EDR hearing officers hold evidentiary hearings and issue written decisions on the merits of qualified employee grievances. If administrative rulings or hearing decisions are issued in an untimely manner, the grievance process and ultimate resolution of the dispute are unduly prolonged, resulting in inefficiencies and frustration for the parties, which in turn can affect the productivity and morale of the involved work unit. For those reasons, it is critical that EDR rulings and hearing decisions are issued in a timely manner.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

*Measures*

- Average number of calendar days from close of evidentiary record to issuance of hearing officer decision following hearing.

Measure Class  Measure Type  Preferred Trend  Frequency

*Data Source and Calculation*

For all hearing decisions issued by an EDR hearing officer during the fiscal year, calculate the number of days between close of the evidentiary record (generally date of hearing) and the issuance date of the resulting hearing decision. Exception: documented extensions for good cause or delays due to events over which the hearing officer has no control, such as serious illness or death, will not count toward the 20 day period. Percentage is derived from the total number of hearings issued within 20 calendar days divided by the total number of hearings issued. Source: EDR hearings database. Measuring turnaround time from the close of the evidentiary record is consistent with regulatory "time to disposition" standards for other similar administrative proceedings, e.g., Virginia Administrative Process Act hearings (90 days from the date of hearing); North Carolina grievance hearings (45 days from the close of the hearing record); West Virginia grievance hearings (30 days from date of hearing); South Carolina grievance hearings (20 days from conclusion of hearing).

- Percentage of administrative rulings issued within 50 calendar days of receipt of the ruling request following investigation, research, and drafting.

Measure Class  Measure Type  Preferred Trend  Frequency

*Data Source and Calculation*

For all rulings issued during the fiscal year, calculate the number of days between EDR's receipt of the ruling request and the issuance date of the ruling. Exception: documented extensions for issues over which EDR has no control, such as a serious illness, will not count toward the turnaround time. Percentage is derived from the total number of rulings issued within 50 calendar days divided by the total number of rulings issued. Source: EDR rulings database. This 50 calendar day target is highly competitive with other comparable governmental agency targets and averages, such as the U.S. Merit Systems Protection Board (goal for FY2010 and FY2011 to rule on all petitions for review on employee case matters within an average of 150 days or less) and the U.S. Equal Employment Opportunity Commission (FY2010 goal to process at least 66% of its appeals of final agency actions within 180 days or less).

**Objective**

Expand opportunities for state employees to develop knowledge and skills on the prevention and resolution of workplace conflict.

*Description*

The grievance statutes mandate EDR to provide a comprehensive program of employee relations management, and specifically include the requirement of training for state supervisory and human resources personnel in the prevention and resolution of employment disputes. Effective learning opportunities can develop and strengthen employee competencies in preventing and resolving workplace conflict, which in turn allows employees to focus on service excellence in their jobs. EDR's continues to focus on expanding no-cost or low-cost learning and development opportunities for state employees in the prevention and resolution of workplace

conflict, so that more employees will become knowledgeable and skilled in those areas.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

*Measures*

- Number of completed training sessions by state employees in workplace conflict management and resolution

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

The annual number of completed training sessions by state employees via EDR's instructor-led records, state agency in-house training records, the Commonwealth's web-based Learning Management System, and any other new distance learning approach will be totaled and compared with the FY2011 baseline.

**70417: State Employee Program Services**

**Description**

The State Employee Programs Service Area provides a range of services to Commonwealth of Virginia employees, including managing employee-focused wellness programs statewide through the CommonHealth Wellness Program, which serves state employees as well as employees of localities participating in The Local Choice benefits program; developing of employee communications; implementing employee reward and recognition programs; organizing employee special events and programs; and managing the annual workplace giving program, Commonwealth of Virginia Campaign (CVC). Creates associated outcomes that include enhancing employee morale through the participation in the Commonwealth of Virginia Campaign (CVC), encourages employee volunteerism, and develops and delivers effective employee communications, reward and recognition programs and comprehensive wellness programs. Manages through CVC a 501(c)(3) nonprofit entity, the Virginia State Employee Assistance Program, which includes an Emergency Grant Program as well as the State Employee Loan Program.

