



Department of Administrative Services
Lead. Empower. Collaborate.

Commissioner Rebecca N. Sullivan

Presentation to Joint Committee on Appropriations

January 18, 2023

Overview of Presentation Topics

DOAS Risk Management

- Funding for the Workers' Compensation Program in AFY 2022 (\$150M)
- Funding for the Property Insurance Program in AFY 2023 (\$4.7M) and FY 2024 (\$30.6M)

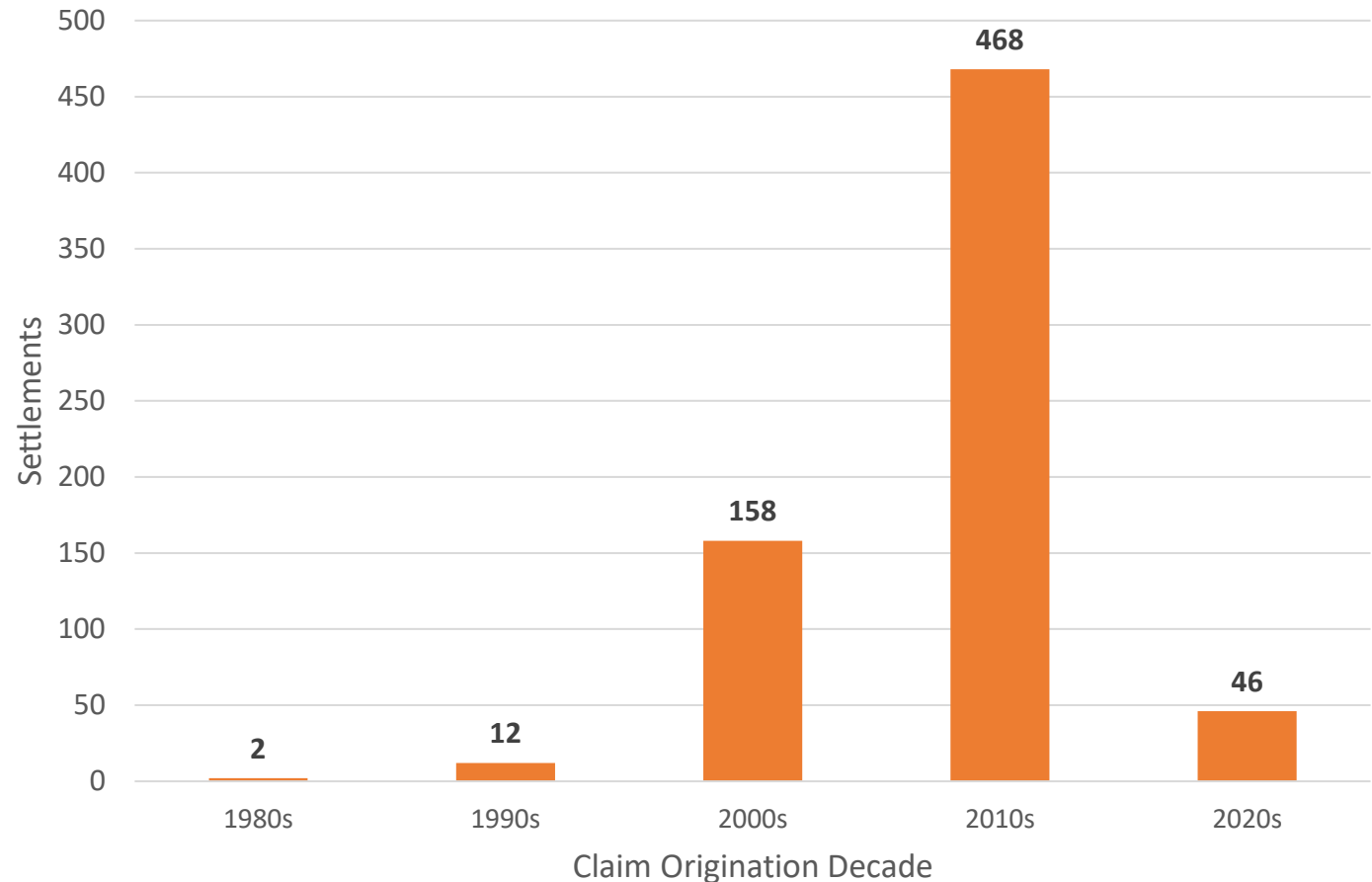
DOAS Human Resources Administration

- Recommended funding for improved Recruitment and Retention (\$770K)

