

2014-16 Strategic Plan

Department of Human Resource Management [129]

Mission

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

Vision

To be the leader of 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.

Finance

Financial Overview

For the current biennium, DHRM has an infusion of General Funds for the migration of the Personnel Management Information System (PMIS) and its subsystems from the Unisys mainframe to the Windows SQL servers platform. Without this supplemental funding, DHRM would have 41% General Funds and 59% Non-General Funds.

Non-General funds come from a variety of sources. For the State Employee Workers' Compensation Service Area, funds are generated from employer premiums. These premiums are developed based on each agencies experience regarding workplace injuries. The Employment Dispute Resolution Service Area generates revenue to fund administrative hearings by billing agencies with disputes. The State and Local Health Benefits Service Area receives Non-General funds from the Health Insurance Fund, as well as from local governments and schools participating in The Local Choice (TLC) program. The State Employee Services Service Area has two different Non-General fund sources; the Commonwealth of Virginia Campaign (CVC) funded from employee donations, and the CommonHealth Program funded from the Health Insurance Fund.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	8,308,714	7,958,435	8,331,944	7,969,181
Changes to Initial Appropriation	0	0	0	0

(Changes to Initial Appropriation will be 0 when the plan is created. They will change when the plan is updated mid-biennium.)

Customers

Anticipated Changes to Customer Base

Current Customer List

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Governor	Governor, staff and cabinet	16	16	Stable
General Assembly	Senators, delegates & staff	140	140	Stable
State Agency(s),	State agencies	243	243	Stable
State Agency(s),	All Service Areas within the Department of Human Resource Management	7	7	Stable
State Government Employee	State Employees	124,441	124,441	Stable

Taxpayer	Job seekers using Recruit Management System	25,000	0	Stable
Attorney General	Judicial branch	1	1	Stable
Employee	Injured workers	8,778	124,441	Stable
Employer/ Business Owner	Private sector business receiving Workers' Compensation Training	1	0	Stable
Federal Agency	acts as state liaison with federal Savings Bond Program and provides support for federal queries rel	0	0	Stable
Federal Agency	Federal Government Agencies	2	10	Stable
Interstate Entity	Other states	49	49	Stable
Local or Regional Government Authorities	Local governments receiving Workers' Compensation Training	12	1,000	Stable
Non-Profit Agency (Boards/Foundation),	answers queries about state policies and activities and provides customer service and information to	0	0	Stable
Resident	General Public	0	0	Stable
Retirees	State Medicare Retirees in health plan	35,302	35,302	Stable
State Government Employee	State employees in state health plan	84,904	94,132	Stable
Retirees	State non-Medicare retirees in state health plan	5,735	5,732	Stable
Consumer	Total participants in state employee health plan	236,294	236,294	Stable
Local or Regional Government Authorities	The Local Choice groups in plan	321	1,000	Stable
Local Government Employee	Participants in The Local Choice	59,196	59,196	Stable

Partners

Name	Description
Health Maintenance Organization	Insurance provider for HMO coverage for the health plans.
Independent Review Organization	Independent review organizations for health plan external appeals.
Supplemental Insurance Provider	Insurance provider for TRICARE supplement for the health plans.
Actuarial Consultant	Actuarial and health benefits consulting for the health plans.
Balance Track	third party source for online financial education courses.
Community College Workforce Alliance (CCWA)	This partnership provides professional development for state employees in an economical manner.
Third Party Administrator	third party processor of charitable pledges for workplace charitable giving campaign.
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.
University of Virginia School of Law	EDR refers interested state employees to the University of Virginia School of Law, which provides eligible employees with law student advocates to assist them in presenting their cases at grievance hearings.
Virginia Credit Union	third party partner in the Virginia State Employee Loan Program and financial education.
Volunteer Mediators	EDR relies on a list of primarily private sector mediators who have agreed to provide mediation services for state employee requests on a voluntary and uncompensated basis.

Agency Goals

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

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.