**Mission Alignment and Authority**

State Employee Program Services aligns to the agency's mission of addressing the diverse human resources needs of our customers through guidance, consultation, and training. It aligns to the agency's goals of providing timely, accurate, and consistent human resource information, utilizing multiple cost-effective delivery channels; providing statewide leadership in areas of human resources management, and addressing continuously changing management needs of state agencies throughout the Commonwealth; developing and implementing a statewide workplace giving program to focus on the needs of our communities; and to provide financial assistance to those employees facing an unexpected emergency or those needing short-term small loans; developing and managing a statewide CommonHealth wellness program for state agency employees as well as participating localities in the Local Choice Program; assisting agency management in addressing their human resource needs through effective and timely communications.

**Customers for this Service Area**

*Anticipated Changes to Customers Base*

Potential increase in the number of charities due to changes in the economy and federal and local aid in disasters; increased workload in communications and CommonHealth due to wellness initiatives, changes in the federal health care plan, and a greater interface with and involvement from the private sector.

*Current Customer Base*

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Governor	provides communications support and staff assistance for multiple initiatives for the Governor	4	4	Stable
State Agency(s),	responds to agency needs relating to employee programs, providing consulting assistance and material	200	238	Stable
State Government Employee	develops communications tools and programs for human resource initiatives. CommonHealth Coordinator	108,166	108,166	Stable
Local or Regional Government Authorities	assists in the development and dissemination of information to local governments relating to clarifi	297	960	Stable
Non-Profit Agency (Boards/Foundation),	answers queries about state policies and activities and provides customer service and information to	1,350	1,581,000	Stable
Resident	provides support for agency office areas relating to FOIA requests and other public queries and inte	2,500	6,129,000	Stable
Federal Agency	acts as state liaison with federal Savings Bond Program and provides support for federal queries rel	2	20	Stable
State Agency(s),	Communications and special events assistance for office areas within the Department.	7	7	Stable
State Government Employee	Develops communications tools and programs for human resource initiatives. CommonHealth coordinators	108,166	108,166	Stable

**Partners for this Service Area**

Partner	Description
third party administrator	third party administrator of behavioral health benefits
third party administrator	third party administrator of dental benefits
third party administrator	third party administrator of health screenings, maternity management, disease management and medical, prescription drug, and behavioral health benefits
third party administrator	third party administrator of prescription drug benefits
third party administrator	third party administrator of smoking cessation, health screenings, maternity management, disease management, medical benefits and Weight Watchers reimbursements
third party administrator	third party administrator of TRICARE supplement (10/1/2011)

third party administrator	third party processor of charitable pledges for workplace charitable giving campaign.
Virginia Credit Union	third party partner in the Virginia State Employee Loan Program and financial education.
Balance Track	third party source for online financial education courses.

Products and Services

**Factors Impacting the Products and/or Services**

Changes in participation in the health benefits program by state employees and localities participating in the Local Choice program. Changes in enrollment due to expansion of plans and federal health care reform. Changes in the number of charities participating in the workplace giving campaign; increase in catastrophic storms locally and globally; changes in health benefit offerings. Transfer of programs on Virginia Interactive Network to a third party vendor or in house. Changes in the employment level statewide.

**Anticipated Changes to the Products and/or Services**

State agencies and localities who are not currently participating in an area of the Employee Program Services will be contacted about the programs with the intent to expand the customer base. Consolidation of programs in one service area will likely increase participation in all office areas. Outreach to non-participating charities and agencies in CVC and other programs. Outreach to cities and counties not currently in the Local Choice plan. Changes in the electronic systems used to deliver and support current and future programs. Proposed expansion of services to TLC customers, offering 2 program per year versus the current one program per year, which will impact staffing levels.

