I. PURPOSE

This operating procedure establishes protocol for all Department of Corrections employees to receive compensation in accordance with the Commonwealth of Virginia’s Compensation Policy, set forth by the Department of Human Resource Management (DHRM).

II. COMPLIANCE

This operating procedure applies to all units operated by the Department of Corrections (DOC). Practices and procedures shall comply with applicable State and Federal laws and regulations, Board of Corrections policies and regulations, ACA standards, PREA standards, and DOC directives and operating procedures.

III. DEFINITIONS

**Determining Rate of Pay Form (DROP)** - A form that requests review and approval of pay actions; this form is required within the DOC and maintained in official personnel files of affected employees.

**Differential** - A base pay adjustment to make salaries more competitive within local market conditions; this may be applied to a particular position, work title, Standard Occupational Classification (SOC) or Role because the normal pay range is not competitive due to market conditions in a specific agency or geographic location.

**Employee-Initiated Pay Practices** - Pay transactions established by DHRM that result from an employee moving to a vacant higher, lower, or equal level position through a competitive process or through a voluntary non-competitive process; competitive processes that are governed by these pay practices: Promotion, Voluntary Competitive Transfer, and Voluntary Competitive Demotion; non-competitive processes that are governed by these pay practices: Voluntary Non-Competitive Demotion and Non-Competitive Voluntary Transfer

**Executive Team** - For purposes of this operating procedure: the Director, Chief of Corrections Operations, Deputy Director for Administration, Deputy Director of Reentry, Education, Programs, and Regional Operations Chiefs

**In-Band Adjustment** - Pay practices allowing agency management the flexibility to adjust an employee’s base pay based on Change in Duties, Professional/Skill Development, Retention, and Internal Alignment; in-band adjustments change the salary level of the employee.

**In-Band Bonus** - A pay option allowing the agency the option to provide a lump sum (one-time) payment in lieu of a base pay adjustment to an employee for changes in duties, the application of new knowledge, skills or abilities, retention, or internal salary alignment; in-band bonuses do not change the salary level of an employee.

**Management-Initiated Pay Practices** - Pay transactions established by DHRM that result when the DOC exercises its flexibility to manage employee compensation based on unique agency needs; these practices are, by nature, non-competitive and provide management with tools to recognize and retain employees. These practices include: Temporary Pay, Role Change, In-Band Adjustments, In-Band Bonuses, Disciplinary or Performance-related Salary Actions, and Competitive Salary Offers.
Organizational Unit Head - The person occupying the highest position in a DOC unit, such as a correctional facility, regional office, probation and parole office, Virginia Correctional Enterprises (VCE), Academy for Staff Development, Corrections Construction Unit, Agribusiness Unit, and individual headquarters unit (i.e. Human Resources, Offender Management, Internal Audits).

Pay Band - Nine step-less pay ranges established by DHRM to set a minimum and maximum salary for all classified positions in each band

Pay Factors - Thirteen factors established by DHRM for determining and documenting pay actions that include: Agency Business Need, Duties and Responsibilities, Performance, Work Experience and Education, KSAs and Competencies, Training, Certification and Licensure, Internal Salary Alignment, Market Availability, Salary Reference Data, Total Compensation, Budget Implications, Long Term Impact, and Current Salary.

Pay Practices - These practices provide the rules for setting and changing compensation and include Starting Pay, Promotion, Voluntary Transfer, Voluntary Demotion, Temporary Pay, Role Change, In-Band Adjustment, Disciplinary or Performance-Related Salary Action, and Competitive Offer.

Pay Sub-band - A tool used to manage salaries within a pay band; reflects a portion of an existing pay band that has a defined minimum and maximum salary within that pay band

Rehire - An employee who previously worked in a classified position for the Commonwealth of Virginia

Role Change - A non-competitive change where an employee’s position is changed to a different role in the same pay band (lateral role change), a higher band (upward role change) or a lower band (downward role change) in the DOC job organizational structure

Temporary Pay - Additional compensation paid to an employee temporarily assigned to perform new or additional duties, projects or assignments deemed critical to on-going operation of the agency or for serving in an acting capacity in a higher level position; temporary pay is limited to specific time-limited periods and is not a permanent salary adjustment.

