

4.4 TRANSPORTATION INDUSTRY PEERS INTERVIEW FINDINGS

As described in **Chapter 2.0** of this report, the Project Team conducted interviews with private sector transportation executives, some of whom are former FDOT employees, to identify key benefits issues impacting FDOT's recruitment and retention. A summary of the findings from these interviews follows, as well as supplemental data gathered through a follow-up survey offered at the close of each interview.

Overall Benefits Program

The following is a summary of interview responses regarding the interviewees' perception of which benefits program is better: the private sector's offerings or FDOT's offerings. Overall, respondents varied on which benefits program was better, while others saw both FDOT's and the private sector's offerings to be relatively comparable.

- *When the state was paying for retirement, it was better and closed the gap on the base salary; insurance benefits were better than what we have now. Benefits more important than anything.*
- *At the senior manager level at FDOT, benefits were very good; sick leave was better at FDOT, and vacation time.*
- *Benefits at DOT were very good.*
- *We don't have an equal retirement package to the one at DOT.*
- *[My] salary in the private sector more than offsets the cost of health insurance.*
- *Overall the benefits here - particularly at the executive level- are better than at DOT.*
- *[Benefits are] worse in the private sector than at DOT.*
- *DOT's benefits are better than the private sector; most of it is covered and you didn't have to pay for it.*
- *The private sector is much better overall; the salary is, of course, better – biggest difference - and more than offsets the cost of health insurance even though it's at a higher cost [than at DOT].*
- *The state might be better off due to the retirement plan. In the private sector, we have to contribute (401K) and don't have an equal retirement package.*
- *[DOT] needs to communicate the overall package to folks to emphasize the benefit; if they continue to dip and cut into pensions, it will make it worse.*
- *There hasn't been a realistic look at the [DOT] benefits program in years.*

- *You do get more in the private sector in terms of compensation and benefits.*
- *Benefits are about the same as DOT, but since you can negotiate for paid time off, a company car, signing bonus, etc., there are little things that add up to make it better on the private side.*
- *Benefits at DOT were better.*
- *Benefits are better here than at DOT; the auto and gas benefits alone is about \$7,500 a year, which is a huge benefit. The [free] maintenance benefit is great. I also have a lot of other insurance benefits, such as vision, dental, and life [coverage] at no cost.*
- *Private sector benefits are much better.*
- *As far as benefits, [DOT] has very good benefits; it's wonderful, but the salary part doesn't keep up.*

Health Coverage

The following is a summary of interview responses regarding the peer private industry interviewees' perception of their health coverage offerings in the private sector compared to the coverage offered at FDOT. Most of the respondents indicated that health coverage in the private sector was comparable to FDOT's offerings. Several respondents noted that while they paid for a portion of their health coverage when FDOT employees are usually 100% covered, the increased salary received in the private sector compared to FDOT's salary offerings made up for the costs. Contribution costs vary, ranging from 20-25% employee contributions and 75-80% employer contributions.

- *We pay for [our own health coverage] – employees pay a significant amount. It is a few hundred dollars a month.*
- *My employer pays 100%.*
- *Health insurance plans in the private sector are better – I have a lower deductible and [the plan] covers more – it includes vision, dental, among others.*
- *I kept my state health insurance benefit since I was comfortable with the plan, and I was uncertain about what my company's plan might be. It was a considerable cost but I did it – I had a higher income so I could do it since I was making 50% more than I was [at FDOT].*
- *Executive health coverage is different from general employees; I pay \$51 every two weeks.*
- *My employer covers 75%, and employees cover 25%; it's a little worse than FDOT. It's not as good from network and reimbursable standpoint; the FDOT benefits and selection of services were better.*
- *[Health coverage is] about the same. My insurance was paid by FDOT; now it's probably 40% employee, 60% employer [contributions].*
- *I didn't pay [for my health coverage] at FDOT, but I have to pay a little now. It's about \$4,500 a year for a family plan.*
- *[My health coverage] is comparable to FDOT's package. It's 20% employee, 80% employer [contributions].*
- *Since I work on a part-time basis, they pay 60% [for health coverage] and they pay for long-term disability and life insurance.*
- *I don't have [my company's] health insurance; there's no job security on the private side, so I kept my state insurance.*

- *[My health coverage is] very similar to FDOT; the only difference is salary. [My employer] covers my entire health coverage. The average employee [at my agency] pays 35%.*
- *[My health coverage is] about the same as FDOT; 75% employer and 25% employee [contributions].*
- *FDOT had better health insurance – less you had to pay into program, but each year it seemed like you had to contribute more and more. It’s hard to compete when numbers go the other way and it hurts salaries even further. (60% employer and 40% employee contributions).*

In the supplemental interviewee survey, interviewees were asked to identify all insurance benefit offerings provided by their current employer from a standard list of insurance benefits. **Exhibit 4-6** shows the percentage breakdown of benefits commonly offered in the private sector. As shown, health, dental, vision, and life insurance are benefits offered by all of the responding interviewee’s private sector employers.

