

4



# 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 of the Change to New Pay Ranges

- 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.



## 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
  - i.e. 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 = \$146,770 (annualized, does not include fringe)
    - The majority of the above expense is associated with the following position:
      - Registered Nurses – Approximately \$75,000
      - Certified Nursing Assistants – Approximately \$19,500



## Next Steps

- Finalize and conduct education/communication plan around new ranges for managers
- Increase employee starting rates to new minimums effective April 12th, 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