IV. PROCEDURE

A. Compensation Plan

1. The DOC compensation plan operates in compliance with the Virginia Personnel Act and policies set by the Virginia Department of Human Resource Management.

2. The goals of the compensation plan are to ensure that:
   a. Compensation and benefit levels for all DOC personnel are comparable to those for similar occupational groups in the state or region. (4-4065; 4-ACRS-7E-09; 2-CO-1C-22; 1-CTA-1C-09)
   b. Salary levels and employee benefits for all field Probation and Parole personnel are competitive with those of other components of the justice system as well as with comparable occupational groups. (4-APPFS-3E-10)

B. Determining Rate of Pay (DROP) Process (2-CO-1C-01)

1. The Organizational Unit Head or Human Resource Officer will submit to the Compensation Unit, using the DOC Compensation (Compensation@vadoc.virginia.gov) email box, the appropriate Determining Rate of Pay (DROP) form when a pay transaction needs review and approval. (1-CTA-1C-01)
   a. See Determining Rate of Pay Factors section of this operating procedure.
   b. The DROP form may be found at Determining Rate of Pay (DROP) - Probation Officer 102_F12 or Determining Rate of Pay (DROP) - Corrections Officer 102_F14.

2. Members of the Executive Team may establish procedures within their line of authority to review DROP requests prior to submission to Human Resources.

3. Managers and HROs are encouraged to consult with the Compensation Unit prior to the submission
of a DROP. The Compensation Unit may consult with the Manager, Unit Head, or designee upon submission in the review process prior to a final decision. The purpose of the consultation will be:

a. To pay employees in a manner sufficient to support and develop a high performance workforce that provides quality services in a fiscally responsible manner to the citizens of Virginia.

b. To make pay determinations within the agency affecting its employees and applicants for employment based on legitimate reasons consistent with the Commonwealth’s policies, pay practices, and consideration of DHRM’s 13 pay factors.

c. To make prudent use of public funds to meet its goals consistent with the availability of funds and in compliance with State law and policy.

d. To support the Agency’s public safety mission, goals, and operational objectives.

4. The Human Resources Director will have final approval for pay determinations.

a. The Human Resources Director may consult with the Chief of Corrections Operations or appropriate Deputy Director as necessary.

b. From time to time, the DOC may be required to comply with additional reviews to obtain approval before a pay determination is made. The Director or the Human Resources Director will issue written instructions to Unit Heads during these periods.

C. Determining Rate of Pay Factors - The DOC considers and documents 13 pay factors, in accordance with DHIRM Policy 3.05, Compensation, when determining the rate of pay for an employee.

JOB FACTORS - Provided by the Unit Head or Human Resources Officer on the DROP form.

1. **Agency Business Need:** The specific activities and organizational, financial, and human resource requirements that are directly derived from the agency’s mission. For example, changes in an employee’s duties, responsibilities and abilities should be relevant to the agency business need in order to be compensable.

2. **Duties and Responsibilities:** The primary and essential work functions performed by an employee or group of employees. Variation in these duties and responsibilities help distinguish one employee from another for comparison purposes.

EMPLOYEE FACTORS - Provided by the Unit Head or Human Resources Officer on the DROP form. The unit’s recruitment and selection process generates the information for these pay factors.

3. **Performance:** The candidate’s or incumbent’s previous and/or current work accomplishments or outcomes and behavioral interactions that are typically assessed in written, verbal or observable forms. NOTE: All management initiated salary increases are based on employees meeting an acceptable performance level (rated as “Contributor” or higher).

4. **Work Experience and Education:** The candidate’s or incumbent’s relevant employment history and academic qualifications. Work experience is the employment history of an individual, which typically includes jobs held and corresponding description of the duties, responsibilities, and tasks performed. Education includes academic credentials obtained and is usually listed as high school diploma, associate degree, bachelor’s degree, or specific advanced degree.

5. **Knowledge, Skills, Abilities and Competencies:** Elements commonly listed for job requirements, hiring qualifications, or employee credentials. Knowledge refers to acquired principles and practices related to a particular job (for example, principles of dentistry or accounting). Skills refer to acquired psychomotor behaviors (for example, operation of forklift, or a personal computer). Abilities include the talents, observable behaviors, or acquired dexterity (for example, capacity to lift 100 pounds). Competencies include knowledge, skills, and underlying behaviors that correlate with successful job performance.