Objectives

- » **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
- ◆ Percentage of Executive Branch employees whose salary data is published online
- ◆ Percentage of succession plan indicators published on DHRM's website

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

Summary and Alignment

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

Objectives

Major 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.

Performance Highlights

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.

Staffing

Authorized Maximum Employment Level (MEL)	106
Salaried Employees	92
Wage Employees	18
Contracted Employees	0

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

Management Discussion

General Information About Ongoing Status of Agency

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

The Department of Human Resource Management (DHRM) 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.

DHRM will continue to 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.

DHRM will continue the conversion of the Personnel Management Information System (PMIS) from a legacy platform to one that is supported in the current IT environment.

Information Technology

- Adequate funding: Funding and staffing shortfalls threaten the overall quality of the Agency's services, its ability to initiate much needed new programs, its ability to compete in the market for talent, and the timely implementation of system changes and updates;
- Quick and Accurate Response to inquiries: DHRM must be able to respond quickly and accurately to information queries from various constituents such as the Governor, the General Assembly, management, employees, the public, and the press; It needs flexible systems to be able to adapt to unplanned mandates;
- Legacy System, Personnel Management Information System (PMIS): The agency's ability to respond is hampered by the lack of staff and systems integration; a medium/long-term solution the migration of the legacy PMIS to a client server based system with full time staff and increasing the base budget by approximately by \$500,000 annually (\$100,000 total comp x 5 employees); This conversion project was initially funded in Chapter 2 of the 2014 Special Session I, Virginia Acts of Assembly and is scheduled for two years.

Estimate of Technology Funding Needs

Workforce Development

The greatest factor impacting DHRM is the potential retirement of many of its employees. Knowledge transfer is an important aspect of the agency's Workforce Plan.

Twenty-nine and half percent of DHRM employees will be eligible for retirement within five years. This is four percent higher than the Commonwealth as a whole.

Physical Plant

DHRM utilizes leased space in the James Monroe Building, 101 North 14th Street, Richmond VA 23219. Nine employees in the State Employee Services area are home based and provide Commonwealth Services throughout the state.

Supporting Documents

Title	File Type
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Agency Human Resource Services [70401]**Description of this Program / Service Area****Agency Human Resource Services**

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; and a Shared Service Center that provides comprehensive on-site HR services to 15 client agencies that have in-sourced their HR programs to DHRM.

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*How this service supports the agency mission*

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.

Statutory Authority of this Service

§ 2.2-1200 describes the duties, responsibilities, and mandates for the Department. § 2.2-2900 establishes and ensures for the Commonwealth a system of personnel administration based on merit principles and objective methods of appointment, promotion, transfer, layoff, removal, discipline, and other incidents of state employment.

These are the source of most of the Core Mandates for the Office of Agency Human Resource Services (AHRS). AHRS develops, enhances, and maintains a comprehensive statewide human resource management program that includes compensation management and salary administration, management consulting, organizational design, HRIS data stewardship and systems support, human resource policy, talent management and workforce planning practices and tools, employment services, and a shared (fee-for-service) services center. These functions work together to support the Commonwealth's goal of attracting, retaining, and motivating a highly qualified workforce.

§ 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 amended Chapter 421 (05) – Alternate work schedules – 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(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.

Chapter 2, 2014 Acts of Assembly, Item 81. B.1. - Requires the Department of Human Resource Management to operate a human resource service center to support the human resource needs of those agencies identified by the Secretary of Administration in consultation with the Department of Planning and Budget. The agencies so identified shall cooperate with the Department of Human Resource Management by transferring such records and functions as may be required.

Executive Order 44 (03); 2009 Appropriation Act Item 473.B.1– Military leave – Supporting State Employees Called to Active Duty – Requires DHRM to issue a policy establishing supplemental pay for classified state employees called to active duty military service in the Armed Forces of the US.

