



Recommendation for a New Executive Pay Plan

Personnel and Reorganization Committee

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BACKGROUND

The CEX directed a county-wide compensation and organizational review of Executive and Managerial level occupations that are not part of the annual salary benchmark study

Driving factors include:

- Structures have not been reviewed holistically for many years
- Employees “maxed-out”
- Recruitment challenges in many cases
- Internal Equity/Alignment issues
- Negative impacts on morale/performance

Background: Complaints from Managers

Ranges are not reflective of market rates.

Pay is Negatively impacting recruiting/morale.

- Advertised ranges not always competitive – not attractive to best candidates.
- New employees are sometimes hired-in above long-term employees.

Significant number of employees at max.

- Salary growth limited to structure movement (MRA).

No/little flexibility to relieve internal equity/alignment issues.

- Compression:
 - subordinate pay very close to supervisor's pay.
 - employees with less experience sometimes paid more than employees with greater experience.
- Inversion: subordinate in some cases paid more than supervisor.

Compensation Study Update

Ended Vendor Contract for Compensation Study in Late Fall.

Workplan for Appointed and Director Level Positions:

- Completed Data Gathering from Comparator Jurisdictions;
- Completed Data Analysis of Pay Plan for Executive Level Positions;
- Completed Proposed Pay Plan to consolidate pay grades.

Workplan for Managerial Level Positions (including S31 and above)

- Completed Data Gathering from Comparator Jurisdictions and other data sources;
- Completed Data Analysis for Management Positions;
- Will recommend regrades for management classifications out of market following current process for the annual salary benchmark study.