DOAS Risk Management

FY 2022 Workers' Compensation Settlements

- The General Assembly entrusted DOAS Risk Management with \$150 million in Amended Fiscal Year 2022 to settle outstanding Workers' Compensation claims
- All funds were committed, 686 claims settled, resulting in projected reduced future cost of at least \$240 million (150% benefit)
- Settled claims included incidents from as far back as 1982
- In addition to settling claims, DOAS proactively working with agencies to reduce claims and associated costs



DOAS Risk Management

Overview of the Property Program

15,000+

State-Owned or
Occupied Buildings

\$42.8 B+

Valuation of Covered
Buildings and
Contents

\$1.5 B

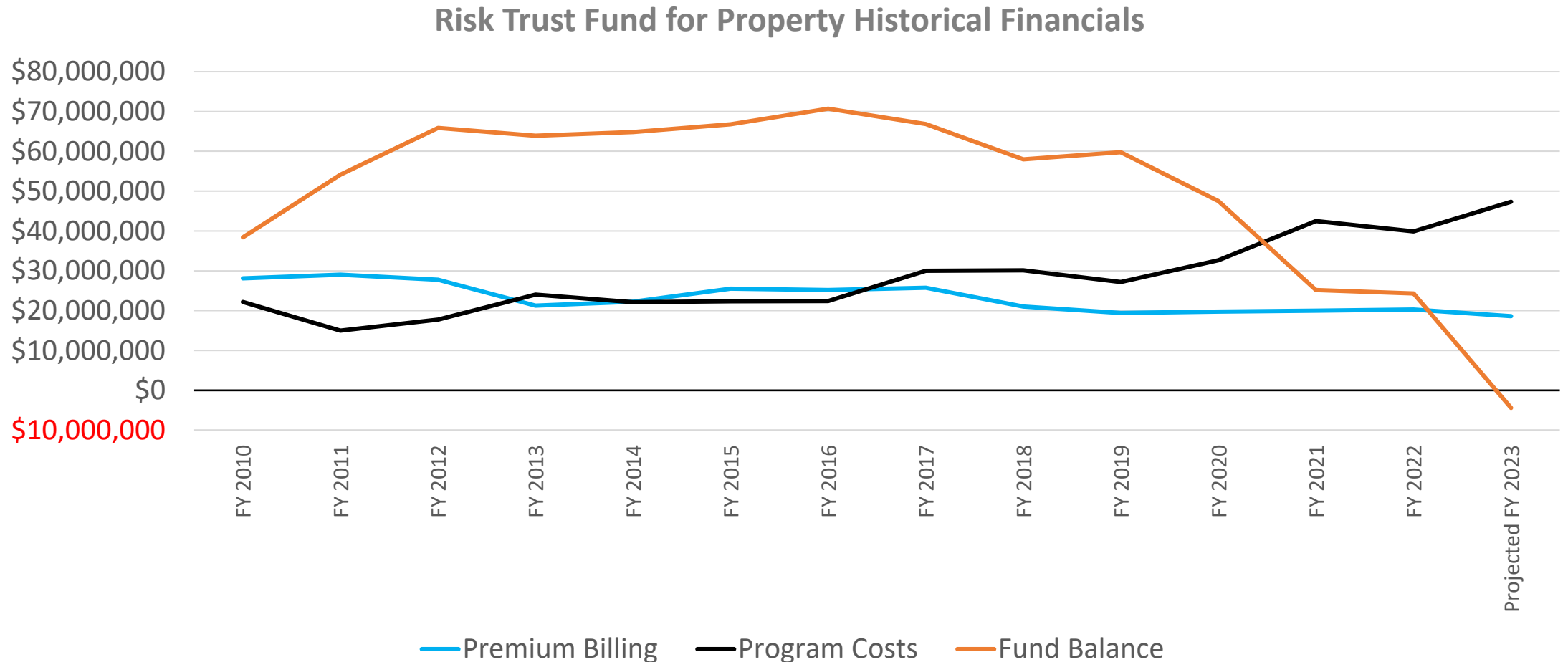
Tower of Coverage
through External
Carriers