§ 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(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 Order 73 (01) – Recruitment; 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 (07) – Veterans Preference – Requires that preference shall be given to veterans who have a service-connected disability rating fixed by the United States Veterans Administration.

Chapter 2, 2014 Acts of Assembly, §4-7.01- Manpower Control Program of the General Provisions of the 2014 Budget Bill which restricts the hours that wage employees in the legislative, judicial, executive, and independent branches of government may work to no more than 29 hours per week on average per year.

Chapter 2, 2014 Acts of Assembly, Central Appropriations - Requires that 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 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.

Chapter 2, 2014 Acts of Assembly– Involuntary Separations – Requires that notwithstanding the provisions of § 2.2-3205(A), Code of Virginia, the terminating agency shall not be required to pay the Virginia Retirement System the costs of enhanced retirement benefits provided for in § 2.2-3204(A), Code of Virginia for employees who are involuntarily separated from employment with the Commonwealth if the Director of the Department of Planning and Budget certifies that such action results from (1.) budget reductions enacted in the Appropriation Act, (2.) budget reductions executed in response to the withholding of appropriations by the Governor pursuant to §4-1.02 of the Act, (3.) reorganization or reform actions taken by state agencies to increase efficiency of operations or improve service delivery provided such actions have been previously approved by the Governor, or (4.) downsizing actions taken by state agencies as the result of the loss of federal or other grants, private donations, or other non-general fund revenue, and if the Director of the Department of Human Resource Management certifies that the action comports with personnel policy. Under these conditions, the entire cost of such benefits for involuntarily separated employees shall be factored into the employer contribution rates paid to the Virginia Retirement System.

Chapter 2, 2014 Acts of Assembly – Requires the Department of Human Resource Management to develop and distribute instructions and guidelines to all executive department agencies for the provision of an annual statement of total compensation for each classified employee. The statement should account for the full cost to the Commonwealth and the employee of cash compensation as well as Social Security, Medicare, retirement, deferred compensation, health insurance, life insurance, and any other benefits. The Director, Department of Human Resources Management, shall ensure that all executive department agencies provide this notice to each employee. The Department of Accounts and the Virginia Retirement System shall provide assistance upon request. Further, the Director of the Department of Human Resources Management

shall provide instructions and guidelines for the development notices of total compensation to all independent, legislative, and judicial agencies, and institutions of higher education for preparation of annual statements to their employees.

Products and Services

Description of Major Products and 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 15 client agencies
- Provide HR Policy Development and promulgation - 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, analytics, and reporting
- Develop and maintain workforce demographics
- Administer contract for, and manage the Commonwealth's online Recruit Management System
- 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
- Serve as Business Owner for Time, Attendance, and Leave System
- Provide FLSA guidance, training, 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. AHRS 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 AHRS functions as the business owner for the system.

Anticipated Changes

Factors Impacting

Financial Overview

Funding for Agency Human Resource Services is provided through general fund and through agencies utilizing the human resource shared service center.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	5,763,917	1,175,570	5,813,917	1,175,570
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Equal Employment Services [70403]

Description of this Program / Service Area

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

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 One (2014), Equal Employment Opportunity, prohibits state agencies from engaging in acts of unlawful employment discrimination and authorizes OEES to investigate and resolve such complaints. The foundational tenet of this Executive Order is premised upon a steadfast commitment to foster a culture of inclusion, diversity, and mutual respect for all Virginians.

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;

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.

Products and Services

Description of Major Products and Services

1. Complaints of Discrimination and Appeals- Investigates and resolves complaints of illegal discrimination (eg, race, gender, gender identity, age, retaliation, sexual harassment, sexual orientation, political affiliation, 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 appeal
2. 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 One (2014), 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.
3. 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.

Anticipated Changes

Factors Impacting

Need to re-establish EEO training programs.

Need to complete the development of the EEO Assessment Tools.

Financial Overview

Funding for Equal Employment Services is provided by the General Fund. The non-General fund appropriation supports Equal Employment training for the Commonwealth.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	972,237	10,300	972,237	10,300
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Health Benefits Services [70406]

Description of this Program / Service Area

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 promote health and do not exceed the threshold that triggers liability for the excise tax.

