



Introduction to New Pay Ranges

March 2015



Today's Situation

- Existing grades are not tied to local market factors/rates
- Existing grades do not match with current market starting rates, averages or maximums for positions
- Wide variations in the number and difference between steps
- Equity concerns
 - Similar positions across the County not consistently assigned to grades
- Concept of steps no longer utilized by other employers
 - Limit manager flexibility
 - Costly to maintain



The Move to Market Appropriate Pay Ranges

Why Change...

- Market appropriate pay range structure developed to include *Minimum*, *Midpoint*, and *Maximum* for each pay range
- *Minimum* reflects market appropriate starting rate for the position
- *Midpoint* reflects the average pay for the same position in the identified market
- *Maximum* reflects the highest rate that this position could be paid; anyone at or above the maximum would be frozen (red-circled)



Benefits

- Employees with no experience in the position would have a market appropriate starting rate
- Managers have greater flexibility in offers, equity adjustments, and overall pay administration
- Market appropriate starting rates and pay ranges positively effect recruitment and retention efforts
 - The County's biggest turnover group is employees *with less than three years* of service who leave for higher compensation



Process

- Independent third-party surveys were used to determine new pay range assignments
- Based on survey data positions were assigned to market appropriate pay ranges
- Data reviewed and range assignment approved by department leaders
- Cost analyzed to move employees to new pay range minimum
- Equity reviewed for all like positions across the County
 - ie. Marketing Manager, Administrative Assistant, etc.



Results/Costs

- Change from 156 grades that contain varied number of steps to a single set of 84 pay ranges with a common structure
- Cost to minimum analyzed
 - All Classified positions (non BHD) = \$1,252,571 (does not include fringe)
 - The majority of the above expense is associated with the following position:
 - Corrections Officers (all types) – Approximately \$400,000
 - Highway Maintenance Workers – Approximately \$290,000
 - Victim Witness Advocates – Approximately \$121,000
 - Administrative Support – Approximately \$73,000
- Cost of Adjustments Outlined in Fiscal Notes



By Comparison - If we did step increases???

- It would affect only 1,818 of approximately 4,800 county employees
- Cost of step increases – \$1.8million
- No market data to support the size of many of these increases or the employees getting them
- We still would have many employees below market minimums, while some paid much higher in their range would be getting raises



Next Steps

- Finalize and conduct education/communication plan around new ranges for managers
- Increase employee starting rates to new minimums effective July 1, 2015
- Work with departments on any follow-up equity review as necessary
- Begin process to assess how best to manage employee compensation through the new pay ranges and prepare for 2016 Budget cycle



Documents/Board Submission Detail

- ***Implementation of Revisions to Employee Compensation*** – document provides detail of process and the associated costs
- ***JEQ Initial Phases Reclassifications Previously Submitted*** – document outlines pay increases owed to employees that are on hold due to objection letter filings.
- ***New Pay Range Summary Classified*** – document provides detail listing of all Classified positions with new pay range assignments