Includes coverage for
APD, marine, aviation,
business interruption

- DOAS Risk Management Services insures the state's property and contents through a combination of self-insurance and commercial carriers

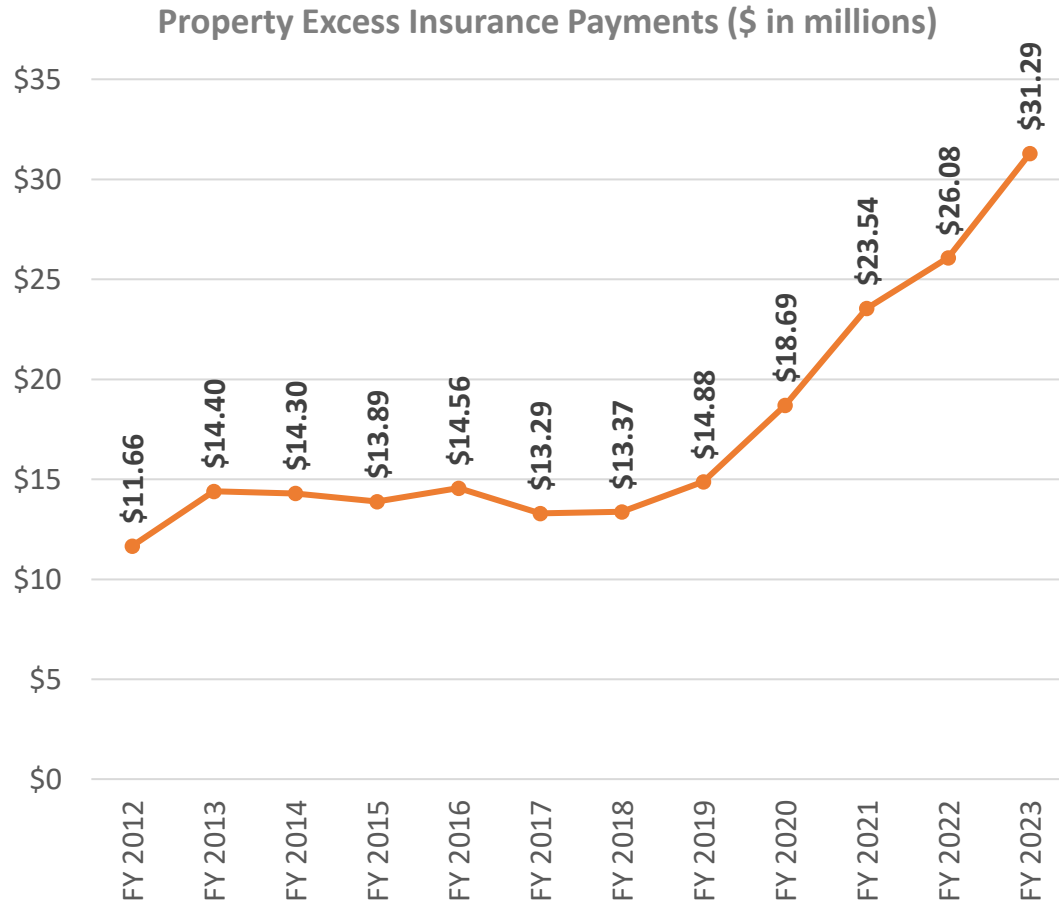
DOAS Risk Management

Trust Fund for the Property Program



DOAS Risk Management

External Forces Affecting Property Program

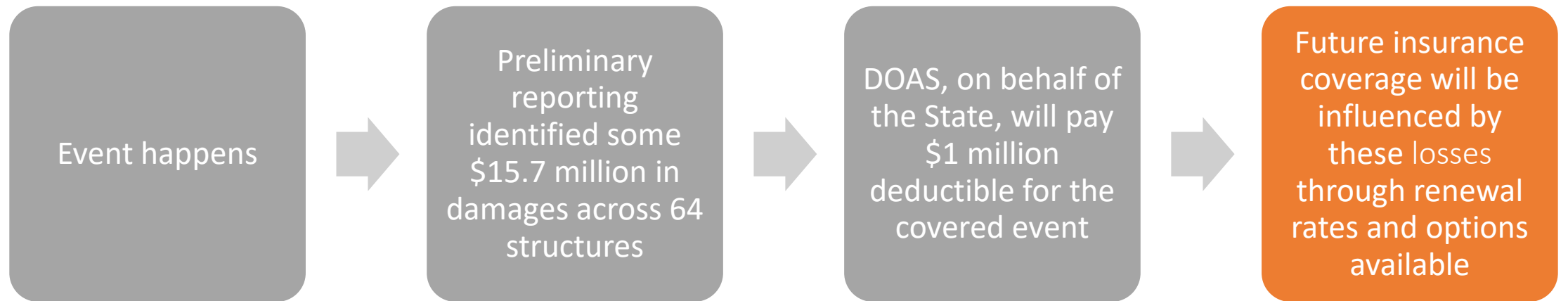


- The broader insurance markets are reacting to several years of numerous, significant loss events with higher costs for coverage