6. **Training, Certification, and License:** Job requirements or employee qualifications that are relevant or highly desirable for a particular job. Training refers to a specialized course of instruction outside the realm of recognized academic degree programs (for example, in-service training). Certification refers to a specialized course of study resulting in a certification upon successful
completion (for example, Cardiopulmonary Resuscitation, Certified Public Accountant, Emergency Medical Technician). A license is a credential that is required by law to practice one’s occupation (for example, Registered Nurse, Pharmacist, and Physician).

7. **Current Salary:** The candidate’s or incumbent’s present base pay compensation, which may be reported as an hourly wage or weekly, semimonthly, monthly, or annual salary. This factor does not include shift differentials, benefits, overtime, incentive premiums, bonuses, commissions, or other similar non base pay compensation.

ADDITIONAL EMPLOYEE FACTOR - Shared by the Unit Head or Human Resources Officer, and Compensation staff. Unit provides comparison of employee to peers at the unit on the DROP form. Compensation staff provides additional comparison to career group within the DOC workforce in supplemental DROP analysis.

8. **Internal Salary Alignment:** A fairness criterion that takes into consideration the proximity of one employee’s salary to the salaries of others who have comparable levels of training and experience; similar duties and responsibilities; each employee’s performance and similar knowledge, skills, abilities, and competencies. Internal salary alignment is determined by examining an employee’s salary in relation to comparable co-workers.

MARKET FACTORS - Provided by the Unit Head or Human Resources Officer on the DROP form. The unit’s recruitment / selection process and the candidate’s paystub generates the information for these factors.

9. **Market Availability:** The relative availability of suitable, qualified employees in the general labor market, which is subject to the effects of supply and demand; the agency should consider its tolerance for variation in the applicant pool and its willingness to accept applicants with fewer qualifications in times of high market demand.

10. **Total Compensation:** This factor includes all forms of cash compensation (for example, base pay, shift differentials, overtime, on-call pay, bonuses, and commissions) and the dollar value of the employer sponsored benefit package for example, health and dental insurance, long and short term disability, paid leave, retirement benefits, and life insurance). NOTE: The greatest impact of total compensation will focus on starting pay and competitive offers.

ADDITIONAL MARKET FACTORS - Provided by Compensation staff in supplemental DROP analysis

11. **Salary Reference Data:** A composite of relevant salary information extracted from available surveys that indicate market pricing for various jobs in the Commonwealth. Examples of relevant salary information include average salary range, median salary and weighted average salary.

FINANCIAL FACTORS - Considered by Compensation staff in supplemental DROP analysis and in final approval for pay determinations. Members of the Director’s Staff may establish procedures to review DROP requests and these factors prior to submission to Human Resources:

12. **Budget Implications:** The short and long term financial consequences of pay decisions and how the agency manages its salary dollars.

13. **Long Term Impact:** The strategic and financial effect of anticipated future salary costs, staffing changes, salary alignment among employees, career growth, and salary reference data changes.

D. Starting Pay Determination - These provisions cover new hires and rehires to the DOC who are not currently employed with other State agencies including State colleges, universities, and museums.

1. The Organizational Unit Head and the Human Resources Officer with payroll submission signatory authority may handle starting pay salary levels in the following cases where the DROP process is not necessary:
   a. Rehires returning to the same position or job with the same job title, in the same pay area, at same salary level, after separation of less than a year.
   b. Hires or rehires assigned a salary at the minimum of the advertised range with the exception of nursing positions.
c. Hires or rehires assigned a salary above minimum of the advertised range for jobs in certain career groups where the Human Resource Officer and Unit Head have established a written agreement with Human Resources.

2. The Organizational Unit Head and Human Resources Officer (with or without payroll submission signatory authority) are required to handle starting pay salary levels using the DROP process through the Compensation Unit in all other cases:

3. The Organizational Unit Head and Human Resources Officer must secure appropriate written approval as required before extending a Starting Pay salary level in an offer or conditional offer for employment.

