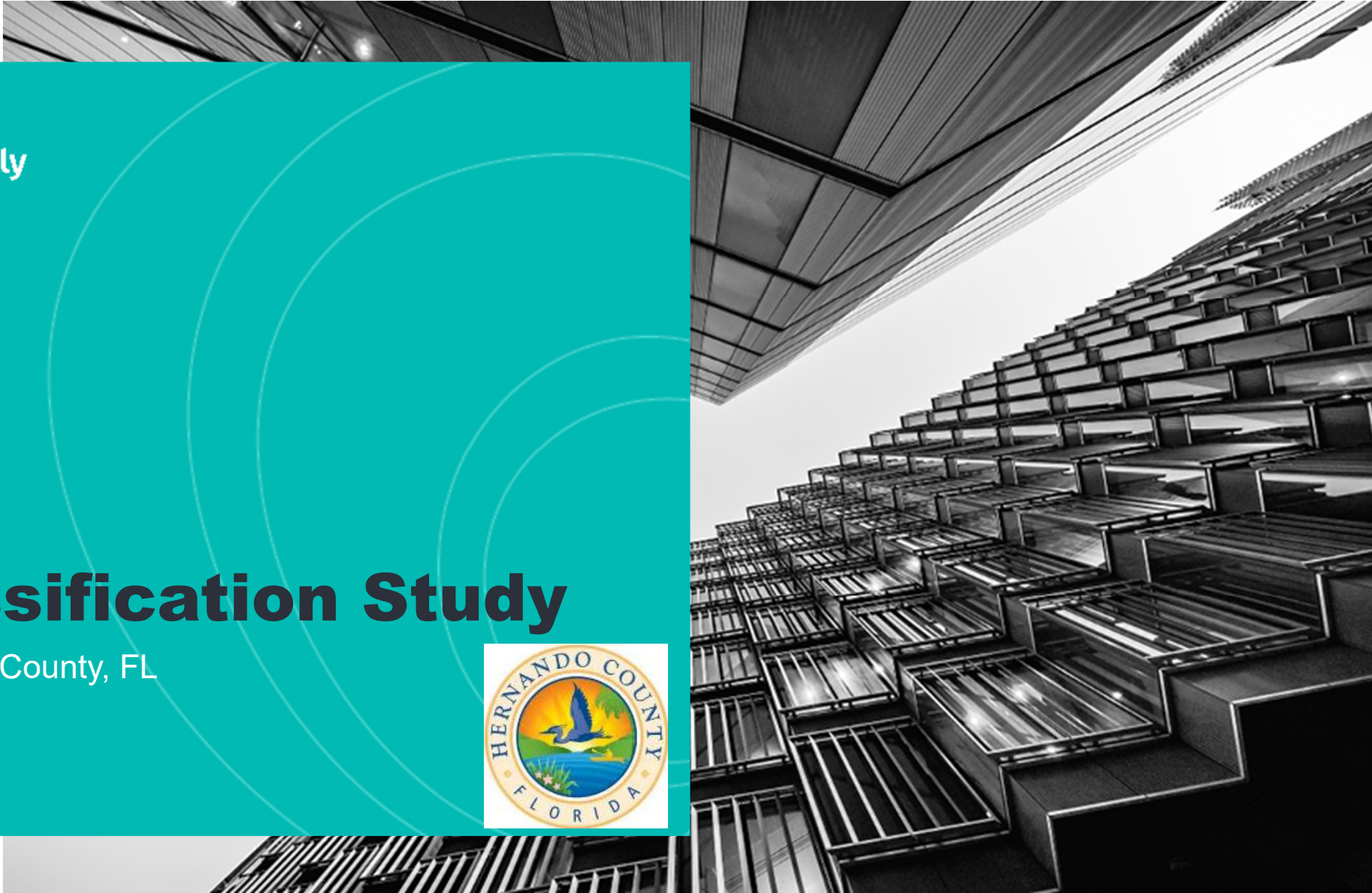




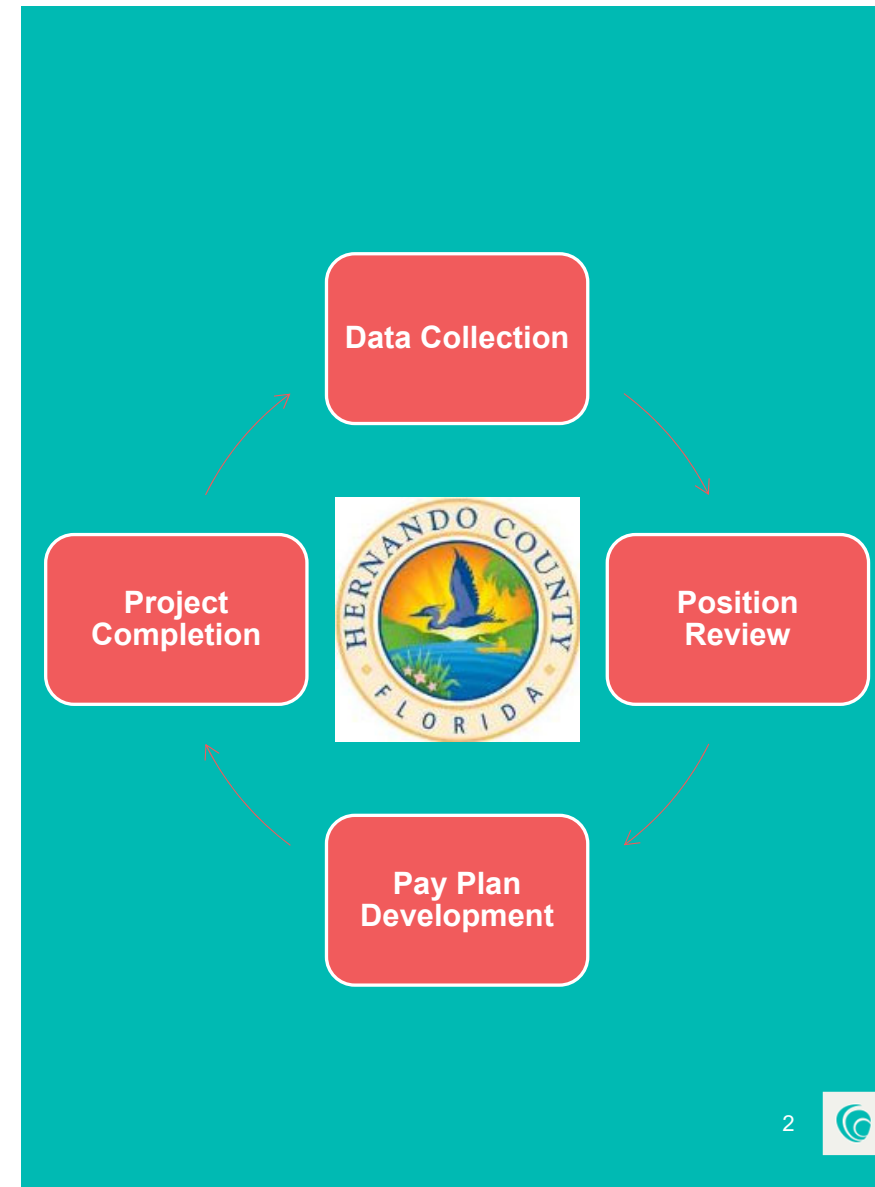
# Classification Study

Hernando County, FL



## Project Overview

- ✓ **Data Collection:** project planning with HR, data requested from County, and initiation of project.
- ✓ **Position Review:** Conduct job evaluation using the County's existing job descriptions to establish internal equity.
- ✓ **Pay Plan Development:** pay plan development, grade assignments, and implementation calculations.
- **Project Completion:** final report delivered, council presentation, project documentation delivery, training for HR.