Mission Alignment

This service area aligns with the Governor's Enterprise Strategic Priorities in regard to Health and Family and Government and Citizens. Regarding Health and Family, this service area aligns specifically with the Priority to promote Healthcare Innovation, specifically by measuring the effectiveness of its innovative Diabetes Management Pilot Program. Regarding Government and Citizens, this service area aligns specifically with the Transparency Priority by posting its Health Benefits Annual Report timely on the DHRM website, with the Innovation Priority by measuring the effectiveness of its Diabetes Management Pilot Program, with the Fiscal Stewardship priority by measuring whether the state employee health plan is able to achieve Affordable Care Act (ACA) excise tax avoidance, and with the Customer Service priority by measuring whether customer satisfaction ratings meet 90% approval.

In addition, this service area directly aligns with DHRM's mission to provide a broad range of leadership, services and guidance to the Commonwealth and its stakeholders.

Products and Services

Description of Major Products and 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.

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.

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. Chapter 6A § 201 – Public Health Service Act – Federal law that deals with public health and social welfare. Amendments to the act include HIPAA (Health Insurance Portability and Accountability Act); ACA (Affordable Care Act); National Cancer Act, etc.

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.

Public Law 111-148- Health Insurance-Federal health care reform. Requires the state health plan to be compliant with the Affordable Care Act (ACA).

38 U.S.C. § 4301-4335 - Uniformed Services Employment and Reemployment Act (USERRA) – Provides to protect the civilian employment of non-full-time military service members in the United States called to active duty.

20 U.S.C. 1400 (et seq.) Individuals with Disabilities Education Act (IDEA) – Federal law that governs how states and public agencies provide early intervention, special education, and related services to children with disabilities.

Public Law 110-233 Genetic Information Nondiscrimination Act (GINA) - Prohibits the use of genetic information in health insurance and employment decisions. Prohibits insurers from denying coverage to a healthy individual or charging that person higher premiums based solely on a genetic predisposition to a disease in the future.

Code of Virginia, §2.2-2818 - Health and related insurance for state employees – Directs the Department of Human Resource Management (DHRM) to establish a plan, subject to the approval of the Governor, for providing health insurance coverage, including chiropractic treatment, hospitalization, medical, surgical and major medical coverage, for state employees and retired state employees.

Code of Virginia, §2.2-1204 – Health insurance program for employees of local governments, local officers, teachers, etc.; definitions– Directs the Department of Human Resource Management (DHRM) to establish a plan or plans, subject to the approval of the Governor, for providing health insurance coverage for employees of local governments, local officers, teachers, and retirees, and the dependents of such employees, officers, teachers, and retirees. The plan or plans shall be rated separately from the plan established pursuant to § 2.2-2818 to provide health and related insurance coverage for state employees.

Code of Virginia, §32.1-127.1:03 – Health records privacy- Requires the state health plan to comply and recognize an individual's right of privacy in the content of his health records. Health records are the property of the health care entity maintaining them, and, except when permitted or required by this section or by other provisions of state law, no health care entity, or other person working in a health care setting, may disclose an individual's health records.

Code of Virginia, §38.2-3418.17—Coverage for autism spectrum disorder-directs the state and TLC employee health plans to provide coverage for the diagnosis and treatment of autism spectrum disorder, including ABA services for children ages two through six.

Virginia Administrative Code, 1VAC55-20-20 - Commonwealth of Virginia Health Benefits Program - Administrative Code for State Employee Health Plan and The Local Choice (TLC) - permanent regulations for the Commonwealth of Virginia pertaining to the health insurance plans. Regulations have the force of law and are written and administered by state agencies as authorized by the General Assembly.