E. Employee-initiated Practices Pay Determination

1. Competitive Promotion, Competitive Voluntary Transfer, and Competitive Voluntary Demotion Provisions: These provisions cover competitive movement of employees from other State agencies or within the DOC. In a promotion, the employee moves to a job in a higher pay band. In a voluntary competitive transfer, the employee moves to another job in the same band. The new job could be in a lower, same, or higher sub-band. In a demotion, the employee moves to a job in a lower pay band.

   a. The Organizational Unit Head and Human Resources Officer with payroll submission signatory authority are authorized to handle voluntary employee-initiated practices for salary adjustments in the following cases where the DROP process is not necessary:
      i. Promotion or voluntary competitive transfer (upward) to minimum of the advertised range, even if it is greater than a 10% adjustment
      ii. Voluntary competitive transfer (lateral) with no adjustment to pay
      iii. To a target salary level for jobs in certain career groups where the Human Resource Officer and Unit Head have established a written agreement with the Compensation Unit

   b. The Organizational Unit Head and Human Resources Officer (with or without payroll submission signatory authority) are required to handle voluntary employee-initiated practices for salary adjustments through the DROP process in the following cases:
      i. Promotion or voluntary competitive transfer (upward) for an employee moving into or out of a position covered by a special pay area or differential
      ii. Promotion up to 15% or voluntary competitive transfer (upward) up to 10% adjustment for jobs in a higher sub-band
      iii. Voluntary competitive transfer (lateral) with adjustment in pay
      iv. Promotion or voluntary competitive transfer for an employee moving out of a position in which they were placed due to budget reductions or layoff process
      v. Any other case involving adjustment of pay not covered in the promotion, competitive voluntary transfer or competitive voluntary demotion cases above

   c. The Organizational Unit Head and Human Resources Officer must secure appropriate written approval, as required, before extending salary level for a competitive employee-initiated pay practice.

2. Non-competitive Voluntary Transfer and Non-competitive Voluntary Demotion Provisions: These provisions cover non-competitive movement of employees within the DOC. In a voluntary non-competitive transfer, the employee moves to another job in the same or lower pay band or sub-band. In a demotion, the employee moves to a job in a lower pay band.

   a. The Organizational Unit Head and Human Resources Officer are required to handle voluntary employee-initiated practices for salary adjustments using the DROP process through the Compensation Unit.

   b. The Organizational Unit Head and Human Resources Officer must secure appropriate written approval, as required, before extending salary level for a non-competitive employee-initiated pay practice.
F. Management-initiated Practice Pay Determination - These provisions cover non-competitive movement of employees within the DOC. They are used, with discretion, to provide flexibility in management of the agency’s workforce and to address employee compensation based on unique needs. In general, the DROP process through the Compensation Unit is required to support these pay determinations.

1. Temporary Pay Provisions - Temporary pay is based on the agency’s need for an employee to assume different responsibilities on an interim basis. This occurs as either an acting assignment in a higher level position or through a temporary assignment (special time-limited projects). Temporary pay is limited to specific time-limited periods and is not a permanent salary adjustment.
   a. Temporary pay will normally be approved only after an employee has performed new or additional duties for a minimum of 90 days; however, it may be approved earlier if it requires relocation, a significant increase in level of responsibility (e.g. becoming acting unit head), or is deemed essential for agency operations.
   b. Temporary pay will normally be authorized at a pay level on par with pay practices that would govern a voluntarily competitive transfer into the position.
   c. The Organizational Unit Head may request acting pay by memorandum or by using a Determining Rate of Pay (DROP) 102_F12 and should document the following:
      i. The position is vacant or the incumbent has been unable to perform the duties for more than ninety days.
      ii. The employee has performed the duties of the position for at least ninety days. At a minimum, the employee must perform the duties that are distinguished as being at a higher level. If the request is made prior to the ninety days, the Organizational Unit Head must provide justification that the position is essential for agency operations.
      iii. The intended completion date of the acting assignment should be included. Normally, this will be no more than ninety additional days. In unique circumstances, the additional period may be extended to support the agency’s business need.
   d. The Organizational Unit Head must document that the above criteria have been met and submit a request for temporary pay through the chain of command to the appropriate member of the Executive Team, as defined in this operating procedure.
      i. If approved, the appropriate member of the Executive Team will submit the acting pay request to the Compensation Unit of Human Resources.
      ii. The Human Resources Director will have final authority on temporary pay actions.