# The Process



# Job Evaluation

- Baker Tilly has a point factor job evaluation tool called SAFE® which was developed specifically for measuring local government jobs to determine internal value.
- A point factor evaluation, such as SAFE, allows for a consistent, equitable and defensible means of establishing a hierarchy of jobs (internal equity) and is compliant with the Equal Pay Act.
- The result of this process is a total score for each position.

COMPENSABLE FACTOR	WEIGHT	DESCRIPTIONS / MEASUREMENT
1. Education	16%	Minimum formal education level required by the position
2. Experience	12%	Minimum years of experience required by the position
3. Level of Work	14%	Degree of difficulty of work performed by the position
4. Human Relations	8%	Type and level of human interactions
5. Physical Demands	5%	Physical exertion performed by the position
6. Working Conditions	7%	Environmental conditions experienced by the positions
7. Independence to Act	12%	Degree of independence to make decisions and act on them
8. Impact of Actions	12%	Severity of consequences as a result of decisions
9. Supervision Exercised	14%	Type and level of supervision exercised
	100%	TOTAL



## Pay Plan Development

Baker Tilly led discussions with the county's project team to answer the following questions about their current and desired pay system:

- How many pay plans do you have / want?
- What type of pay plan do you have / want? Open range or step/grade?
- What criteria will be used to classify positions to the pay plan?
- What is the County's desired position within its defined labor market?
- What laws or regulations need to be accommodated with the pay plan?

←—————→  
Ultimately, Baker Tilly built a new open range pay plan for the County with a \$15.00 per hour minimum wage.

- Positions were assigned to the proposed pay plan with consideration to existing midpoints and grade groupings, job evaluation scores (internal equity), and other factors such as career progressions and supervisor-subordinate separation.



