

AGENDA MATERIAL

DATE 8/21/23 ITEM NO. RA16




Human Resources Classification & Compensation Study: Phase 2 Recommendations



August 21, 2023

Phase 1 and Phase 2 Goals

- 
- Establish a New Job Architecture and Salary Structure
 - Pay Market-Based Pay Rates
 - Address Compression
 - Retain Employees
-

FY 2023/24 Budget – General Fund

Previously Dedicated Monies (Classification and Compensation Plan)

Previously
Budgeted

- \$14 Million for Salary and Employee Related Expenses (ERE's)
- \$5 Million Contingency for Personnel Policy Changes

Phase 1
Cost

- \$5.85 Million (*Previous projection of \$9.5 million included all funding streams)

Placement of Employees in New Salary Ranges

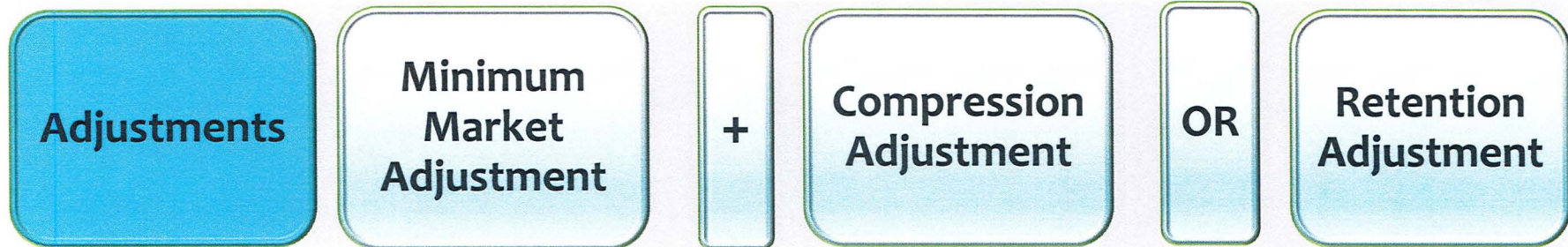
New Salary Grades

Where Employees Fall in Quartiles After Implementation of Phase 1

Placement in Grade	Before Phase 1	After Phase 1
Below Minimum New Grade	2,316	
At Grade Minimum	588	2,904
1st Quartile	2,223	2,223
2nd Quartile	1,228	1,228
3rd Quartile	453	453
4th Quartile	250	250
Above Maximum of New Grade	206	206

Proposed Adjustments

Phases 2 Goals: Address Compression + Retain Employees



*Provide whichever amount is greater, no less than 3%, no more than \$15,000

Various Pay Progression Models Reviewed

Example 25% / 75%

(Grade 8 – 20/1)

Employee has worked at County for 20 years

$20 \times 25\% = 5 \text{ years}$

Employee in current position 1 year

$1 \times 75\% = .75 \text{ years}$

$5 \text{ years} + .75 \text{ years} = 5.75 \text{ years}$

Employee placed 5.75 years into the range or **\$50,735**

(1 yr employee does not jump over other senior employees in same classification)

Yrs Service/Yrs in Position

20/1 Credited Years $5/.75 = 5.75$	15/5 Credited Years $3.75/3.75 = 7.50$	10/7 Credited Years $2.50/5.25 = 7.75$	10/10 Credited Years $2.50/7.50 = 10$
\$50,735	\$52,147	\$52,348	\$54,164

Structure A - Pima County and Courts (Excluding LE)

Salary Range - Annual					
Grade	Min	1Q	Midpoint	3Q	Maximum
8	\$46,097	\$50,130	\$54,164	\$58,197	\$62,230

*Assume a 20-year Salary Range with 4 Quartiles.

Various Pay Progression Models Reviewed

Example 50% / 50%

(Grade 8 – 20/1)

Employee has worked at County for 20 years

$20 \times 50\% = 10$ years

Employee in current position 1 year

$1 \times 50\% = .50$ years

$10 \text{ years} + .50 \text{ years} = 10.5 \text{ years}$

Employee placed 10.5 years into the range or **\$54,567**

(1 yr employee consistently jumps over 5, 7, and 10 yr employee in same classification)

Yrs Service/Yrs in Position

20/1	15/5	10/7	10/10
Credited Years	Credited Years	Credited Years	Credited Years
$10/.50 = 10.50$	$7.50/2.50 = 10$	$5/3.50 = 8.50$	$5/5 = 10$
\$54,567	\$54,164	\$52,953	\$54,164

Structure A - Pima County and Courts (Excluding LE)

Salary Range - Annual					
Grade	Min	1Q	Midpoint	3Q	Maximum
8	\$46,097	\$50,130	\$54,164	\$58,197	\$62,230

*Assume a 20-year Salary Range with 4 Quartiles.