2. Role Change and In-band Adjustment Provisions - A role change is a non-competitive change where an employee’s position is changed to a different role in the same pay band or a different sub-band within the pay band (lateral role change), a higher band (upward role change) or a lower band (downward role change) in the DOC job organizational structure. An in-band adjustment is a non-competitive practice to provide potential salary growth and career progression within a pay band.
   a. There is a limit of 10% salary adjustment within a fiscal year for any employee due to a role change, in-band adjustment, or any combination thereof. This includes any in-band bonus, a one-time payment which may be used in lieu of an in-band salary adjustment.
   b. In-band adjustments may be considered for change in duties, professional/skill development, retention, and internal alignment.
   c. The Organizational Unit Head and Human Resources Officer (with or without payroll submission signatory authority) are required to handle role change or in-band adjustment requests for salary adjustments through the DROP process in all cases.
   d. The Organizational Unit Head and Human Resources Officer must secure appropriate written approval from the Compensation Unit as required before extending salary level for a role change or in-band salary adjustment.

3. Disciplinary or Performance-related Action Provisions - These actions are initiated by DOC management in specific cases where the performance management or standards of conduct processes dictate that an employee be moved to a different role in the same or lower band. If re-assigned
within the same pay band, it may be to a lower sub-band in the DOC job organization structure.

a. The Human Resources Director or designee should be involved in the management review of these situations even before the pay determination process has begun.

b. A minimum 5% reduction in salary is required for disciplinary demotions. The reduction may be greater depending on the nature of the disciplinary issue, the number of sub-bands lower that result in the move, and whether the employee is moving out of a position covered by a special pay area.

c. There is not a required percentage reduction in salary in performance cases. However, a reduction may be appropriate depending on the nature of the performance issue, whether the new position is in a lower sub-band and whether the employee is moving out of a position covered by a special pay area.

d. The Organizational Unit Head and Human Resources Officer (with or without payroll submission signatory authority) are required to handle disciplinary or performance actions requests with downward salary adjustments through the DROP process in all cases.

e. The Organizational Unit Head and Human Resources Officer must secure appropriate written approval from the Compensation Unit as required before determining the salary level in a disciplinary or performance action.

4. Competitive Offer Provisions - Such salary offers may take place in cases involving employees who are deemed critical to the agency’s mission and ongoing operations when these employees receive legitimate employment offers from an outside employer or another State agency.

a. Competitive offers do not apply to offers made by other facilities or units within the DOC to include Virginia Correctional Enterprises.

b. Competitive offers cannot be considered unless the Organizational Unit Head or Human Resources Officer has a legitimate written outside employment offer in hand.

c. In no circumstances may competitive offers exceed the outside offer or the maximum of the salary band for the employee’s position.

d. The Organizational Unit Head and Human Resources Officer (with or without payroll submission signatory authority) are required to handle competitive offer requests through the DROP process in all cases.

e. The Organizational Unit Head and Human Resources Officer must secure appropriate written approval as required before extending a salary level for a competitive offer.

f. The Human Resources Director will have final authority on competitive offer pay actions.

5. Reassignments within Pay Band Provisions - This is a management Action done under the authority of the Department of Corrections Director to further the mission of the agency. If the management action is initiated by the Chief of Corrections Operations or a Deputy Director the Human Resources Director should be consulted regarding the process.

6. Administrative Transfer Provisions - This is a management option based on agency operational needs. It will be initiated by the Human Resources Director in concert with the appropriate member of the Director’s staff. In some cases, an administrative transfer may be handled like a role change if additional duties are added to a position. In other cases, such a transfer may be handled like a lateral transfer if relocation is involved. Generally, consideration for salary adjustment beyond assignment to a different pay area will be handled on a case-by-case review.