## Current Pay Plan

# Pay Plan Development

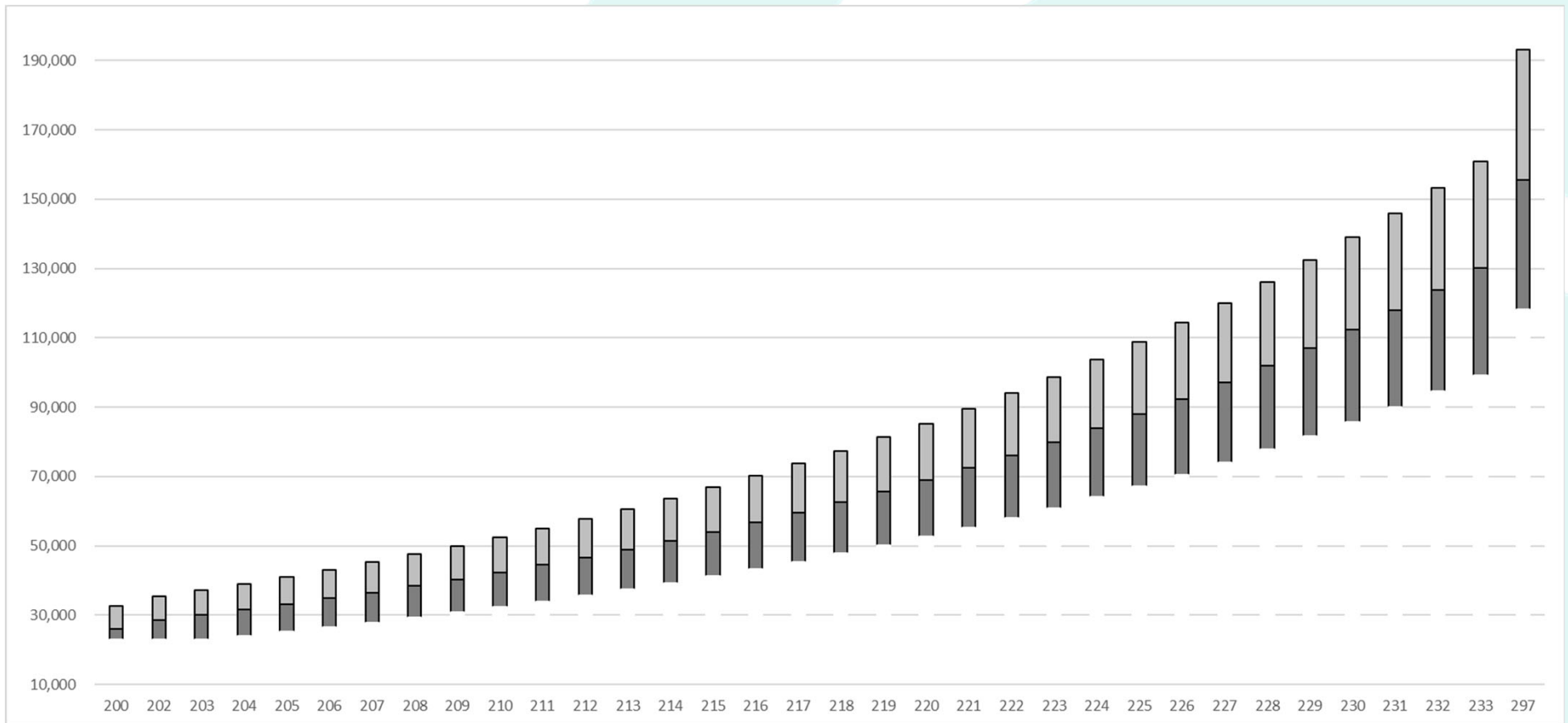
- The current pay plan is an open range plan with 34 grades inconsistently ranging from 200 to 297.
  - *The minimum of grade 200 is \$11.00 per hour.*
- The range spread (distance from minimum to maximum) is about 61% on average.
  - *As a best practice, range spreads this wide are usually reserved for executive level positions and may not accommodate positions in lower grades.*
- The midpoint differential (distance between each grade at the midpoint) is about 5% on average.
  - *This creates significant overlap*
- Distance between minimum to midpoint (31%) is not equal to distance between midpoint and maximum (24%).
  - *Usually, the midpoint is the mathematical middle of the range.*

Grade	Annual			Range Spread	Midpoint Diff
	Minimum	Midpoint	Maximum		
200	22,880	25,979	32,552	42.3%	
202	22,880	28,642	35,422	54.8%	10.2%
203	22,963	30,077	37,190	62.0%	5.0%
204	24,024	31,554	39,083	62.7%	4.9%
205	25,314	33,176	41,018	62.0%	5.1%
206	26,603	34,819	43,035	61.8%	5.0%
207	27,934	36,546	45,240	62.0%	5.0%
208	29,328	38,418	47,507	62.0%	5.1%
209	30,784	40,310	49,858	62.0%	4.9%
210	32,323	42,349	52,374	62.0%	5.1%
211	33,946	44,450	54,974	61.9%	5.0%
212	35,630	46,675	57,741	62.1%	5.0%
213	37,398	49,005	60,590	62.0%	5.0%
214	39,291	51,480	63,627	61.9%	5.1%
215	41,267	54,018	66,810	61.9%	4.9%
216	43,326	56,722	70,138	61.9%	5.0%
217	45,427	59,550	73,674	62.2%	5.0%
218	47,757	62,566	77,334	61.9%	5.1%
219	50,128	65,666	81,349	62.3%	5.0%
220	52,666	68,973	85,259	61.9%	5.0%
221	55,245	72,384	89,502	62.0%	4.9%
222	58,032	76,003	94,037	62.0%	5.0%
223	60,923	79,830	98,717	62.0%	5.0%
224	64,022	83,824	103,646	61.9%	5.0%
225	67,184	88,005	108,826	62.0%	5.0%
226	70,554	92,394	114,296	62.0%	5.0%
227	74,048	97,053	119,995	62.1%	5.0%
228	77,771	101,878	126,006	62.0%	5.0%
229	81,661	106,954	132,309	62.0%	5.0%
230	85,758	112,320	138,923	62.0%	5.0%
231	90,022	117,936	145,850	62.0%	5.0%
232	94,494	123,822	153,130	62.1%	5.0%
233	99,258	130,021	160,826	62.0%	5.0%
297	118,227	155,584	193,024	63.3%	19.7%