- 2021 had 20 billion-dollar events in the U.S. from tropical storms to wildfires to flooding to tornados to heat waves
- Since 2020 the U.S. has seen other historic events affecting property, commercial real estate, business interruption, and construction

DOAS Risk Management

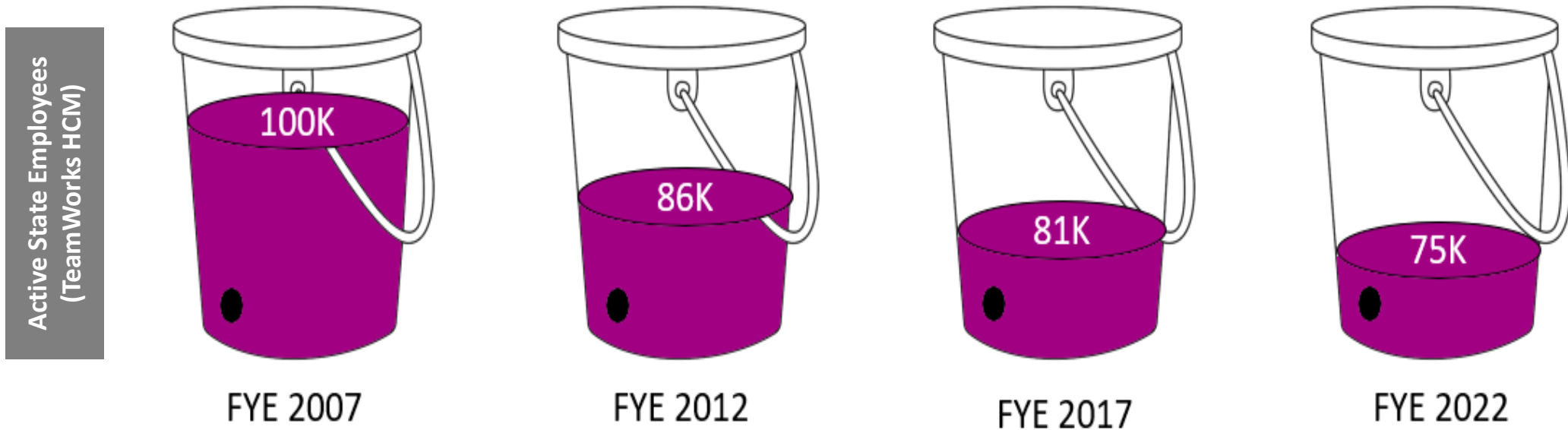
Continue to Recognize Future Impact

In December 2022, we experienced several days of weather below freezing across parts of the state (designated as Winter Storm Elliot)