Current Executive Pay Plan

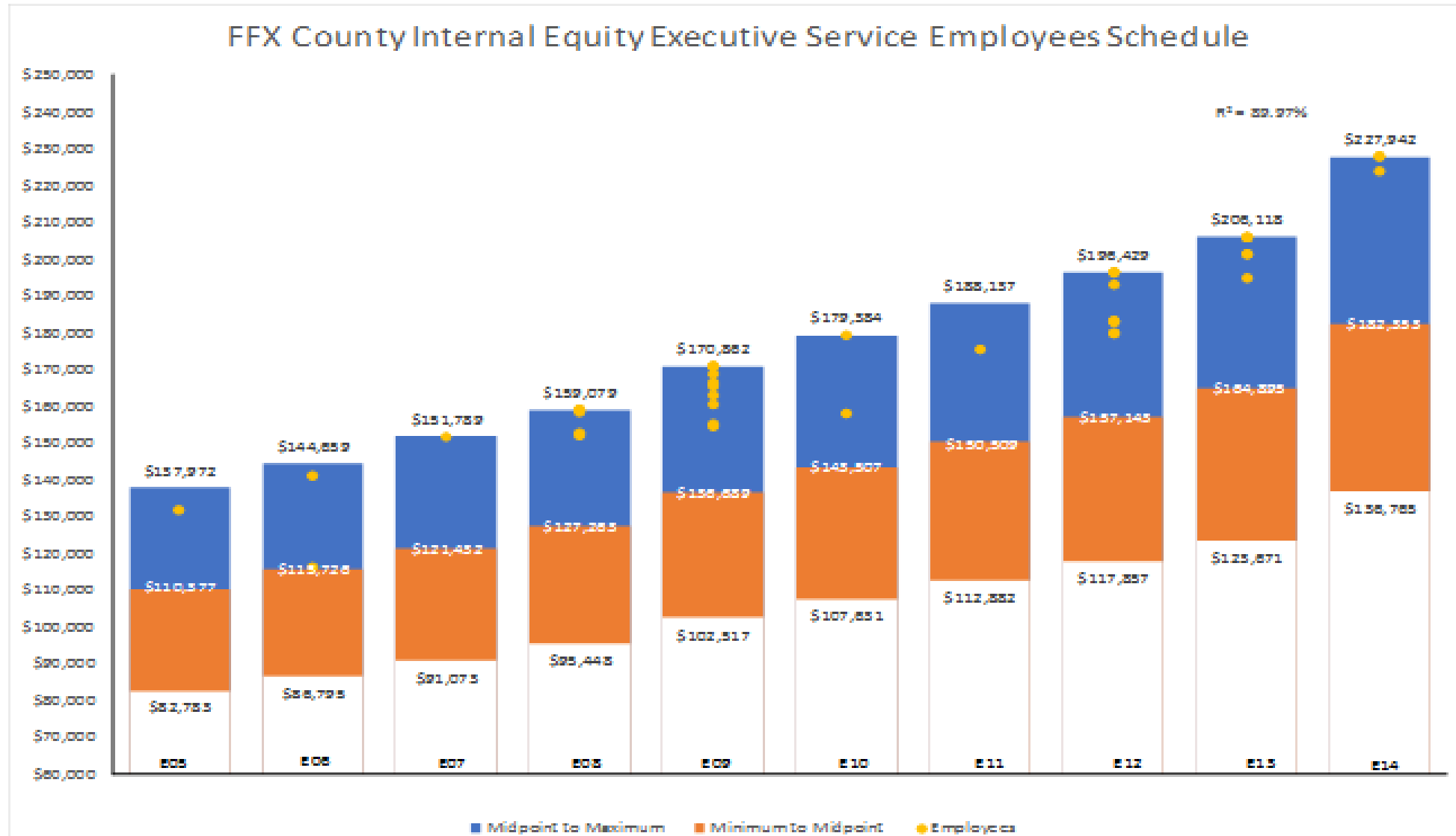
GRADE	MIN	MID	MAX
E01	\$70,438	\$93,918	\$117,397
E02	\$73,833	\$98,444	\$123,055
E03	\$77,404	\$103,205	\$129,007
E04	\$81,164	\$108,219	\$135,274
E05	\$82,783	\$110,377	\$137,972
E06	\$86,795	\$115,726	\$144,659
E07	\$91,073	\$121,432	\$151,789
E08	\$95,448	\$127,263	\$159,079
E09	\$102,517	\$136,689	\$170,862
E10	\$107,631	\$143,507	\$179,384
E11	\$112,882	\$150,509	\$188,137
E12	\$117,857	\$157,143	\$196,429
E13	\$123,671	\$164,895	\$206,118
E14	\$136,765	\$182,353	\$227,942

No jobs at these grades.

Department Heads at grades E-5 through E-13. Deputy County Executives only are at E-14.

Executive Actual Pay to Current Pay Plan

A tool used to perform the internal equity analysis is a (graphic) regression of actual pay to the current pay plan.