EXHIBIT 4-6: INSURANCE BENEFITS OFFERED BY PRIVATE INDUSTRY PEERS AS REPORTED BY INTERVIEWEES

INSURANCE BENEFIT	% OFFERING BENEFIT
Health	100%
Dental	100%
Vision	100%
Life	100%
Hospital	70%
Accident	70%
Cancer	60%
Short-term disability	90%
Long-term disability	80%
Reimbursement accounts	90%

Source: MGT Supplemental Interviewee Survey for Private Industry Peers, 2014. Note: N = 11. Nine of the 11 respondents (80%) indicated enrollment in their employer’s health coverage benefits program.

Retirement

The following is a summary of interview responses regarding the peer private industry interviewees' perception of their retirement benefit offerings in the private sector compared to the retirement options offered at FDOT. Overall, most of the respondents indicated that they kept their FRS benefit after leaving FDOT, and that the state's retirement system program was better than the retirement benefit offerings in the private sector. In addition to FDOT's FRS benefit, many respondents also enrolled in their employer's 401k program as an additional retirement option. On average, 401k contributions were matched either 50 percent or 100 percent, and ranged from a two percent match up to a six percent match (3% match on average).

- *I have my state retirement; the private sector has 401k and contributions (\$2,500 for year match).*
- *I have a 401k and my company matches 50 percent up to three percent. The match comes in the form of Employee Stock Options; we are privately owned, so the match is 100% in stock options. Officers in the company are required to purchase stock.*
- *I have a 401k with a two percent - three percent match.*
- *We have a 401k, but I have elected not to join. I'm on the Florida Retirement System from FDOT.*
- *I have my state plan from FDOT; the private sector doesn't have anything close. I do have their [my agency's] 401k with three percent match as well.*
- *I held onto my FDOT [retirement] plan. They offer a 401k with a three percent to - four percent match.*
- *I still have FDOT's [retirement] plan; we are on the same retirement system. I have a federal plan as well.*
- *I kept the state plan; I have a 527 option – rolled it over from the state.*
- *I have the [FDOT] state pension and I have a 401k with a 50 percent match up to six percent.*
- *I rolled the state plan into my own plan, an IRA independent from my company's plan. [My company offers] ESOP stock ownership, and I also have their 401k with a match of 50 percent of what you contribute up to two percent.*
- *We have the option of a match up to 50 percent of contributions to a max of three percent in a 401k; it's less than what the state does.*

- *I still have the state plan. I have a 401k with my current organization, with up to a three percent match.*
- *I don't have an [retirement] account with FDOT anymore; I cashed out and moved it to an independent IRA. [My company] has a 401k with a 15 percent match. It's nowhere as good as FDOT's. Here you have to pay more to contribute.*
- *I am drawing from my FDOT retirement. In the private sector, we have a 401k with a six percent match up to \$15,000. If you're vested after five years, you get all of the match put into the company; if below [less than five years], you only get 20 percent per year.*
- *I am using a military retirement plan and a 401k with a three percent match. I can buy company stock.*
- *I have a 401k and stock ownership options, but it's all funded by the employee; it's another benefit more [favorable] to the FDOT side. Our 401k match is maxed at \$1,200.*

In the supplemental interviewee survey, interviewees were asked to identify the type of retirement benefit offerings provided by their current employer from a set list of retirement benefit types. **Exhibit 4-7** shows the percentage breakdown of retirement benefits offered in the private sector. As shown, 80% the responding interviewee's private sector employers offer only a defined contribution plan, such as a 457 or 401k plan.

EXHIBIT 4-7: RETIREMENT BENEFITS OFFERED BY PRIVATE INDUSTRY PEERS

RETIREMENT BENEFIT	PERCENTAGE OFFERED
Defined Benefits Plan Only (i.e., pension)	10%
Defined Contribution Plan Only (e.g., 457, 401(k) plan)	80%
Both a Defined Benefit and Defined Contribution Plan	10%

Source: MGT Supplemental Interviewee Survey for Private Industry Peers, 2014. Note: N = 11.

