

# Background

- VCU salary increases occur in two general ways
  - Annual salary increases: in conjunction with budget process; all schools/units subject to same amount and same guidelines
  - “Off cycle” salary increases: to recognize changes occurring during the year
- Concern has been raised about increased flexibility in new University & Academic Professional compensation policy
  - Insufficient funds to support career path advancement
  - Uneven funding/access across schools/units
- The following data was compiled to better understand current practices regarding “off cycle” base salary increases and one-time bonuses

# Some Basic HR Metrics

## Headcount\*

- Classified Staff – 2,648
- A&P Faculty – 863
- T & R Faculty – 2,274

## Classified Staff Turnover\*

- Approx 9%/yr
- Retirement about 2% /yr

## Classified Staff with < 5 yrs of service

- Represent 49% of staff
- Represent 65% of the turnover
- Turnover rate of 15.4% or 70% greater than overall turnover rate

\*Headcount data included in VCU Facts 2016-2017  
Turnover and retirement information from DHRM

# Off Cycle Base Pay\* Salary Increases

|   | **2011              | 2012                | **2013              | 2014                | **2015              | 2016                | 2017<br>(as of April) |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| T&R In-band Adjustments/Off Cycle Increases         | \$ 1,091,729        | \$ 1,015,698        | \$ 913,155          | \$ 976,515          | \$ 2,098,261        | \$ 599,368          | \$ 640,843            |
| T&R Upward Role Changes/ Promotions                 | \$ 87,463           | \$ 276,955          | \$ 247,182          | \$ 190,492          | \$ 181,033          | \$ 509,091          | \$ 288,688            |
| <b>T&amp;R Total Spend</b>                          | <b>\$ 1,179,192</b> | <b>\$ 1,292,653</b> | <b>\$ 1,160,337</b> | <b>\$ 1,167,007</b> | <b>\$ 2,279,294</b> | <b>\$ 1,108,459</b> | <b>\$ 929,531</b>     |
| A&P In-band Adjustments /Off Cycle Increases        | \$ 1,242,100        | \$ 897,701          | \$ 819,122          | \$ 772,398          | \$ 1,205,902        | \$ 778,285          | \$ 988,277            |
| A&P Upward Role Changes/ Promotions                 | \$ 328,244          | \$ 192,562          | \$ 221,177          | \$ 158,501          | \$ 305,082          | \$ 224,191          | \$ 254,614            |
| <b>A&amp;P Total Spend</b>                          | <b>\$ 1,570,344</b> | <b>\$ 1,090,263</b> | <b>\$ 1,040,299</b> | <b>\$ 930,899</b>   | <b>\$ 1,510,984</b> | <b>\$ 1,002,476</b> | <b>\$ 1,242,891</b>   |
| Classified In-band Adjustments /Off Cycle Increases | \$ 1,043,599        | \$ 1,205,983        | \$ 1,075,905        | \$ 1,377,890        | \$ 964,158          | \$ 1,142,954        | \$ 1,203,973          |
| Classified Upward Role Changes                      | \$ 216,797          | \$ 339,383          | \$ 445,740          | \$ 301,815          | \$ 282,953          | \$ 263,402          | \$ 139,982            |
| <b>Classified Total Spend</b>                       | <b>\$ 1,260,396</b> | <b>\$ 1,545,366</b> | <b>\$ 1,521,645</b> | <b>\$ 1,679,705</b> | <b>\$ 1,247,111</b> | <b>\$ 1,406,356</b> | <b>\$ 1,343,955</b>   |
| <b>Total:</b>                                       | <b>\$ 4,009,932</b> | <b>\$ 3,928,282</b> | <b>\$ 3,722,281</b> | <b>\$ 3,777,611</b> | <b>\$ 5,037,389</b> | <b>\$ 3,517,291</b> | <b>\$ 3,516,377</b>   |

- *The amount spent of approx. \$4m per year has been relatively consistent over the past seven years.*
- *Funding comes from reallocation, turnover and efficiency gains.*
- *These salary increases occurred in the face of state/university budget reductions in FY 11, 15, 16 & 17.*

| University Averages | Base Pay Increases 2015-2017 (through April)   |                                 |   |                |  |   |   |                |
|---------------------|--|---------------------------------|---|----------------|--|---|---|----------------|
|                     | Classified                                     |                                 |   |                | A&P Faculty                                    |   |   |                |
|                     | On average, % of population receiving increase | Avg # of ees receiving increase | Average annual spend - discretionary base pay increases | Avg % increase | On average, % of population receiving increase | Avg # of A&P Faculty receiving increase | Average annual spend - discretionary base pay increases | Avg % increase |
|                     | 14%  | 380                             | \$1,332,474   | 7%             | 14%  | 112                                     | \$ 1,252,117  | 14%            |

- The same percentage of Classified staff and A&P Faculty receive Base Pay increase (14%)
- The average increase for classified staff is half (7%) that of the average increase for A&P (14%)
- Classified staff are capped at 10% , for most increases, by DHRM policy
- The Great Place HR Redesign compensation policy removes the 10% cap and allows more opportunity for staff to receive “career development” increases on a more frequent basis
- Further analysis reveals consistent utilization across divisions

# One-time Bonuses\*

|   | 2011                | 2012                | 2013                | 2014                | 2015                | 2016                | 2017<br>(as of April) |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| T&R Bonuses                                   | \$ 189,159          | \$ 549,086          | \$ 329,177          | \$ 527,258          | \$ 654,062          | \$ 592,702          | \$ 3,533,462          |
| A&P Bonuses                                   | \$ 567,830          | \$ 443,376          | \$ 652,112          | \$ 800,816          | \$ 997,533          | \$ 954,914          | \$ 1,984,289          |
| Classified Recognition &<br>Univ/Dept Bonuses | \$ 476,170          | \$ 606,702          | \$ 642,927          | \$ 702,024          | \$ 603,892          | \$ 783,993          | \$ 3,655,302          |
| <b>Total Bonus Spend</b>                      | <b>\$ 1,233,159</b> | <b>\$ 1,599,164</b> | <b>\$ 1,624,216</b> | <b>\$ 2,030,098</b> | <b>\$ 2,255,486</b> | <b>\$ 2,331,609</b> | <b>\$ 9,173,053</b>   |

- Excludes state-awarded bonuses, as well as sign-on bonuses
- Years in Green indicate years when state bonuses were awarded

## Bonuses \*2015-2016

| University Averages | Classified *Recognition Bonuses             |                                 |                      |   |  | A&P Faculty                                    |   |                      |  |
|---------------------|---|---------------------------------|----------------------|---|--|--|---|----------------------|--|
|                     | On average, % of population receiving bonus | Avg # of ees receiving increase | Average annual spend | Average number of employees that hit the \$2k Bonus cap | Avg % of Base Pay represented by the bonus | On average, % of population receiving increase | Avg # of A&P Faculty receiving increase | Average annual spend | Avg % of Base Pay represented by the bonus |
|                     | 26%   | 685                             | \$613,318            | 136 (5%)  | 1.8%                                       | 20%  | 165                                     | \$ 976,224           | 7%   |

- Classified Staff received slightly higher percentage (26%) than A&P Faculty (20%)
- The max \$2k state threshold for classified bonuses is equivalent to 4% of the average classified staff salary during the period (\$48,790)
- The Great Place HR Redesign policy permits bonuses up to \$5,000 or 10% of salary, whichever is greater
- Further analysis reveals consistent utilization across divisions