

**VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY**  
**STAFF SENATE**  
**1810 Litton Reaves**  
**Minutes of the Regular Meeting**  
**Thursday, February 17, 2000**

Senators present: Jeannie Baker, Becky Barlow, Sue Ellen Crocker, Jackie Davis, Elva Douthat, Jessie Eaves, Judy Fielder, Janet Francis, Cathy Hansen, Cindy Harrison, Delbert Jones, Jimmy Martin, Ben Poe, Christy Porterfield, Pam Raines, Hilda Reynolds, Virginia Viers, Debbie Wilson, Jon Wooge, Kathryn Young

Alternates present: Patrick Donohoe (representing Bruce Lytton), Nancy Phillips, Suzanne Piovano, Deb Williams (representing Harry Biggs)

Excused: Harry Biggs, Bruce Lytton

Guests: Johnny Cox, James Dowdy, Greg Dudding, Timmy Kessinger, Fred Medley, Sue Meridith, Kent Morris, Leisa Osborne, Peggy Philpott, Marty Simpson, Bill Songer, Betty Williams, Krish Wilson, Dot Wnorowski

The Virginia Tech Staff Senate was called to order by President Delbert Jones.

It was moved that the agenda be accepted. The motion was seconded and approved.

Last month's minutes (January 20, 2000) were approved electronically.

The guest speaker: Judy Ridinger of Personnel Services addressed "The New Pay Plan Reform," which is currently in the Legislature. It is believed that it will pass and be implemented this year. Ms. Ridinger presented her talk using an overhead projector: "Why are we worrying about this anyway...why not just keep what we have?" She explained to us some of the designs, features and other information that's relative to the implementation. The bottom line is that in any pay plan, you want to have a pay plan that would **attract, retain** and **reward** employees who do a good job for you. Included was a new concept: Career Progression. Unique to the new program is that the classified employee system is "position driven, not employee driven." It permits market competitiveness. New hires may start at a salary level anywhere within the designed band for that position. Several test "pilot" programs have been conducted throughout Virginia at various agencies. For instance, VDOT practiced a Skills-based Pilot, where employees who improve their skills (through training) would be rewarded with pay increases. Highlights or improvements of the new pay system include 1) flexibility of placement within a pay band, 2) reduction of number of job classes and creation of broader roles, 3) reduction of reliance on job reclassifications, 4) a move away from longevity or seniority as a factor for pay increases, 5) development of a new pay structure with expanded ranges, and 6) responsibility for managing the compensation plan must be shared by the managers of these

employees. This is a way in which managers may use to meet their goals and objectives of the organization.

### **Current System Constraints**

1. Salary Compression (new hirees making more money than current employees)
2. Classification System (position-driven, not employee friendly)
3. Performance Management System
4. Market Competitiveness
5. Career Progression

### **Background on how Pay Plan Reform came about:**

1. The General Assembly in an Appropriations Act in 1998 established a group of commissions (created by Item 546.S) to look at the current pay plan.

2. Commissions assisted by two committees:

#### **A. Technical Advisory Committee**

1. Responsible for developing plan (Linda Woodard is a member). UVA, VTU and other large and small organizations or agencies of the State, VDOT, etc., are also members.
2. Responsible to a group of legislators in the Commission (also, outside, private sector people for a broad spectrum)
3. Directors have pulled in their compensation managers to help with the design (Judy Ridinger)

#### **B. Employee Advisory Committee**

1. Review design concepts that the Technical AC develops
2. Provides input as the design develops
3. VT does not have anyone on this Committee

### **Research Phase**

1. DPT Pilots - piloting a new pay plan concept: Information Technology, VDOT (one they had is skill-based meaning that an employee can get additional money if they learn new skills); VCU, GMU and VT have an Information Technology pilot
2. Other agencies - VRS is one
3. Private Employers (Capital One)
4. Other states (SC, GA, CO, TX) from which we gathered information for plan design components

## **Compensation Best Practices**

1. Performance is a significant factor - initial charge
2. Flexibility to adjust an employee's pay and to reward an employee for doing something to change his duties
3. Significant reduction of numbers of job classes
4. Expand pay ranges
5. Reduce reliance on job reclassifications
6. Move away from longevity system to career progression system
7. Managers share responsibility for managing compensation plan

## **Criteria Used to Evaluate Options**

1. Wanted performance base
2. Wanted flexibility
3. Alternative rewards for employees
4. Career progression built into the system that we don't have right now

## **Design: Pay Structure**

1. Consolidate classes and create broader roles
2. Develop new pay structure with expanded pay ranges (9 pay bands)
3. Develop crosswalk
4. Create career growth

## **Terminology**

A new vocabulary will emerge to describe the Personnel process.

What was....	Is now...
Occupational Group	Occupational Family (a reduction of 8 to
Class Series	Career Group (from 580 down to 80)
Job Class	Role (from 1,650 down to 275)
Position	Position

Pay bands are comprised of two to three of the current pay grades. For instance, Grades 6, 7, and 8 are now one pay band. The width of each pay band will be increased at least 10 percent. The pay band theory is that management may reward employees and recognize performers based upon several factors, including performance, professional/skill development. etc. The entire pay plan activity will continue to be developed and "tweaked" over the next two years.