**Listing of Products and / or Services**

- Development of communications materials, including e-newsletters, the DHRM Website, the Commonwealth of Virginia Campaign website, and the CommonHealth website, e-mail distribution lists, and written and electronic resources for all employee programs.
- Management of the statewide Employee Wellness program, CommonHealth.
- Creates responses to media, citizen and organization inquiries.
- Coordinates special programs and events, such as the Governor's Awards program, the 30-Day Sprint event, wellness initiatives and other rewards and recognition events, plus special event coordination for Governor's Office and the Secretary of Administration.
- Supports the DHRM HR Leadership Symposium.
- Manages the Commonwealth of Virginia Campaign, the workplace charitable giving campaign, including a 501(c)(3) Employee Assistance Fund and its related programs, special fund drives including disaster relief.
- Oversees the proper maintenance of agency public records at the Library of Virginia.
- Provides FOIA Coordination. The service area coordinates responses to FOIA requests received by the agency.
- Provides program materials to new employees as part of the Onboarding process.

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	180,736	1,486,408	180,736	1,486,408
Changes to Base	0	12,152	0	12,152
<b>Total</b>	180,736	1,498,560	180,736	1,498,560

Objectives for this Service Area

*Objectives for this Service Area*

**Objective**

Increase wellness of state employees

*Description*

Increase the percentage of employees participating in the CommonHealth Programs. The CommonHealth programs serve state employees and The Local Choice participants through a series of on-site and on-line programs to increase awareness of health and wellness issues among employees as well as providing tools and resources for these customer groups.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

*Measures*

- Percentage of employee participation in the CommonHealth Programs

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

Participation is logged at every CommonHealth program event and participation in the Knowledge Center CommonHealth Programs are measured electronically. Percentage of participation of state employees in CommonHealth programs is determined by dividing the number of individuals

participating in at least one CommonHealth program by the total number of state employees.

**Objective**

Provide high-level customer service

*Description*

The Office of Employee Programs provides a central outlet for information to the agency's internal and external customers. Information is developed and disseminated electronically that focuses on workplace issues and reinforces the agency's mission, training, provision of health benefits, EEO policies, workplace giving, employee health and wellness, and workers' compensation matters.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

*Measures*

- Percentage of State Employee Services customers rating services received as good or better

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

Agencies and employees respond annually to DHRM surveys, and provide feedback upon completion of training with a DHRM course evaluation. Customer satisfaction surveys use a Likert scale of 1 to 6, with 6 as the highest score. Percentage of favorable ratings represents number of ratings 4, 5 and 6 divided by total number of responses. The State Employee Services rating will be an average of the survey results within this service area.

**Objective**

Provide an annual workplace charitable giving program through the Commonwealth of Virginia Campaign (CVC) program, maximizing charitable dollars raised, volunteerism and employee participation.

*Description*

The annual Commonwealth of Virginia Campaign (CVC) administers the workplace giving program, which over the last ten years has raised over \$32 million for non-profit organizations of the employee's choice. The campaign involves over 1,300 approved local, state and national charities. It also trains and motivates 510 statewide volunteers, provides training and marketing materials, recognizes and celebrates agency participation with special events and works to maximize the dollars raised and employees participating in the program.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

*Measures*

- Percentage increase of total charitable contributions raised by state employees

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

Increase the total charitable contributions raised by state employees as shown in the CVC Final Giving Report. Percentage increase of total charitable contributions raised by state employees is calculated by dividing the change of the total employee contributions made the prior year subtracted from the total employee contributions of the current year and then divided by the total employee contributions of the prior year.

**70418: State Employee Workers' Compensation Services**

**Description**

This statutorily mandated service area is responsible for establishing a workers' compensation insurance program for all state employees. Additional responsibilities of this unit include loss prevention programs to reduce the likelihood of workplace injuries, ensuring that injured employees receive timely, quality medical care, payment of lost wages, a disability management program to assure return-to-work with the agency whenever possible, or rehabilitation/job training and job placement. The program has averaged approximately 9,600 new claims each year for the past five years and issued 114,431 checks totaling more than \$57 million in benefits in FY12.