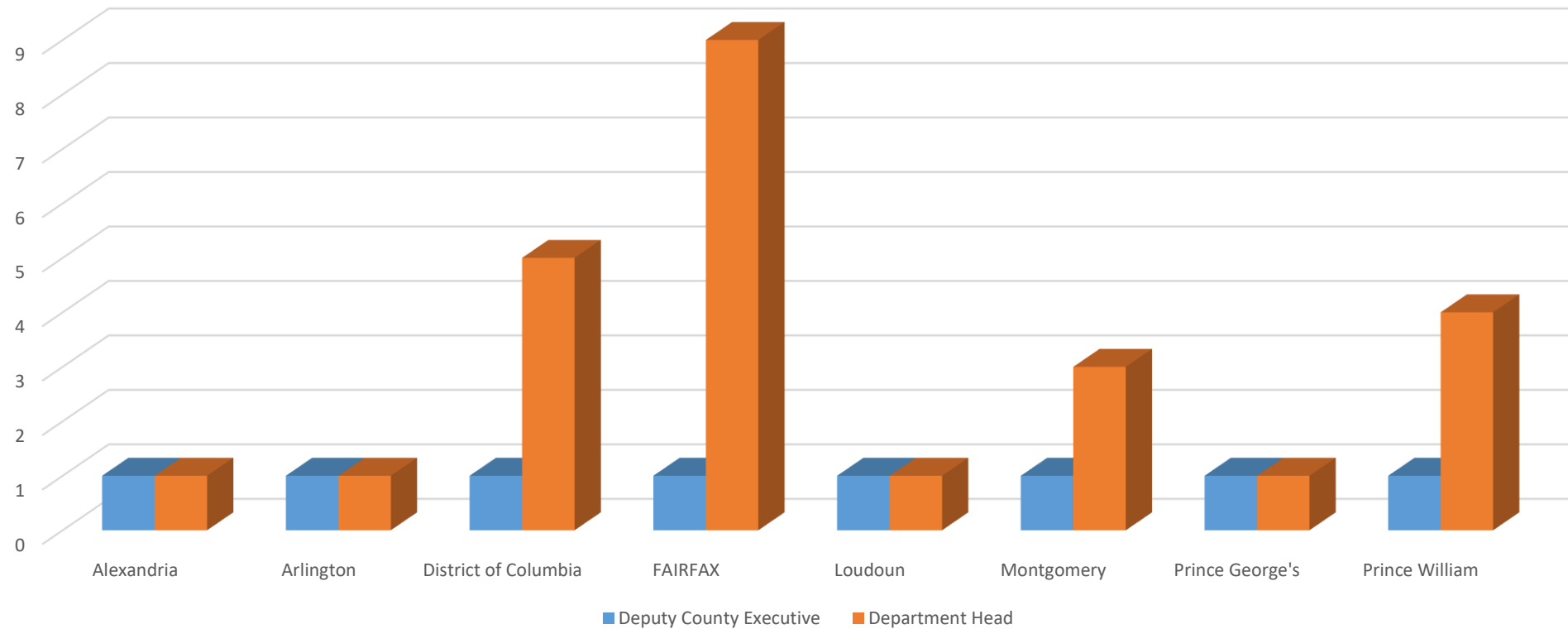


How did we get here?

We have far more levels in our current executive pay plan than any of our peers

Comparators' Pay Structure Practices

Executive Pay Structure Practices: Grades per Level



Proposed Structure for Executive (Appointed) Positions

- Collapse Grades - (only 10 of 14 in use).
- Keep current alignment of jobs
- Modestly increase maximums to align with and reflect the market.
- Ranges will be reviewed annually to ensure they appropriately accommodate jobs.

Proposed Structure: Why is this the solution?

No immediate cost impact.

- New structure is not “regrading” under current Personnel Regulations.
- Most actual pay is highly competitive with market, though a few adjustments may be needed

Gives flexibility to relieve internal equity/alignment issues.

Enhances recruiting.

- Advertised ranges now actually aligned to market
- Advertised ranges now attractive to potential candidates.

Improves morale.

- Provides opportunity for salary growth.
- Enhances ability to reward performance.
- Eliminates politicking over grades.

Structure and Pay Decision Guidelines

COST CONTROLS

- A market-based level structure uses definitive, quantitative market data to ensure competitive ranges on which to base pay decisions.
- Range for each level is anchored by benchmark jobs.