7. Second Language Communication and/or Translation

a. This is a management option based on agency operational needs designed to recognize employees who use their proficiency in second language communication and/or translation as an ongoing, on-the-job contribution that benefits the DOC.

b. The DOC reserves the right to revise, adjust its provisions, or terminate this plan at any time.

c. Second language contributions in languages other than English or in American Sign Language
address a fundamental business need for the DOC in maintaining relations with offenders and key constituencies. This contribution considers an employee’s ability to complete their own assigned duties and responsibilities as well as providing translation assistance to other employees.

d. This program is intended to recognize second language skills that are essential to an employee independently and fully completing essential job duties and core job responsibilities. Essential second language contributions require a more substantial fluency than an employee might acquire from training or educational and must be utilized on the job in the workplace.

e. Qualifications for Recruiting Current Positions:
   i. Each Unit Head, in consultation with their Human Resource Officer, will have responsibility for confirming second language requirements for recruitment of existing positions. The Compensation Unit is available as a resource to assist.
   
   ii. The second language requirement must be documented in the Recruitment Posting and/or EWP for the position in Item 17: KSA’s and/or Competencies and at least one of the following areas as appropriate:
      (a) Item 16. Purpose of the Position
      (b) Item 18. Education, Experience, Licensure and Certification
      (c) Item 19. Core Responsibilities
      (d) Item 21. Other Assignments

   iii. The second language requirement must be included in any recruiting announcement as either a minimum or preferred qualification for starting pay consideration.

f. Employees whose positions require a qualified second language contribution will be compensated in their salary level.
   i. This consideration will be extended the first time an employee enters a qualified position (i.e., new hire, promotion) or if responsibilities within the current position are changed (i.e., new duties, role change).
   
   ii. This consideration will not be repeated any subsequent time an employee changes positions or duties within the current position.

   iii. The calculation of the annualized salary adjustment for a full-time employee will be one of the following methods that most benefits the employee: $1,200.00 or 3.0% of base salary.


g. The compensation calculation will be prorated and converted to an hourly rate for part-time classified employees based on their scheduled hours for an annual period.

h. The compensation actions that will be made under this program are subject to the following restrictions:
   i. A salary adjustment made to recognize second language contributions is considered an “in-band” compensation action. By State policy, no employee may receive “in-band” adjustments in excess of 10% of current salary in any fiscal year. In this case, the employee will receive a salary adjustment up to 10% maximum and the remainder as a one-time cash payment.
   
   ii. An employee whose salary is at the maximum of the range for the salary band of their position is not eligible under State policy for “in-band” salary adjustment. In this case, the employee will receive a one-time cash payment equal to the amount of the adjustment.

   iii. At this time, no policies or budget restrictions impede this initiative. However, it is possible future provisions may require the DOC to suspend or discontinue this initiative. The Human Resources Director will address such conditions should they occur.

i. The Human Resource Officer, after consultation with the Unit Head will submit a DROP (Determining Rate of Pay) form to the Compensation Unit for second language salary adjustments.
   
   i. This may occur as a Starting Pay or In-band Adjustment.
   ii. A copy of the current EWP with the second language requirements should be attached.
   
   iii. A DROP submitted for a current employee should confirm that no performance, conduct, or attendance issues justify deferral action on the request.
G. Human Resources Compensation Initiatives

1. The Human Resources Director may issue plan documents specific to various compensation initiatives that support the workforce needed to carry out the DOC public safety mission. These initiatives will be developed, implemented, and evaluated in consultation with the appropriate members of the Director’s staff.

2. Compensation initiatives are subject to limitations of funding and budget constraints. The DOC has the authority to amend, adjust, suspend or terminate any initiative at any time.

3. Compensation initiatives are intended to be dynamic, time-bound programs and as such are not intended to be documented in a policy format. However, each initiative will be supported by a written plan document issued by the Human Resources Director or the Compensation Manager to ensure consistent, timely, and accurate administration. These written plan documents can be reviewed on the iDOC under the Human Resources link.

4. Employee Referral Bonus Program - See Attachment 1 for current program information

V. REFERENCES


Rules for the Administration of the §2.2-2900 Virginia Personnel Act

Compensation Management, A Manual for Supervisors

Title 38 United States Code Chapter 43 Employment and Reemployment Rights of Members of the Uniformed Services

Incentive Pay Plan

VI. FORM CITATIONS

Employment Candidate Referral Inquiry 102_F11

Determining Rate of Pay (DROP) 102_F12

Determining Rate of Pay (DROP) - Probation Officer 102_F13

Determining Rate of Pay (DROP) - Corrections Officer 102_F14

VII. REVIEW DATE

The office of primary responsibility shall review this operating procedure annually and re-write it no later than three years after the effective date.

Signature Copy on File 5/2/17

N. H. Scott, Deputy Director for Administration Date