DOAS Human Resources Administration

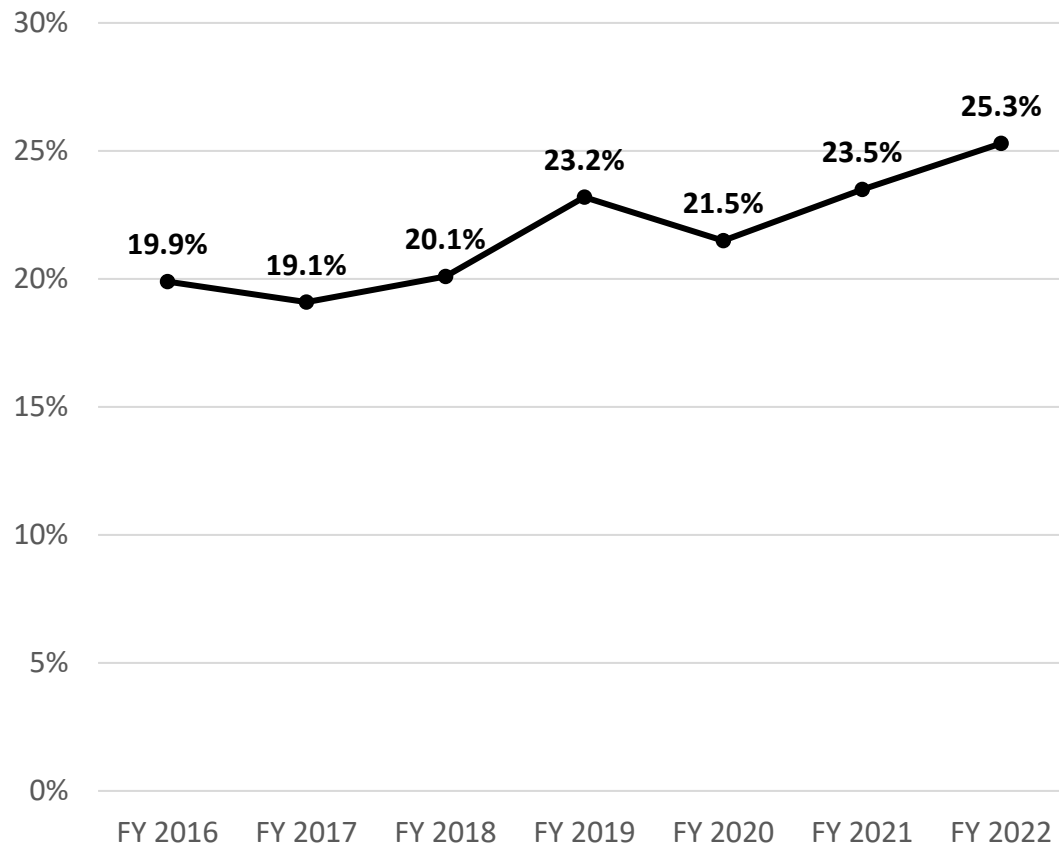
Like a Hole in the Bucket



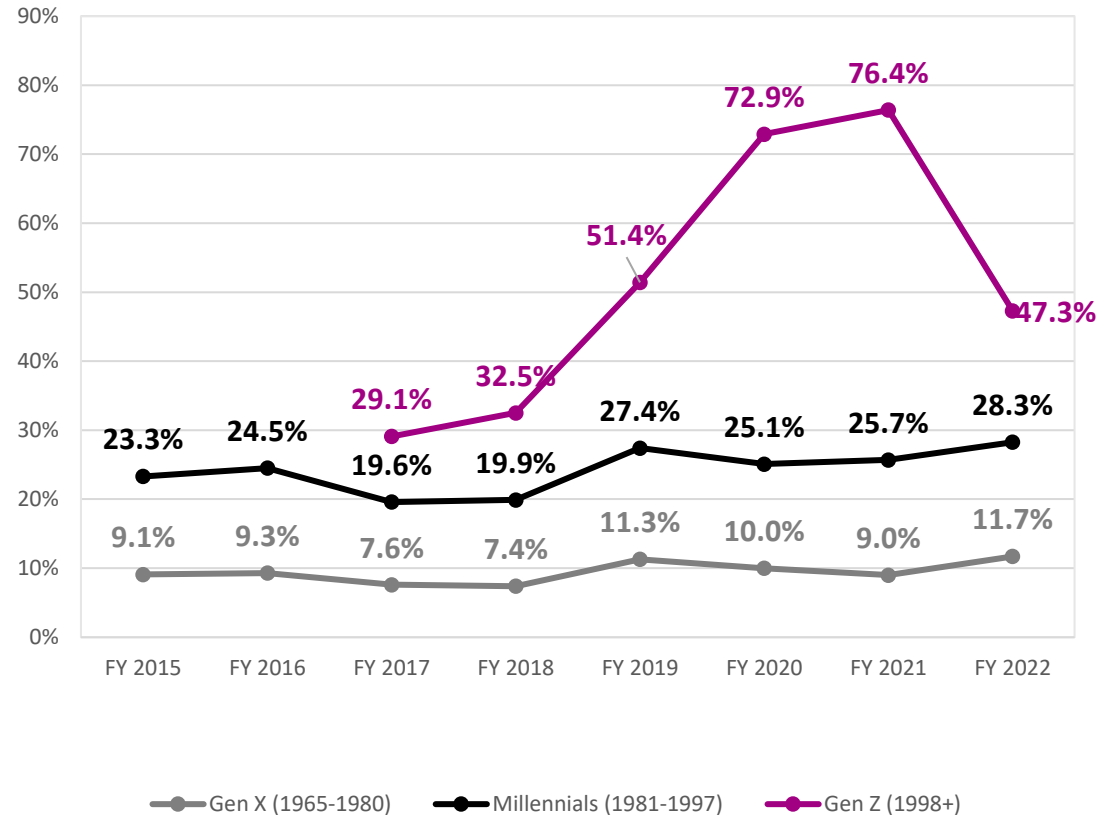
DOAS Human Resources Administration

Newer (and Younger) Employees Do Not Stay as Long

TeamWorks HCM Turnover Rate by Fiscal Year
(Active, Full-Time, Non-Temporary, Primary Records)



TeamWorks HCM Executive Branch Voluntary Turnover Rate by Fiscal Year by Generational Grouping
(Active, Full-Time, Non-Temporary, Primary Records)



