

**UNIFIED PERSONNEL SYSTEM**

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Holly J. Schoenherr  
 Director

**To:** The Honorable Chair and Members of the Unified Personnel Board

**From:** Holly J. Schoenherr, Director of Human Resources *HS*

**Date:** July 27, 2018

**Subject:** Adoption of Base Pay Adjustments for Classified Service Associated with the 2018 Evergreen Classification and Compensation Study

**Recommendation:**

It is recommended that the members of the Unified Personnel Board adopt the attached methodology for implementation of Classified Service base pay adjustments solely associated with the implementation of the Classification and Compensation Study completed in 2018 by Evergreen Solutions, LLC, (Evergreen) and supported by all ten Appointing Authorities.

**Background:**

In May 2017, Pinellas County contracted with Evergreen to conduct a comprehensive study regarding our classification and compensation systems and processes. The study included three primary components:

1. Classification study – This involved conducting job analyses, evaluating current job classifications, and updating existing class specifications.
2. Compensation study – This involved a comprehensive market salary survey of targeted public and private sector organizations, including an assessment of total compensation.
3. Review of pay administration policies and practices – This involved a review of current Unified Personnel System (UPS) compensation rules and guidelines, with recommendations for change to enhance competitiveness into the future.

On June 1, 2018, Evergreen delivered their Report of Findings and Recommendations, which provided information related to employee demographics, market data, and assessments of internal and external equity. The study found that most UPS employees are classified appropriately and compensated at or above fair market rates. However, some positions were determined to be compensated below market levels.

The process for implementation of pay adjustments involves three actions by the Unified Personnel Board:

1. Adoption of a classification plan.
2. Adoption of pay plans for Classified Service positions.

3. Adoption of rules to apply base pay adjustments associated with implementation of the 2018 Evergreen Classification and Compensation Study.

Personnel Rule 3.C.1.d. states that,

*When a position is reclassified or reallocated to a pay grade for which the maximum of the pay rate is higher than that of the incumbent's current job classification, the Appointing Authority may grant the employee a pay adjustment in accordance with the following:*

- *The employee's pay must be increased to at least the minimum pay rate of the new pay grade, or*
- *The employee's pay will be increased by an amount equal to 4% of the midpoint of the new page grade, whichever is greater.*
- *No reclassification pay increase may be granted above the maximum rate established for the classification.*

The recommended methodology is based upon the above-stated rule. However, this rule does not account for the variety and breadth of classification changes that will occur with the adoption of a new pay plan. If the new classification plan is adopted, many positions will experience less than a 2% difference between the current pay grade maximum and the new pay grade maximum. These minor changes may reasonably be viewed as "lateral" movements, as there is an insignificant difference between the current pay grade and the new pay grade.

In order to define "Classifications Behind Market," it is essential to identify the point at which the difference in pay grade maximums is considered to be significant. The recommended methodology outlines pay adjustments for circumstances where there is at least a 4.5% difference between the current pay grade maximum and the new pay grade maximum. The 4.5% movement is consistent with the 4.5% midpoint progression featured throughout the proposed Classified Pay Plan. In other words, the basis for the 4.5% standard is the proposed Classified Pay Plan, for which the midpoints for each pay grade consistently increase by 4.5%.

All Appointing Authorities have expressed support for the recommendation of Human Resources to implement the proposed pay adjustment methodology, but only for the Classified Service (not Exempt Service) positions at this time. The recommended methodology addresses the objective to ensure fair and competitive compensation, measured against the greater employment market. Application of this approach will result in pay increases for approximately 1,000 Classified employees, and pay decreases for fewer than five employees.

Attachment:

- Pay Adjustment Methodology for Classified Service Positions



## 2018 Evergreen Classification and Compensation Study Pay Adjustment Methodology for Classified Service Positions

After all Classified positions are migrated to the new Classification Plan, pay adjustments will be applied, effective September 2, 2018, as follows:

1. Address Classifications Behind Market
  - a. Identify classifications where the maximum of the new pay grade is at least 4.5% above the maximum of the current pay grade. (The 4.5% movement is consistent with the 4.5% midpoint progression featured throughout the new pay grade structure.)
  - b. For employees in the classifications mentioned in (1-a) above, apply pay adjustments equal to 4% of the midpoint of the new pay grade, up to the midpoint of the new classification.
  - c. Employees with pay rates at or above the midpoint of the new pay grade do not receive an increase.
  - d. This process does not apply to employees in temporary positions or positions in pay grade CL55.
  
2. Bring to Minimum and Address Compression
  - a. Apply pay adjustments from Step 1 above.
  - b. For employees that still fall below the new pay grade minimums, adjust pay rates to the new minimum.
  - c. If any employee in the new classification receives an increase to bring them up to the new minimum, use the dollar amount associated with the highest individual increase and apply that dollar amount as an increase, up to the new midpoint, for anyone in the classification who is below the new midpoint.
  - d. Employees already at or above the new midpoint do not receive an increase.
  - e. If there are employees in temporary positions or positions in pay grade CL55 with a pay rate below the minimum of the new pay grade, pay is adjusted to the minimum of the new pay rate, but no further adjustments are applied.
  
3. Pay Decreases Resulting from Downward Reclassification
  - a. Identify classifications where the maximum of the new pay grade is at least 4.5% below the maximum of the current pay grade. (The 4.5% movement is consistent with the 4.5% midpoint progression featured throughout the new pay grade structure.)
  - b. If the pay rate for an employee in a classification mentioned in (3-a) above is more than 10% above the maximum of the new pay grade, the pay rate shall be decreased to 10% above the maximum of the new pay grade.
  - c. This process does not apply to employees in temporary positions or positions in pay grade CL55.