Current Pay Plan

# Pay Plan Development



Current pay plan as a chart to demonstrate overlap of pay ranges.



Proposed Pay Plan

# Pay Plan Development

- The proposed pay plan is an open range plan with 20 grades ranging from 1 to 20.
  - *The minimum of grade 1 is \$15.00 per hour.*
- The range spreads increase from 20% to 50%.
  - *A narrow range spread allows employees in those ranges to arrive at their midpoint sooner.*
- The midpoint differentials increases from 8% to 10% through grade 17. Smaller differentials in grades 17 – 20 were tailored to fit positions in those grades.
  - *This creates less overlap*
- Overall, this pay plan has fewer grades because the midpoint differences are wider and, therefore, fewer grades are needed to cover the same space.
  - *Fewer grades that are further apart vs. more grades with more overlap.*

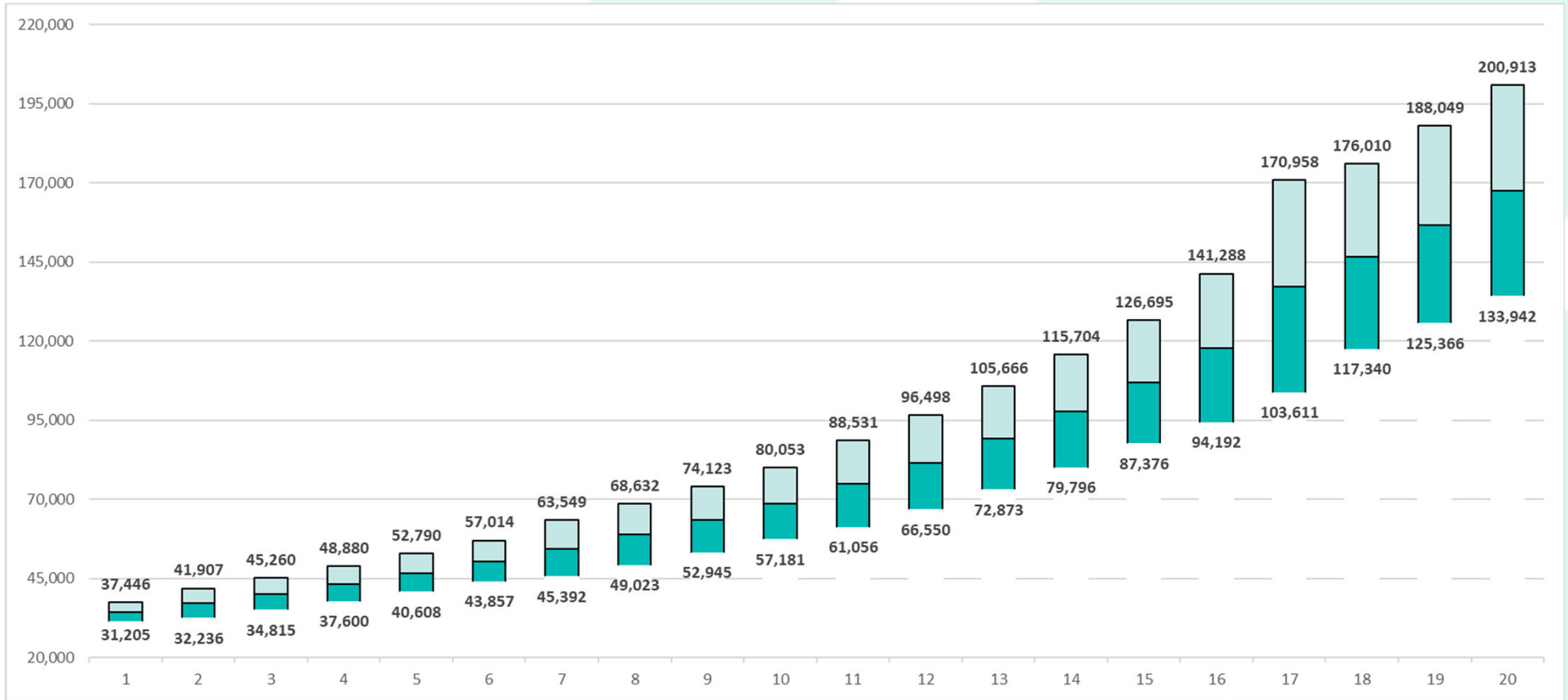
Grade	Annual			Range Spread	Mid Diff
	Minimum	Midpoint	Maximum		
1	\$31,205	\$34,325	\$37,446	20%	8.00%
2	\$32,236	\$37,071	\$41,907	30%	8.00%
3	\$34,815	\$40,037	\$45,260	30%	8.00%
4	\$37,600	\$43,240	\$48,880	30%	8.00%
5	\$40,608	\$46,699	\$52,790	30%	8.00%
6	\$43,857	\$50,435	\$57,014	30%	8.00%
7	\$45,392	\$54,470	\$63,549	40%	8.00%
8	\$49,023	\$58,828	\$68,632	40%	8.00%
9	\$52,945	\$63,534	\$74,123	40%	8.00%
10	\$57,181	\$68,617	\$80,053	40%	8.00%
11	\$61,056	\$74,793	\$88,531	45%	9.00%
12	\$66,550	\$81,524	\$96,498	45%	9.00%
13	\$72,873	\$89,269	\$105,666	45%	9.50%
14	\$79,796	\$97,750	\$115,704	45%	9.50%
15	\$87,376	\$107,036	\$126,695	45%	9.50%
16	\$94,192	\$117,740	\$141,288	50%	10.00%