Associated outcomes include providing cost containment, consultation, guidance and educational programs to increase safety in the workplace, increase return-to-work opportunities, and reduce the program cash flow claims payments.

**Mission Alignment and Authority**

This service area directly aligns with DHRM's mission to provide our customers with guidance, consultation, training, and delivery of services.

**Customers for this Service Area**

**Anticipated Changes to Customers Base**

No changes are anticipated to the customer base.

**Current Customer Base**

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
State Agency(s),	State Agencies WC insurance	134	241	Stable
Employee	Injured workers	10,000	117,325	Stable
Local or Regional Government Authorities	Local government WC Training	31	960	Stable
Resident	WC Training for private employers	25	221,127	Stable

**Partners for this Service Area**

Partner	Description
Third Party Administrators	The Program has outsourced claims administration and cost containment services. The general contractor and its subcontractors provide claims adjusting services, medical cost containment services, loss control services, field vocational and medical services, surveillance, discount prescription drug program, and a preferred provider network. The staff of 57 is co-located with the DHRM workers' compensation staff.

**Products and Services**

**Factors Impacting the Products and/or Services**

Increased unemployment in some geographic areas of Virginia causing an inability to locate alternative employment when the employee is unable to return to work at the state agency.

**Anticipated Changes to the Products and/or Services**

The demand for return-to-work assistance is anticipated to increase as a higher percentage of employees injured participate in the Virginia Sickness and Disability Program (VSDP) which separates most employees after six months of disability and due to the new VSDP Plan 2 group which will have limited VSDP benefits available and therefore have more potential for early separation from their employer when their leave balances are exhausted if the injury occurs prior to Family Medical Leave Act eligibility.

The cost of providing medical benefits, including prescriptions is expected to continue to increase over time. An opportunity may exist to leverage increased buying power by contracting jointly with the Office of Health Benefits to procure a pharmacy vendor mutually beneficial to the two programs and with associated cost savings. Working with the Office of Health Benefits, we are exploring a joint procurement of pharmacy in fiscal year 2013.

**Listing of Products and / or Services**

**Policy Administration** - This statutorily mandated unit is responsible for establishing a workers' compensation insurance program for all full-time and part-time state employees and all self-insurance policy administration. The program's actuary develops premiums using an experience-based model as required by the Appropriations Act. Premiums are developed by September 1 in advance of the biennium and submitted to the Governor and the General Assembly for approval. Premiums are charged to all state agencies annually using premium statements that provide detailed information on how the premium for each agency was developed.

**Claims Management** - The Claims Management unit receives between 9,500 and 10,000 new state employee workers' compensation claims a year. These services are outsourced through a public-private partnership through a competitive procurement process. The staff of the contractor is housed on the DHRM premises and works very closely with management and agencies. Each claim must be investigated and evaluated for coverage under the Workers' Compensation Act. The program is responsible for assuring that state injured employees receive timely, quality medical care, payment of lost wages, rehabilitation/job training and job placement. Claims are administered in compliance with Virginia law. This unit works closely with the Office of the Attorney General staff that provides legal defense on any contested matters.



Loss Control - Loss prevention services are provided predominantly by contract staff as part of the public private partnership. The program provides educational programs to state agency employees to reduce the likelihood of workplace injuries and to assure OSHA laws are understood and mandated programs developed. Consultants analyze data to determine the agencies with the greatest risks and conduct consultation visits to agencies to provide advice and guidance on ways to reduce and eliminate workplace injuries. Technology has been leveraged to offer most scheduled training both live at the program's location and via distance learning delivered directly to the student at his or her workstation. The program also transforms most training programs into web-based "on-line, on-demand" modules offered through the Commonwealth of Virginia Knowledge Center.

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	1,353,822	0	1,353,822
Changes to Base	0	5,147	0	5,147
<b>Total</b>	<b>0</b>	<b>1,358,969</b>	<b>0</b>	<b>1,358,969</b>

Objectives for this Service Area

Objectives for this Service Area

**Objective**  
Reduce lost work days

*Description*

To decrease the number of days away from work due to work-related injuries and illness and the associated amount of lost wage benefits paid on state employee worker's compensation claims.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

*Measures*

- Percentage decrease of workers' compensation occupational lost work days.

