

# Let's Talk About Compensation!



# Background

---

## ▶ What we want:

- Competitive pay & benefits
- Pay equity
- Avoid pay compression
- Limit or eliminate liability



## ▶ What we don't want:

- Inconsistent processes
- Missing or ineffective policies



# Budget by Position

---

- ▶ **We budget by position, therefore:**
  - Position control – each position has a number, title, grade & salary approved during budget process
  - An increase in salary requires a public hearing & budget amendment
    1. Movement of excess salary funds
    2. Vacant & filled positions



# Excess Salary Funds

---

- ▶ Occurs when a position is filled at a lower salary than actual budget
- ▶ Can be allocated to other positions to\*:
  - Fill a vacancy at a higher salary than current budget
  - Reclassify a position
  - Retention request
  - Career ladder advancement

\*A public hearing is required unless approved during the budget process and Can only be moved to other positions between Oct–Feb



# Hiring Range

Past	Present
Up to budget & set steps for L & C	25% above bottom of grade, set steps for L & C

Options	Pros	Cons
a. 25% above bottom of grade/set steps based on market norm (L & C)	Flexible	Grade maximum quickly achieved
b. 11.25% or X% above bottom of grade (1/4 of total grade, 45% min to max)	Flexible	Less flexible than a & b
c. Midpoint (22.5% above bottom of grade)	Flexible	Grade maximum quickly achieved

# New Position Funding

Past	Present
Minimum of grade with inconsistency	Minimum of grade (exception for L & C)

Options	Pros	Cons
a. Minimum of grade	Standard practice, common in County Government	Less flexibility for some departments/offices
b. X% above bottom of grade	Flexible	<ol style="list-style-type: none"> <li>1. More expensive</li> <li>2. New minimum may be X% above or \$ used for other actions</li> </ol>
c. Create recruitment fund with policies ensure fairness	<ol style="list-style-type: none"> <li>1. Flexible</li> <li>2. Justified by verification</li> <li>3. Transparent</li> </ol>	<ol style="list-style-type: none"> <li>1. More expensive</li> <li>2. Time intensive</li> <li>3. More policies to maintain</li> </ol>

L & C Chart Options	Pros	Cons
a. Minimum hiring step based on minimum years of experience on job description	Funding above minimum step	Less flexibility for some departments/offices
b. 2 or more steps above minimum hiring step	Flexible	More expensive
c. Create recruitment fund with policies to ensure fairness	<ol style="list-style-type: none"> <li>1. Flexible</li> <li>2. Justified by TCOLE record</li> <li>3. Transparent</li> </ol>	<ol style="list-style-type: none"> <li>1. More expensive</li> <li>2. Time intensive</li> <li>3. More policies to maintain</li> </ol>

# Reclassification/Position Changes

- Change in position title, grade, chart

Past	Present
Inconsistent - Not allowed outside budget, allowed anytime	During budget & October 1st - February 15th

Options	Pros	Cons
a. During budget & October 1st - February 15th	Flexible	<ol style="list-style-type: none"> <li>1. Less accurate</li> <li>2. Capacity</li> <li>3. Budget process impact</li> </ol>
b. Due to new mandate, new elected official/department head organizational structure change	<ol style="list-style-type: none"> <li>1. Flexible</li> <li>2. Less impact on resources &amp; budget processes</li> </ol>	<ol style="list-style-type: none"> <li>1. Less flexible than a</li> <li>2. Accuracy concerns</li> </ol>
c. Only as part of salary study or mandated/required	<ol style="list-style-type: none"> <li>1. More accurate</li> <li>2. No impact on resources &amp; budget processes</li> </ol>	Less flexible than a and b, only available in limited cases

# Retention

Past	Present
Awarded to employee upon request from office/department	Awarded following a public hearing and Commissioners Court approval if justified by a job offer letter or documented recruitment of higher paying local position

Options	Pros	Cons
a. Award with justification (job offer or recruitment documentation), public hearing, Court approval & budget amendment required	<ol style="list-style-type: none"> <li>1. Flexible</li> <li>2. Increases are justified</li> </ol>	<ol style="list-style-type: none"> <li>1. Pay compression</li> <li>2. Grade maximum quickly achieved</li> <li>3. Employee morale concerns</li> </ol>
b. No longer allow retention	Consistent increases	Less opportunity for salary increase



# Merit

---

- ▶ **Pay increase awarded based on performance**
  - Eligible after 90 days of employment
  - Requires a performance evaluation
  - Maximum of 5%
  - May be approved & funded as determined in budget process
  - Future considerations: standardized evaluation forms, funding based on performance outcomes, etc.



# Career Ladders

---

- ▶ **What positions should have career ladders?**
  - Technical positions where advanced skills are needed
  - High–turnover positions requiring significant training
- ▶ **How many steps should each job family have?**
  - Unique to the position type and organizational desire
- ▶ **How do employees move up the steps on the ladder?**
  - Time in position plus achievement of certifications or abilities to perform higher level tasks
  - Only when a vacancy occurs in a higher level step or on a scheduled movement plan (once per year, etc.)

# Career Ladders, cont.

---

## ▶ Who pays for advancement?

- Requested in budget annually
- OR
- Through department/office budget with no budget increase

\*Career ladder movement must be requested during the budget process unless movement is due to filling of a vacancy

# Supplemental Pay

---

- ▶ **Current types of supplemental pay:**
  - Field training officer
  - Certification
  - On-call
  - Crisis Intervention Team
- ▶ **What positions should receive supplemental pay?**
- ▶ **What types are appropriate?**
- ▶ **How much should it pay?**
- ▶ **How is it decided?**

# Further Discussion Needed

---

## ▶ Merit process

- Evaluation form/system?
- Policy – maximum merit, metrics,
- Funding – current vs. calculated on results

## ▶ Career ladders

- What positions?
- How many levels?
- When can movement happen?
- How funded?

## ▶ Supplemental Pay

- Industry standards or what concept?

# Questions or Comments?