Anticipated Changes

National health care reform puts increased emphasis on the need for programs focused on changing lifestyle and behavioral choices that impact

health and adequate staffing to make this happen. 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 employer mandate and associated reporting requirements, PCORI fees, reinsurance fees, the excise tax may impact both programs. The ability for small groups to enter the state exchange may impact TLC.

The Office of Health Benefits, working with ITECH, will improve the state and TLC eligibility and enrollment data exchanges by creating a new database. The Office of Health Benefits will assist ITECH in moving the Benefits Eligibility System (BES) to a new platform. These initiatives align with the Governor's Strategic Priority for Government and Citizens to use innovation to increase government efficiency and reduce government costs.

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. OHB will continue to explore the use of Value-Based Insurance Design and other incentive programs, including two new pilot programs for COPD/asthma and hypertension. OHB will continue to evaluate and modify these programs to maximize their benefits. These anticipated program changes align with the agency goal to administer the state employee health plan in a manner that promotes accountability and employee health. They also align with the Governor's Strategic Priority for Government and Citizens to use innovation to increase government efficiency and reduce costs and Health and Family through healthcare innovation to improve health outcomes and lower costs.

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. This aligns with the Governor's Enterprise Strategic Priority regarding Government and Citizens to use innovation to increase government efficiency and reduce costs.

In recent years, various groups have shown interest in allowing local school divisions and governments to participate in the state health plan. OHB will continue to monitor these developments. Also, at both the state and federal level, the issue of coverage for same sex partners/spouses may impact the state health plan.

The Office of Health Benefits will continue to explore opportunities for new technologies, including the use of electronic medical records and improved cost and quality transparency. These efforts align with the agency goal to administer the state employee health plan in a manner that promotes accountability and employee health. They also align with the Governor's Strategic Priority for Government and Citizens to use innovation to increase government efficiency and reduce costs and Health and Family through healthcare innovation to improve health outcomes and lower costs.

The Office of Health Benefits will establish a pilot onsite health center in the Capitol Square area of Richmond for employees in the health plan. This initiative aligns with the agency goal to administer the state employee health plan in a manner that promotes accountability and employee health. It also aligns with the Governor's Strategic Priority for Government and Citizens to use innovation to increase government efficiency and reduce costs and Health and Family through healthcare innovation to improve health outcomes and lower costs.

As mentioned above, the Office of Health Benefits will evaluate its current pilot project to identify and provide counseling for members with diabetes and heart disease markers. This initiative aligns with the agency goal to administer the state employee health plan in a manner that promotes accountability and employee health. It also aligns with the Governor's Strategic Priority for Government and Citizens to use innovation to increase government efficiency and reduce costs and Health and Family through healthcare innovation to improve health outcomes and lower costs.

The Office of Health Benefits will discontinue offering the Medicare Complementary Option I plan because it is no longer financially viable. Participants in this plan who do not choose another plan option will be defaulted into Advantage 65 with Dental and Vision effective January 1, 2015.

Factors Impacting

Increasing cost of health care (typical program trend line of 5 - 9% over the past several years) make 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 22% of annual medical claims cost. This, in conjunction with an aging population, contributes to the 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.

Key provisions of the Affordable Care Act, such as the excise tax, will increase pressure to make plan design changes to control costs. Additionally, compliance with the Affordable Care Act and other federal and state laws continues to make health care administration more complex.

Financial Overview

Funding for health benefits is from local government , state and federal.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	0	3,496,179	0	3,496,285
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Employee Dispute Resolution Services [70416]

Description of this Program / Service Area

EDR implements the Commonwealth's employment dispute resolution statutes. Services include:

- establishing a comprehensive program of employee relations management that includes alternative processes for resolving employment disputes
- 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

Mission Alignment

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 workplace conflict resolution to state agencies and their employees to allow focus to be properly directed to effective and efficient job performance.