Leave

The following is a summary of interview responses regarding the peer private industry interviewees' perception of their leave benefits in the private sector compared to the leave benefits at FDOT. Overall, leave accrued in the private sector compared to FDOT varied based on longevity and offered fewer holidays and leave time than what is offered by FDOT.

- *It varies in the private sector; on average two to four weeks. The more tenure you have it drives vacation leave.*
- *We don't have separate leave. It is longevity based, but for management it's by position. Managers get four weeks a year.*
- *Leave overall is about the same [as FDOT]; it is bi-weekly accrual. I have four weeks of total personal time off.*
- *It compares favorably; I had 6 weeks per year at FDOT, I get four weeks now. There's no cut off in the private sector like at FDOT.*
- *I receive a combination of leave time; at my level I get five weeks or 200 hours, accrued on a pay period basis (paid bi-weekly).*
- *[Leave benefits] are inferior to FDOT in that I get four weeks a year for everything. I get major holidays, but not as many as the state. FDOT would give you six weeks a year; there's no comparison.*
- *It's exactly the same – accrual as well. It's biweekly based on your years.*
- *You get more leave with FDOT. The challenge is having the time to use it [in the private sector].*
- *All leave is accrued together in the private sector, and is based on your level and years of experience. There are set levels of accrual at FDOT. I may have the same amount of time, but I have to accrue as I go in the private sector instead of getting it all at the start of the year with FDOT.*
- *My annual leave is a little less than FDOT; I get 296 hours versus FDOT's 200 hours of leave. In terms of paid holidays, we have seven [days] and FDOT has 10 [days].*
- *I get six days of sick leave, four weeks of annual. In the private sector, you don't get to use it as much – that's a definite benefit to the FDOT side. There are fewer paid holidays; we get nine [days], FDOT gets around 11 [days].*
- *We get fewer holiday leave [days] in the private sector; I get seven days with my company. It's quite a bit less than FDOT in accruing general leave as well; I get about 20 days a year.*
- *I get the same amount of days, and it's very similar in accrual. Only difference is that I can roll over time.*

- *It's about the same; on the private side they don't distinguish between sick and personal – it's all together and based on longevity. FDOT is more structured. You can negotiate coming into a private company.*

Interviewees responding to the supplemental survey indicated that, on average, the private sector offers its employees 10 days of paid/holiday leave annually, and ranged from a low of seven days up to 23 days of total annual leave time. Respondents also indicated other leave benefits offered in the private sector, including paid time off for birthdays, bereavement, and civil service (such as jury duty, voting, or as a witness with subpoena).

*NOTE: FDOT employees also have opportunities for Administrative Leave when special needs/circumstances arise. **Appendix K** provides a complete list of Administrative Leave benefits available. The value of these benefits was not calculated in **Exhibit 4-5**.*

Other Benefits

The following is a summary of interview responses regarding the peer private industry interviewees' perception of additional benefits received in the private sector compared to the additional benefits offered at FDOT.

- *We receive paid training; every two years we have to renew engineering licenses and they pay for that.*
- *We get education reimbursements; it's comparable to FDOT offerings*
- *Officer Manager level and above get an auto allowance payment in their bi-weekly check. We also get paid trainings if it's associated with related skills and licensure. There's education reimbursement for degrees associated with your job. We pay for our own licensure process and upkeep.*
- *I get a car allowance because I'm an Officer (\$130 a month).*
- *We do get reimbursement for professional development school.*
- *There's car allowances for senior staff, support for performance start-ups.*
- *I get my professional engineering dues paid (\$150 per 2 years). I have a car for work purposes; I negotiated up front for the company car.*
- *I receive an account for travel, a car, etc. We get education reimbursement. I can work remotely; working from home is an excellent benefit.*
- *FDOT had a car assigned me. I don't here, but I get a car allowance.*

- *I can get educational reimbursement if it is specific to my job. Some get a car, but it's usually a work vehicle in the field.*
- *I receive \$850 a month for car allowance. I also have a credit card, phone, and computer to use. They [current company] also pay for my licenses.*
- *We have profit sharing. I get a car allowance and they pay for my phone.*
- *We get education reimbursements, our association memberships are covered, and licenses are covered. The biggest thing is the ability to purchase stock; it is a huge incentive.*
- *I have a monthly car allowance, gas card, cell phone, and an account with an auto fleet management company that provides periodic maintenance at no cost.*