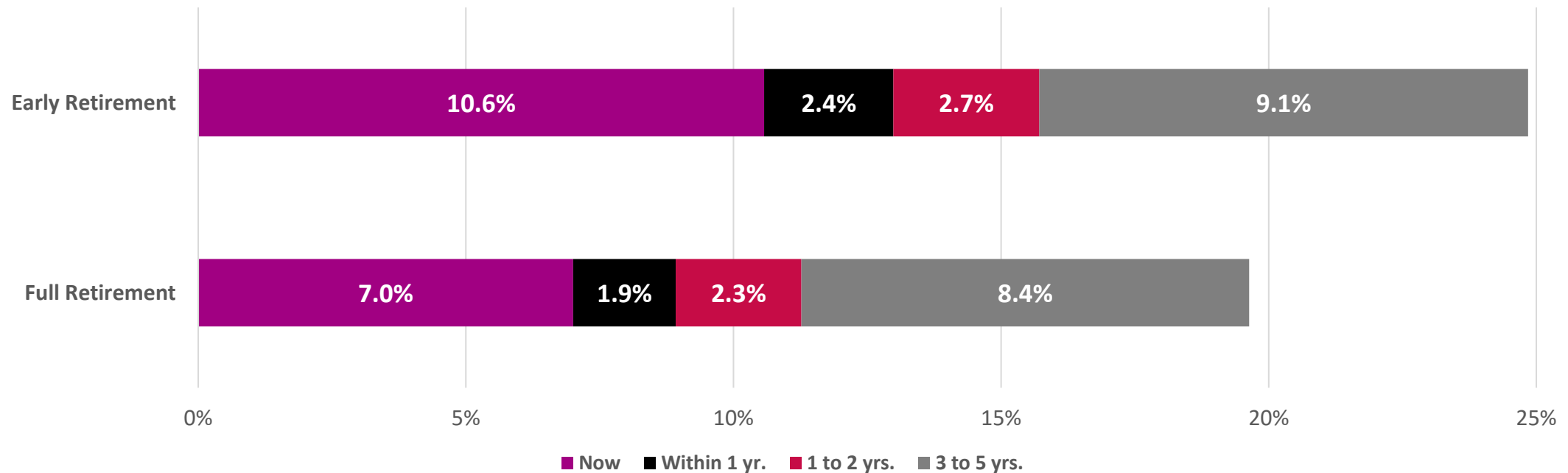
DOAS Human Resources Administration

And Older Generations are Close to Retirement

Executive Branch Retirement Eligibility Proportions at FYE 2022

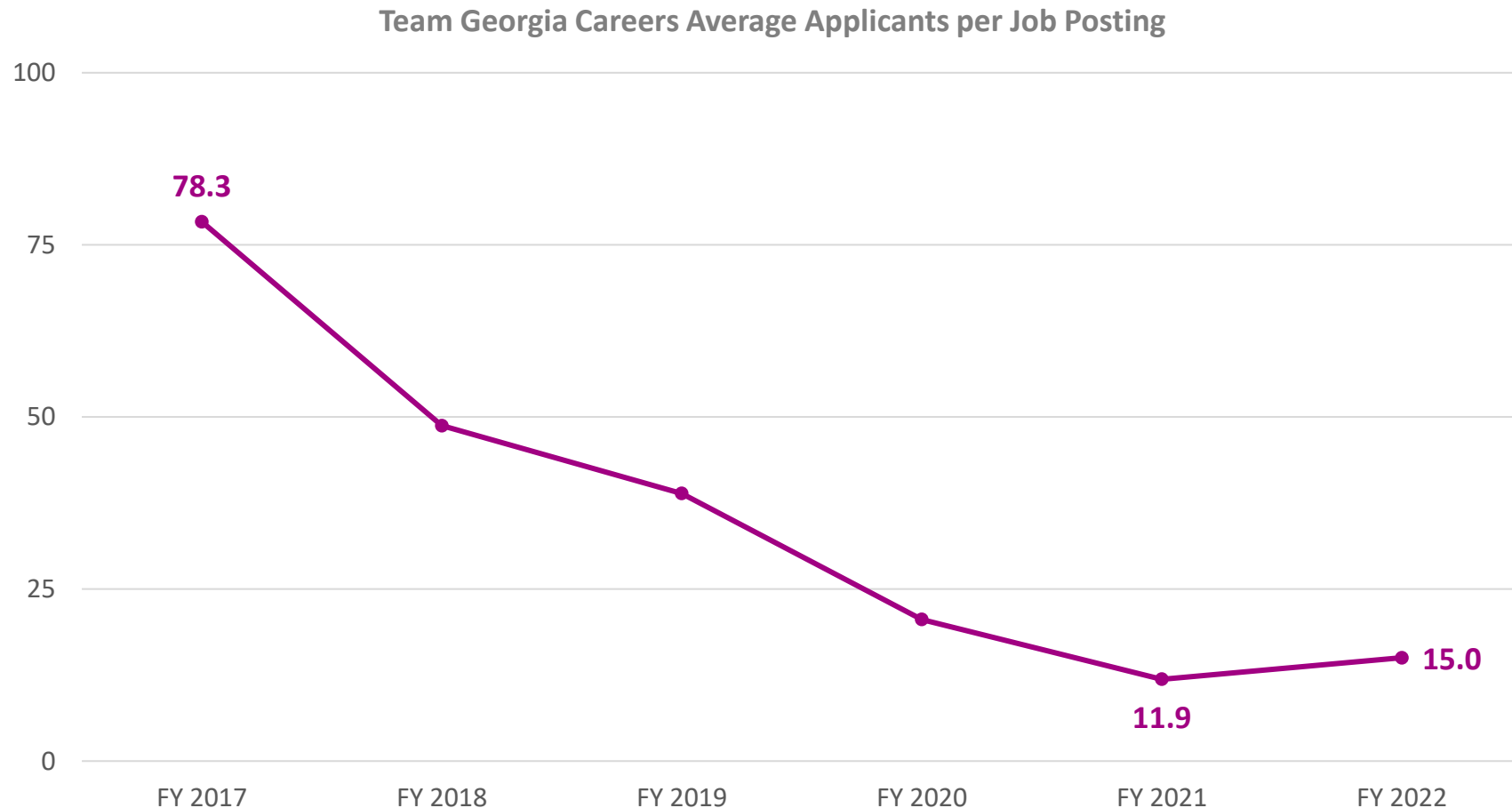
(Active, Full-Time, Non-Temporary, Primary Records)

*In Partnership with Employees Retirement System



DOAS Human Resources Administration

Replacing the Workforce



Quotes from Last Year's Joint Appropriations Hearings

When you look at the cost to replace JCOs this past fiscal year it was almost \$3,000,000.