The employee performance evaluation aspect of the new plan currently is its weakest joint. Evaluation rating will be on three levels. The middle level is "meets expectations," and then one level above and one below. The appraisal of employees will be a combination of self-assessment and supervisor's

assessment. Quite possibly, there could be employee feedback on the supervisor's assessment. This entire issue is lacking detail.

In summary, there will be a new pay plan based on reward for skill, with employees moving through a stepless pay range, and a plan for career development for employees. The positive aspects for managers will be flexibility, tools for recruitment and retention, and employee career development. The success of the program will depend upon the ability of management to change into this new program, the success of all communications, training for each member of management and supervision, resources available for the training, funding support, and the acceptance and commitment of management to support the new plan.

No one will lose money in the transition. There's really not additional funding for this, per se; it's going to be cross neutral. The funding for it will come in a variety of ways. One of the major ways is that management is going to be able to use the dollars that they currently use for starting pay, for reallocations, etc., to spread out among employees. This has nothing to do with the performance piece of pay...this money will come from legislation.

Implementation Date: Implementation will occur in phases, with the first phase beginning during the time period of July 1 through September 30, 2000. All employees will be moved into the pay plan with no changes to their positions or to their pay. No employee at Virginia Tech will lose pay in the switchover. However, currently there is no state funding in place to add additional payroll dollars to this project.

Fred Medley, Manager of AIS Project Support, was our next speaker. His AIS team has been a test pilot program for a technology-based operation, I.T., under the new pay plan since August, 1999, and has been "competency based." They've been able to address pay inequities. He foresees that "management will be much more involved." Management will now have the capability, if they so choose, to supplement the funding that might come along as a part of performance, the traditional performance pay that came from the state. There needs to be equity across the board: in salaries, responsibilities, workload, etc. Bonuses were available for meeting a deadline and for coming in under cost. He believes that they've had a great deal of success with this plan so far.

President Jones reiterated that ALL of our Staff Senate meetings are open meetings. We will announce our meetings in The Spectrum.

Linda Woodard concluded saying the new pay plan is (at this time) pending legislation and approval by the Governor. She stated that the Legislative Commission itself has accepted the reports that shows all of the points that Judy Ridinger gave us. We need to see what funding will be in the Appropriations Act. "Our plan for communication is to start a very aggressive communications

activity that will include meeting with the various staff associations, meeting with all of the deans, vice presidents, department heads; do open information sessions for those who can't make it to a staff association; and probably going to each college and make open sessions for employees, managers, etc. We are planning to start some of this in the early March time frame, even though the Legislative Session isn't over yet." Linda stated that Personnel is considering putting in a special insert into **The Spectrum** to get the Pay Plan into the hands of more people.

"One of the goals of the Legislature gave to itself was to specifically develop a stable funding mechanism." Uncertain are 1) the funding issue is unfinished, 2) the evaluation process is unclear, 3) how COLAs will be applied, 4) how structure adjustment will be administered, and 5) whether there will be across-the-board money.

Any salary savings (as when an employee leaves a position or when a new employee is hired) can be temporarily used by management for other operating needs, equipment, or professional development. The strongest emphasis for classified staff under the new pay plan appears to be training: training in areas to increase skills and performance which directly relate to the job.

*Is there any sort of protection for people with whom the managers/supervisors don't like/get along?* Ms. Woodard replied, "In order to make this new system work, managers are really going to have to work together; and they have to think across their individual units and look at things that are fair and ethical. Peer pressure should help this. The critical piece of this (an area in which the Employee Advisory Committee spent much time) is a significant commitment to training for this. Agencies are going to have to certify that people who do evaluations (managers/supervisors) have been trained in a variety of these issues (this goes beyond how do you fill out a form-it goes into issues of what are fair management practices, what are the things you consider when you compare employees, how do you do a better job of setting expectations/communicating expectations and providing feedback from employees on a regular basis." Ms. Woodard did assure us that either the President or she would certify that the manager/supervisor has been trained.

Other questions were raised by the Senators, and other questions were written on cards which were given to Linda Woodard. Of note were 1) How does one move from one band to another? 2) How will managers and supervisors be trained? 3) How will employees be evaluated?

The Personnel team, which included Robert Madigan, was thanked for its thorough and extensive report on the new Pay Plan.

Senator Martin gave our second reading on the "Term Limits Amendment" to the Senate Constitution: right now, "Senators have a limit of two consecutive terms

to serve as Senators from a specific staff association. The revision would permit the staff associations to decide, independently, if they want to put a term limit on their Senators. Otherwise, there will be no limit.” Someone moved the pending question on the resolution. The motion was seconded and the resolution was unanimously approved.

The formal meeting was adjourned at 1:00pm. Most members and guests, however, remained for discussion time with Linda Woodard concerning the Pay Plan.

Respectfully submitted,

Cathy Hansen, Secretary  
Staff Senate