Job Title	Proposed New Plan Grade	
DEPUTY CEX / CHIEF FINANCIAL OFFICER	A-4	
CHIEF FIRE AND RESCUE DEPT	A-3	
CHIEF POLICE		
DIR PARK AUTHORITY		
DIR PUBLIC WORKS		
DIR INFORMATION TECHNOLOGY		
EXEC DIR FFX-FALLS CHURCH CSB		
DIR FAMILY SERVICES		
DIR NEIGHBORHOOD & COMM SVCS		
DIR COUNTY TRANSPORTATION		
DIRECTOR OF PLANNING & ZONING		
DIRECTOR, LAND DEVELOPMENT SERVICES		
HUMAN RESOURCES DIRECTOR		
DIR HSG & COMMUNITY DEVELOPMT		
DIR TAX ADMINISTRATION		
DIRECTOR, DEPT MANAGEMENT & BUDGET		
FINANCE DIRECTOR		A-2
DIR, FACILITIES MANAGEMENT DEPT		
DIRECTOR OF COURT SERVICES		
DIR, DEPT OF PUB SAFETY COMMUNICATIONS		
DIR COUNTY LIBRARY		
DIRECTOR OFFICE STRATEGY MGMT HHS		
DIRECTOR, PROCUREMENT & MATERIAL MAN		
DIRECTOR OF VEHICLE SERVICES		
DIRECTOR, CODE COMPLIANCE DEPT		
DIRECTOR OF ECONOMIC INITIATIVES		
EMERGENCY MANAGEMENT COORD		
DIR OFC TO END HOMELESSNESS		
CHIEF EQUITY OFFICER		
DIR PUBLIC AFFAIRS		
DIR CABLE COMMUN/CONSUMER PROT	A-1	
DIR INTERNAL AUDIT		
DIRECTOR, ENVIRONMENTAL & ENERGY COORD		
DIRECTOR HR/EQUITY PROGRAMS		
ANIMAL SHELTER DIRECTOR		
EXEC DIR CIVIL SVC COMM		
DIRECTOR OF CLERK SERVICES		
INDEPENDENT POLICE AUDITOR		
AUDITOR OF THE BOARD		
EXEC DIR RESTON COMM CTR		
EXEC DIR MCLEAN COMM CTR		

PROPOSED SLOTTING ALIGNMENT

Note: Based on Current pay plan

Proposed Pay Plan for Appointed and Director Positions

Maximum expanded 10%

Appointed and Director Pay Plan

GRADE	MIN	MID	MAX
A-4	\$147,492	\$199,114	\$250,736
A-3	\$133,370	\$180,050	\$226,730
A-2	\$121,736	\$164,344	\$206,951
A-1	\$102,933	\$138,960	\$174,987

Other Managerial Positions: Ongoing Review

- Over the past year, staff has worked closely with agency management through workforce planning meetings to discuss occupations for which it is difficult to recruit and retain the appropriate talent.
- Based on these discussions and further analysis, recommendations have been developed and in the process of being shared with agencies before finalizing for a July 2020 implementation.
- Recommendations are data-driven following current compensation benchmark methodologies.
- Those included in the proposed plan will be implemented in FY 2021 will be accommodated in the existing budget.

Compensation Benchmarking Methodology

- **Market Competitiveness** - The County will maintain a competitive level for compensation administration with at least the external salary range mid-point average of comparator organizations in the local Washington DC area.
- **Comparator Organizations** - Arlington County; City of Alexandria; District of Columbia; Loudoun County; Montgomery County; Prince George's County; and Prince William County. Other employers (authorities, commissions, jurisdictions, local DC area private sector organizations, etc.) may also be considered as comparators, when appropriate, to address recruitment or retention issues.
- **Data Sources:**
 - Public Sector: Comparator Organizations, Local Government Personnel Association (LGPA)
 - Private Sector: National Capital Area Compensation Survey (formerly HRA-NCA), HCA Healthcare Survey, Mercer

Compensation Benchmarking Methodology (Continued)

- **Market Ratio Thresholds** - Market ratio thresholds for all occupational groups are 95 percent to 105 percent of the external salary range mid-point average of the surveyed class specifications. If an occupation falls below the 95 percent threshold applicable recommendations will be administered.
- **Pay Increase Adjustments for Impacted Employees of a Regrade** - If an employee's pay is below the current salary grade mid-point, the employee receives a pay adjustment of 3 percent of the new salary grade mid-point. If an employee's pay is at or above the current salary grade mid-point, the employee receives a pay adjustment of 1.5 percent of the new salary grade mid-point.

Questions?