Various Pay Progression Models Reviewed

Example 40% / 60%

(Grade 8 – 20/1)

Employee has worked at County for 20 years

$20 \times 40\% = 8 \text{ years}$

Employee in current position 1 year

$1 \times 60\% = .6 \text{ years}$

$8 \text{ years} + .6 \text{ years} = 8.6 \text{ years}$

Employee placed 8.6 years into the range or **\$53,034**

(1 yr + 5 yr employee consistently jumps over 7 yr employee in same classification)

Yrs Service/Yrs in Position

20/1	15/5	10/7	10/10
Credited Years	Credited Years	Credited Years	Credited Years
$8/.60 = 8.60$	$6/3 = 9$	$4/4.2 = 8.2$	$4/6 = 10$
\$53,034	\$53,357	\$52,711	\$54,164

Structure A - Pima County and Courts (Excluding LE)

Grade	Salary Range - Annual				
	Min	1Q	Midpoint	3Q	Maximum
8	\$46,097	\$50,130	\$54,164	\$58,197	\$62,230

*Assume a 20-year Salary Range with 4 Quartiles.

Various Pay Progression Models Reviewed

Example 33% / 66%

(Grade 8 – 20/1)

Employee has worked at County for 20 years.

$$20 \times 33\% = 6.6 \text{ years}$$

Employee in current position 1 year.

$$1 \times 66\% = .66 \text{ years}$$

$$6.6 \text{ years} + .66 \text{ years} = 7.26 \text{ years}$$

Employee placed 7.26 years into the range or **\$51,953**

(5 yr employee consistently jumps over 7 yr employee in same classification)

Yrs Service/Yrs in Position

20/1	15/5	10/7	10/10
Credited Years	Credited Years	Credited Years	Credited Years
$6.6/.66 = 7.26$	$4.95/.33 = 8.25$	$3.3/.462 = 7.92$	$4/.6 = 10$
\$51,953	\$52,752	\$52,486	\$54,164

Structure A - Pima County and Courts (Excluding LE)

Salary Range - Annual					
Grade	Min	1Q	Midpoint	3Q	Maximum
8	\$46,097	\$50,130	\$54,164	\$58,197	\$62,230

*Assume a 20-year Salary Range with 4 Quartiles.

Compression Adjustment

Applied After Minimum Market Adjustment (bring to min)
(Assume a 20-year Salary Range with 4 Quartiles)

25%

- Overall length of service with the County weighted at 25%

75%

- Length of time in current position weighted at 75%

Total

- Total sum dictates number of years an employee moves in the salary range

Compression Adjustment Limitations

(Due to Equity and Budget Constraints)

3rd
Quartile

- No Employee will exceed the 3rd Quartile of their new salary range

\$15K

- No employee will exceed an adjustment in excess of \$15,000*

*The \$15,000 limitation applies to the combined total of the Minimum Market Adjustment and the Compression Adjustment

Compression Adjustment Examples

Example

(Grade 8 – 10/10)

Employee has worked at
County for 10 years

$$10 \times 25\% = 2.5 \text{ years}$$

Employee in current position
10 years

$$10 \times 75\% = 7.5 \text{ years}$$

$$2.5 \text{ years} + 7.5 \text{ years} = 10 \text{ years}$$

Employee placed 10 years into the
range or **\$54,164** (mid-point)

Yrs Service/Yrs in Position

20/1	15/5	10/7	10/10
Credited	Credited	Credited	Credited
Years	Years	Years	Years
5/.75 =	3.75/3.75 =	2.5/5.25 =	2.5/7.5 =
5.75	7.5	7.75	10
\$50,735	\$52,147	\$52,348	\$54,164

Structure A - Pima County and Courts (Excluding LE)

Grade	Salary Range - Annual				
	Min	1Q	Midpoint	3Q	Maximum
8	\$46,097	\$50,130	\$54,164	\$58,197	\$62,230

*Assume a 20-year Salary Range with 4 Quartiles.