Products and Services

Description of Major Products and 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.
- **Workplace Conflict Consultation Program:** A neutral, independent, informal, and confidential resource that facilitates fair, equitable, and expeditious resolutions to workplace conflicts and concerns raised by Virginia state employees and agency management through:
 - **Conflict Coaching**
 - **Mediation**
 - **One-on-one Consultations**
 - **Skill Building Training** (conflict-based skills)
- **Training:** EDR also offers a variety of training courses on subjects such as employee discipline and the grievance procedure.
- **AdviceLine:** EDR provides the toll-free AdviceLine, through which all Commonwealth employees, including agency managers, may seek confidential guidance on preventing and resolving workplace conflict, the grievance procedure, and other employee relations issues.

Anticipated Changes

Increased Demand for Services: EDR has seen increased demand for its early intervention services, such as mediation. In addition, with the newly debuted Workplace Conflict Consultation Program services, described more fully below, EDR expects to see requests for consultations, coaching, and training increase as EDR's promotional plans are effectuated. The increase in demand will strain EDR's small staff in the timely and effective delivery of normal services and day-to-day functions.

Expanded Training: EDR continues to develop additional training courses to help resolve and effectively manage workplace conflict. EDR's primary focus in training is on skill building trainings for all employees to have the skills to address workplace conflict on their own. While EDR has already added courses on these topics to its offerings, EDR anticipates having courses on communication skills, dealing with difficult people, and team-building in the coming fiscal year and beyond.

Factors Impacting

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 and other workplace conflict management and prevention programs (early intervention) may be difficult to manage given EDR's current staffing levels.

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. State supervisors and, often, human resources professionals have not been provided training in recent years on appropriate employee relations issues, such as workplace conflict, performance management, and disciplinary practices, resulting in poor decisions and problematic work environments.

Limited staffing and funding prevents EDR from 1) developing and delivering innovative services to provide additional resources for state government in resolving workplace conduct and 2) being able to step aside from regular service delivery responsibilities in order to comprehensively review and improve programs already in place. EDR must have adequate funds to recruit and retain a qualified staff. In addition,

EDR must have funds to maintain the competencies of its current staff and to provide them with financial incentives to remain. For example, EDR wants to attract and retain experienced attorneys, with the knowledge, skills, and abilities to render thorough, well-reasoned rulings and conduct grievance hearings and issue decisions in a timely manner. The average state salaries paid to attorneys lags far behind those paid to private sector attorneys, making it difficult to attract and retain qualified, competent staff members.

Summary of Future Direction and Expectations

Promote, Develop, and Enhance Workplace Conflict Consultation Services: EDR is focused on providing more state agencies and employees with the services and tools to resolve workplace conflict as early as possible. EDR will continue to seek to prevent and properly manage workplace conflict, rather than force all employment disputes through the grievance process. EDR’s Workplace Conflict Consultation Program (WCCP) is the core of this strategy, an innovative approach to workplace dynamics in the Commonwealth. Under the WCCP, EDR will currently offer its mediation program, conflict coaching, conflict consultations, and conflict skill building trainings to put the tools in the hands of managers and employees to improve their workplace dynamics on their own. The WCCP has already been introduced, so the goal of the coming months will be to promote the services and educate the state workforce and human resource departments about the availability of these tools. However, EDR could be quickly faced with an overwhelming demand for these new approaches to dealing with the conflict that is inevitable in the workplace. EDR will have to adapt to these changes in demand and evaluate whether additional funding and staff are needed to support the initiatives. Further, based on feedback gathered in effectuating this new program, EDR will assess whether additional programs or changes to those existing are needed to meet the demands of the state workplace.

Mediation Program: During the past fiscal year, demand for EDR’s mediation program has increased by almost half. EDR anticipates this demand to only increase. At the same time, EDR has seen a decrease in responses from volunteer mediators to staff these mediations. Because of these factors, EDR is planning to seek the funding to bring additional staff on board to provide mediation services. The current reliance on volunteer mediators in the community is a weakness of the program that EDR must plan to address. Further, in conducting these mediations by agency-employed staff, EDR will be better able to monitor and control mediator performance at an appropriately high level. EDR will also benefit from having one or two additional staff members versed in mediation and conflict resolution on staff by additionally utilizing their knowledge, skills, and abilities in furtherance of EDR’s early intervention efforts under the WCCP.