17	\$103,611	\$137,285	\$170,958	65%	10.00%
18	\$117,340	\$146,675	\$176,010	50%	6.84%
19	\$125,366	\$156,708	\$188,049	50%	6.84%
20	\$133,942	\$167,427	\$200,913	50%	6.84%





Proposed Pay Plan

# Pay Plan Development



Proposed pay plan as a chart to demonstrate less overlap of pay ranges.



## Implementation

# Cost Analysis

Baker Tilly prepared 3 implementation scenarios for the County to consider in its adoption of the new pay plan.

- No employee would receive a salary decrease.
- Calculations were for base pay only
- Option 1 is the minimum action required to bring all employees within compliance.
- Option 3 helps with compression by moving employees into their range relative to their years in position.

47.4%	Employees Below Minimum
39.9%	Employees Within Range
12.7%	Employees Above Maximum

1. Move to minimum if current salary is below the minimum.
2. Move to minimum or 2% adjustment, whichever is greater.
3. Move to minimum if below, then 0.5% adjustment for each year in position.



# Baker Tilly Recommendations

- Approve the new pay plan with a \$15.00 minimum wage.
- Approve position grade assignments.
- Approve an implementation scenario that addresses the County's compensation philosophy, business goals, and that is fiscally sustainable.
- Continue efforts like this to maintain the classification and compensation system:
  - Routinely review positions, job descriptions, and market conditions.
  - Adjust the pay structure and salaries, annually, to keep pace with the market.
  - Adopt general increases, annually, to reward employees and ensure advancement through assigned pay ranges.