Compression Adjustment Examples

Example

(Grade 8 – 15/5)

Employee hired 2008 Grade 1, promoted
2014 Grade 5, promoted 2018 Grade 8

= 15 years service

$15 \times 25\% = 3.75$ years

Employee in current position 5 years:

$5 \times 75\% = 3.75$ years

3.75 years + 3.75 years = 7.5 years

Employee placed 7.5 years into the
range or **\$52,147**

Yrs Service/Yrs in Position

<i>20/1</i>	<i>15/5</i>	<i>10/7</i>	<i>10/10</i>
<i>Credited</i>	<i>Credited</i>	<i>Credited</i>	<i>Credited</i>
<i>Years</i>	<i>Years</i>	<i>Years</i>	<i>Years</i>
$5/.75 =$	$3.75/3.75 =$	$2.5/5.25 =$	$2.5/7.5 =$
<i>5.75</i>	<i>7.5</i>	<i>7.75</i>	<i>10</i>

\$50,735

\$52,147

\$52,348

\$54,164

Structure A - Pima County and Courts (Excluding LE)

<i>Salary Range - Annual</i>					
<i>Grade</i>	<i>Min 1Q Midpoint 3Q Maximum</i>				
	<i>Min</i>	<i>1Q</i>	<i>Midpoint</i>	<i>3Q</i>	<i>Maximum</i>
8	\$46,097	\$50,130	\$54,164	\$58,197	\$62,230

*Assume a 20-year Salary Range with 4 Quartiles.

Compression Adjustment Examples

Example

(Grade 8 – 16/14)

Employee hired 2007 Grade 5,
promoted 2009 to Grade 8

= 16 years service

$16 \times 25\% = 4$ years

Employee in current position 14 years:

$14 \times 75\% = 10.5$ years

4 years + 10.5 years = 14.5 years

Employee placed 14.5 years into the
range or **\$57,794** (3Q = \$58,197)

Yrs Service/Yrs in Position

20/1	15/5	10/10	16/14
Credited	Credited	Credited	Credited
Years	Years	Years	Years
$5/.75 =$	$3.75/3.75 =$	$2.5/7.5 =$	$4/10.5 =$
5.75	7.5	10	14.5
\$50,735	\$52,147	\$52,348	\$57,794

Structure A - Pima County and Courts (Excluding LE)

Salary Range - Annual					
Grade	<div> <div>5</div> <div>10</div> <div>15</div> <div>20</div> </div>				
	Min	1Q	Midpoint	3Q	Maximum
8	\$46,097	\$50,130	\$54,164	\$58,197	\$62,230

*Assume a 20-year Salary Range with 4 Quartiles.

Compression Adjustment – Law Enforcement

Example

(Grades L1 – L5)

Previously there were no levels for Deputies, Detectives, or Corrections Officers – Calculations will be overall service with County only

Employee in current position 5 years:

$$5 \times 25\% = 1.25 \text{ years}$$

$$5 \times 75\% = 3.75 \text{ years}$$

$$1.25 \text{ years} + 3.75 \text{ years} = 5 \text{ years}$$

Employee placed 5 years into the range or **\$66,875**

Yrs Service/Yrs in Position					
5/5	8/8	10/10			
<i>Credited Years</i>	<i>Credited Years</i>	<i>Credited Years</i>			
1.25/3.75 =	2/6 =	2.5/7.5 =			
5	8	10			

LE Salary Range - Annual					
Grade	Min	Quartile 1	Mid	Quartile 3	Max
L3	\$65,725	\$66,875	\$68,025	\$69,175	\$70,325

Retention Adjustment

3% Applied to Base Pay

(To Retain Talent and Maintain Organizational Stability)

3%

- IF: The combined total of the Minimum Market Adjustment and the Compression Adjustment is less than 3%
- THEN: Employee receives 3% Retention Adjustment

Exclusions from Pay Adjustments

- **Elections Workers**
- **Elected Officials**
- **New Hires (hired 9/10/2022 to present)**
- **Employees who received a pay adjustment after 1/1/2023 will only receive a Compression Adjustment (if applicable)**
- **Employees who received >15K Minimum Market Adjustment will not receive a Compression or Retention Adjustment**

Placement of Employees in New Salary Ranges

New Salary Grades

Where Employees Fall in Quartiles After Implementation of Phase 2

Placement in Grade	Before Phase 1	After Phase 1	After Phase 2
Below Minimum New Grade	2,316		
At Grade Minimum	588	2,904	1,169
1st Quartile	2,223	2,223	2,247
2nd Quartile	1,228	1,228	2,015
3rd Quartile	453	453	1,231
4th Quartile	250	250	320
Above Maximum of New Grade	206	206	282