Communications: EDR and its services have undergone a number of recent changes, with newly available offerings and new areas of focus. EDR will continue to seek the input of agencies to gather feedback on any needed program enhancements to ensure proper delivery of workplace conflict management services. EDR will also seek to communicate through new and revamped promotional materials, social media services, and other technological venues.

Expand Training: In addition to bringing additional skills-based conflict trainings under the WCCP discussed above, EDR will also seek to reach more supervisors and managers with its trainings on disciplinary process and the grievance process. Supervisors and managers who are properly trained in these areas can make better and more efficient decisions about employee relations matters and limit further conflict that can develop from lack of proper knowledge about applicable processes. EDR will continue to bring these trainings directly to state agencies. In addition, EDR has developed a training course and workshop to help agencies train members of their own staffs to represent agencies at grievance hearings rather than relying on costly contractors for legal advocate services. In providing additional opportunities for training, EDR will also be exploring the use of remote delivery of training through technology, such as webinars, teleconferencing, and pre-recorded informational sessions and/or trainings available online and in social media.

Financial Overview

EDR’s funding combines general fund appropriations and the collection of non-general funds in the form of hearing officer fees. Non-general funds are devoted to the personnel costs of employing one full-time hearing officer and one full-time support staff member as well as hearings program expenses. Historically, the non-general funds collected have never fully covered all those expenditures. EDR has recently raised hearing fees, with the approval of DPB, for FY 2015 to bring revenues more in line with expenditures. The appropriated amount of non-general funds is never fully attained under EDR’s currently structured hearings program. In FY 2014, EDR collected approximately \$161,000 in non-general funds.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	602,106	312,012	602,106	312,012
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

State Employee Program Services [70417]

Description of this Program / Service Area

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

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.

Products and Services

Description of Major Products and 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.

Anticipated Changes

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.

Factors Impacting

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.

Financial Overview

All activities in Employee Program Services are funded by non-general funds.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	290,754	1,498,560	290,754	1,498,560

Changes to Initial Appropriation	0	0	0	0
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Supporting Documents

Title	File Type
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State Employee Workers' Compensation Services [70418]

Description of this Program / Service Area

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 9,300 new claims each year for the past five years and issued 75,317 checks totaling more than \$55 million in benefits in FY14.

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.

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 October 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 8,500 and 9,500 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.

Mission Alignment

This service area directly aligns with DHRM's mission to provide a broad range of leadership, services and guidance to the Commonwealth and its stakeholders.

Products and Services

Description of Major Products and 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 October 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 8,500 and 9,500 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.

Anticipated Changes

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 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.

Factors Impacting

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.

Financial Overview

The funds identified in the financial table represent the administrative costs associated with the State Employee Workers' Compensation Services. This amount is included in the actuary developed rates paid by state agencies.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	0	1,358,969	0	1,358,969
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title File Type

Administrative and Support Services [70419]

Description of this Program / Service Area

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

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

Products and Services

Description of Major Products and Services

Agency travel support

Procurement activities

Actuarial services and support

Accounts receivable

Accounts payable

Payroll

IT Services (non-VITA)

Anticipated Changes

Factors Impacting

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

Financial Overview

The Administrative unit allocates its time and cost to the other agency service areas. This increases transparency by showing the actual cost of each service area to the Commonwealth. For instance, the majority of the costs associated with fiscal and contracts are allocated to the health benefits and state employee workers' compensation service areas. In addition, the majority of information technology costs are allocated to health benefits, agency human resource services, and equal employment services.

Biennial Budget

	2015 General Fund	2015 Nongeneral Fund	2016 General Fund	2016 Nongeneral Fund
Initial Appropriation for the Biennium	679,700	106,845	652,930	117,485
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**