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

By using the State Employees Workers' Compensation Lost Time Days Report, a baseline will be established in February 2012 when a full year's worth of data is available.

**Objective**  
Increase return to work rates

*Description*

The program actively works with state employees and agencies to promote employees' return-to-work in a safe and healthy manner according to the Workplace Safety and Employee Health Executive Order. The program's primary goal is to communicate with the employee, agency, and treating physician in order to increase opportunities for return-to-work with the agency as a first priority. The program provides education, advice, and guidance as agencies implement and improve their return-to-work programs.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

*Measures*

- Rate of injured employees returning to work under the State Employee Workers' Compensation Services Program

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

Percentage of employees returning to work after workplace injury as reported in the Workers' Compensation Claims System Return-to-Work Report.

**Objective**  
Provide high-level customer service

*Description*

Provide high-level customer service.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

*No Agency Goals for this Objective*

*Measures*

- Percentage of State Employee Workers' Compensation Services customers rating services received as good or better

Measure Class  Measure Type  Preferred Trend  Frequency

Data Source and Calculation

Customer Satisfaction Survey of the State Employee Workers' Compensation Program, with number of respondents scoring the program 6 or higher on a scale of 10, with 10 as the high.

**70419: Administrative and Support Services**

**Description**

This Service Area includes the Director's Office, fiscal, contracts, logistics, and Information Technology. It was responsible for the Council on Human Resources, a statutorily mandated advisory board, that was dissolved on July 1, 2012.

This service area uses cutting-edge Web-based technology to provide interactive applications for a range of Human Resource functions, including recruitment, policy, benefits, compensation, communications and EEO services.

Among the contracts monitored by this office is the extensive health benefits contracts package. Others include the annual State Employees Workers Compensation Services contract with a private vendor and an auditing contract for the Commonwealth of Virginia Campaign.

Associated outcomes include providing required accounting information to DOA and complying with the agency's procurement requirements. Surveys are measurements used to verify customer satisfaction.

**Mission Alignment and Authority**

This service area provides the administrative support for the other service areas which provides the programs supporting the agency's mission

**Customers for this Service Area**

*Anticipated Changes to Customers Base*

*Current Customer Base*

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
State Agency(s),	All Service Areas within the Department of Human Resource Management	85	85	Stable

**Partners for this Service Area**

Partner	Description
<i>No partners currently entered in plan</i>	

**Products and Services**

**Factors Impacting the Products and/or Services**

This service area supports the other service areas of the agency. Significant changes in other service areas will have a corresponding change in administration.

**Anticipated Changes to the Products and/or Services**

**Listing of Products and / or Services**

- Agency travel support
- Procurement activities
- Actuarial services and support
- Accounts receivable
- Accounts payable
- Payroll
- IT Services (non-VITA)

**Financial Overview**

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	399,663	88,072	399,663	88,072
Changes to Base	45,558	0	51,142	0
<b>Total</b>	<b>445,221</b>	<b>88,072</b>	<b>450,805</b>	<b>88,072</b>

**Objectives for this Service Area**

Objectives for this Service Area

**Objective**

Provide high-level customer service

*Description*

Provide high-level customer service.

*Objective Strategies*

No Strategies for this Objective

*Alignment to Agency Goals*

No Agency Goals for this Objective

*Measures*

- Percentage of Administrative and Support Services customers rating services received as good or better

Measure Class **Other Agency** Measure Type **Outcome** Preferred Trend **Increase** Frequency **Annually**

Data Source and Calculation

Agencies and employees respond annually to DHRM surveys, and provide feedback upon the completion of training with a DHRM course evaluation. Customer satisfaction surveys use a Likert scale of 1 to 6, with 6 as the highest score. Percentage of favorable ratings represents number of ratings 4, 5 and 6 divided by total number of responses.