*

*Healthy wage distribution achieved, at minimum and within each Quartile

Post-Phase 2 Alignment with Current Service

Wage Distribution Tracks with Current Employee Service (Right-sizing the Organization & Creating Solid Foundation to Build Upon)

Placement in Grade	Before Phase 1	After Phase 1	After Phase 2
Below Minimum New Grade	2,316		
At Grade Minimum	588	2,904	1,169
1st Quartile	2,223	2,223	2,247
2nd Quartile	1,228	1,228	2,015
3rd Quartile	453	453	1,231
4th Quartile	250	250	320
Above Maximum of New Grade	206	206	282

Employee Count by Years of Service and Job		
Groups	Years of Service	Years in Job
Less than 1 Year	1,473	2,160
1 year to Less than 5 Years	2,354	3,056
5 years to Less than 10 Years	1,283	1,029
10 years to Less than 15 Years	671	444
15 years to Less than 20 Years	754	382
More than 20 Years	747	211

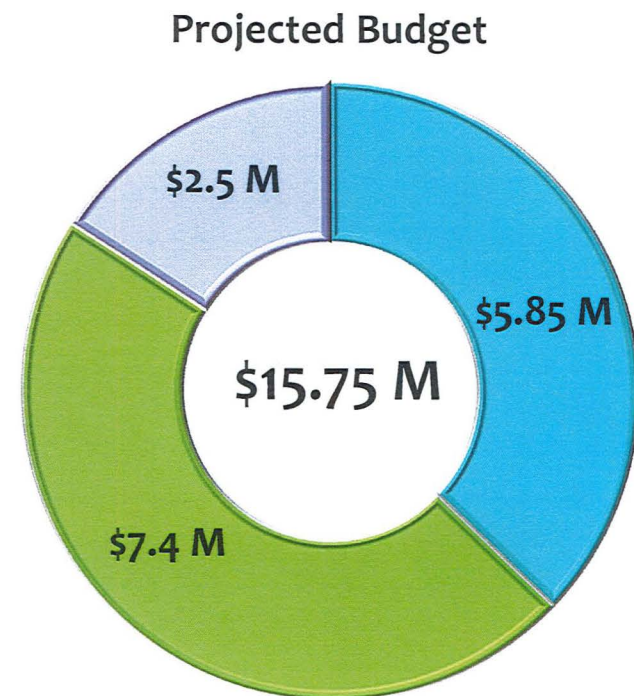
Projected General Fund Cost – Phases 1 & 2

Phase 1 = \$5.85 Million
(Minimum Market Adjustment)

Phase 2 = \$7.4 Million
(Compression Adjustment)

Phase 2 = \$2.5 Million
(Retention Adjustment)

Total Amount: \$15.75 Million



Appeals Process

Employee

An employee may file an appeal to their job classification

If employee thinks salary grade is incorrect, bring to Dept. Head

File between 9/11/23 through 10/10/23 to Human Resources on Employee Appeal Form

Department

Department Head may file an appeal to an employee's job classification

Department Head may file an appeal to salary grade placement

File between 9/11/23 through 10/10/23 to Human Resources on Department Appeal Form

Next Steps – Phase 3

Identifying How Employees Will Progress Through the New Salary Ranges in the Future

HR to Create Options

Provide Options to County Administrator

Provide Recommendations to BOS

Human Resources Will Draft Policies Around New Salary Structure

New Hire + Promotion Pay

Use of Special Pays

Use of Job Classifications by Departments

Requests for Approval




- Approve \$7.4 Million for Compression Adjustments



- Approve \$2.5 Million for Retention Adjustments



- Approve Compression and Retention Adjustments effective pay period beginning September 10, 2023



- Change A1 Salary Grade for 3115/Attorney classification to be identical to the A3 salary grade



We A.R.E. Pima County!

Human Resources will continue to actively work on implementing the Classification and Compensation Study recommendations.

Implementation of future Phases is solely dependent on availability of budgetary funds.

A scenic photograph of a winding road through a desert valley. The road is paved and curves through a landscape of green shrubs and dry grass. In the background, there are rugged, rocky mountains under a clear sky. A small car is visible on the road.

Thank You

Cathy Bohland, Human Resources Director

Dustin Green, Human Resources Division Manager