– Commissioner of Juvenile Justice

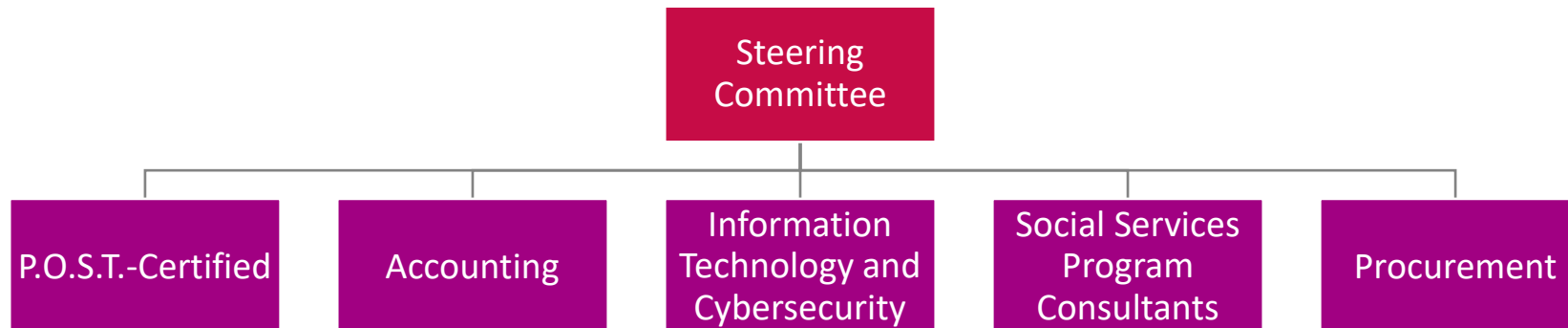
The ship of state is sailing towards an iceberg. Who is going to run the state in the next 5 to 10 years?

– Commissioner of Agriculture

75% of Foresters have less than 3 years experience.

– Commissioner of Forestry

DOAS Human Resources Administration Workforce Strategies Initiative

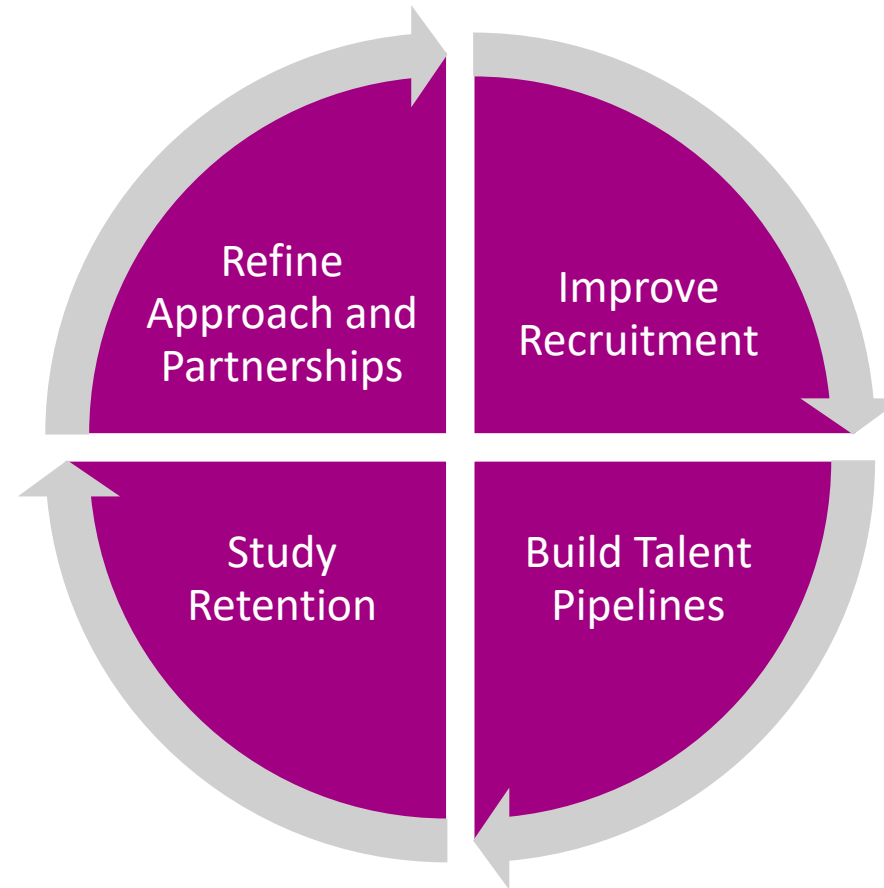


DOAS Human Resources Administration

Recommended Funding of \$770k will support recruitment and retention efforts



Establish new unit as part of DOAS Human Resources Administration to focus on enterprise recruitment and retention approach





Department of Administrative Services

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