



COMPENSATION WORKGROUP
Milwaukee County

INFORMATIONAL REPORT

TO: Chairman Theodore Lipscomb, Sr.

FROM: Compensation Workgroup

RE: Additional Information regarding File 16-73

DATE: February 26, 2016

During the January 28, 2016 meeting of the Finance, Personnel & Audit Committee, the Compensation Workgroup presented its recommendations. At that meeting, the Committee asked for additional information. The Compensation Workgroup response is below.

The Cost of Migrating the Unclassified Jobs to the New Ranges in 2015

Information about Unclassified positions and the migration to the new salary ranges was reported to the Finance, Personnel & Audit Committee in October, 2015 (File No. 15-635). For the unclassified jobs that migrated to the new ranges, the cost was \$0, because base salaries did not change as a result of the migration. The unclassified jobs that fell below the new range minimums were not migrated to the new grades, because the Board has not yet approved budgetary costs of this migration.

How Employees Will Move Through the New Ranges

There are multiple ways employees will progress within the new pay ranges; here are the most common examples:

- 1) Annual Pay Increases authorized by the County Board in the annual budget
- 2) Cost of Living Increases authorized by the County Board in the annual budget
- 3) Individual performance-based increases
- 4) Pay equity or market adjustments
- 5) Promotional increase when changing jobs
- 6) Reclassifications or reallocations

All of these advancements are allowed under both the current and the new system. The vast majority of employees will fall near or below the new midpoints. This is because many employees change positions before they reach midpoint for the pay range, and in cases where employees don't change positions, only highly experienced or high performing employees are typically compensated above midpoint for a position. Details about the approval processes for these scenarios are included in the Compensation Procedures.

What Is An Equity Adjustment? How Are They Budgeted?

Equity adjustments are budgeted as part of the annual budget approved by the County Board. Equity adjustments are salary changes outside of the normal salary programs (promotions, reclassifications, and performance increases, for example) to address salary issues such as internal salary compression (employee salaries concentrated at the low end of the range), differentiating experience, and/or retention considerations. Equity adjustments are not granted to reward performance. Equity adjustments are usually not provided to employees who have been in a position less than one year, have received recent poor performance ratings, or are in current disciplinary/corrective action.

On what basis are annual pay range adjustments recommended?

Each year, the Compensation Division reviews market data for several common positions that are easily matched to third party survey data (e.g. Accountant, Social Worker, Paralegal, etc). These positions are commonly referred to as "benchmark" positions. Based on the overall general trend of how these positions have changed (or have not changed), the Compensation Division will provide a recommendation on overall pay range structure adjustments. Historically, these range structure adjustments may be anywhere from .25% to 1.5%, but are usually in the .5% range. Once the County Board approves the recommendation, Human Resources moves the pay range structure up by that percentage. The ranges spreads (between minimums and maximums) do not change. If any employees fall below the new range minimums, they would also be brought to minimum as part of this process.