EXECUTIVE SUMMARY:
Evergreen Report on the Unified Personnel System
Classification and Compensation Study

Introduction

We are pleased to share with you the Classification and Compensation Study Report of Findings and Recommendations by Evergreen Solutions, LLC. We recognize that there has been great anticipation among employees to receive the consultant’s findings regarding how our classifications and compensation levels compare to “the market,” other organizations that we compete with for talent. The end goal is to establish a classification and compensation system for the Unified Personnel System (UPS) that is equitable, both internally and externally.

In May 2017, Pinellas County contracted with Evergreen Solutions to conduct a comprehensive study regarding our classification and compensation systems and processes. During the summer of 2017, 9 out of 10 UPS employees completed a Job Assessment Tool (JAT) which described in detail the duties and necessary knowledge, skills, and abilities related to the diverse array of jobs performed across the County. In addition, many employees met with Evergreen consultants in focus groups to share their thoughts about pay, benefits, and other factors impacting the work environment. Twelve months later, Evergreen has delivered a report, which provides information related to employee demographics, market data, and assessments of internal and external equity.

The study includes three primary components:

- **Classification Study** - This involves conducting job analyses (based on submitted JAT’s) and evaluating current job classifications, and updating existing class specifications. Job analysis examines the position and not the talents and qualifications of the person in the position.
- **Compensation Study** - This involves a comprehensive market salary survey of targeted public and private sector organizations. The study will also examine pay equity issues, identify possible corrective solutions as needed, and provide recommendations for strategies to facilitate pay equity in the future.
- **Pay Administration Review (to be completed)** - This involves a review of the County’s current compensation rules and guidelines, with recommendations for changes that will ensure that compensation remains competitive in future years.

As you review the report, keep the following in mind:

- The purpose of the report is to provide the UPS with a high-level overview of Evergreen’s findings. The report does not include a list of individual positions, employee names, or recommendations for pay increases for specific employees or positions. Decisions regarding individual pay adjustments will need to be made by the appropriate County authorities. (See “What Happens Now” at the end of this summary for more information.)
- Evergreen’s role is to provide decision-makers with information, analyses, and options. Evergreen’s role is not to decide which options will be implemented, the timing of the implementation, or the funding for the implementation.
- The data utilized in the study represents a snapshot in time, and market conditions are evolving.
In some sections, Evergreen uses technical industry terminology and statistical processes that may be difficult to understand. Note that there will be opportunities for future discussions with Human Resources and Evergreen to provide greater clarification.

In the 2017 Employee Voice Survey many employees expressed the importance of transparency of communication and the tie-in of employee morale with receiving information about compensation, leader decision-making, and how input is gathered and shared. For these reasons, we are encouraging sharing the information consistently across the UPS.

Evergreen will be scheduling employee meetings in July for the purpose of continued explanation of the process and will continue to gather input about the impact as the results are released.

Report Highlights – Current Conditions

- Evergreen concluded that the classification system being utilized by the UPS is generally accurate, and titles describe the work being performed by employees; however, the UPS is currently using a larger number of unique titles than is needed.
- Evergreen found a positive relationship between employee length of service in the UPS and salary placement within the pay range.
- Evergreen found that, for most cases, there was appropriate distance between subordinate and supervisor pay. Areas of compression that exist are very limited to a small number of specific roles and areas.
- Evergreen analyzed actual vs. expected salaries of UPS employees, by pay grade, and found that the majority of UPS employees are being paid wages that are more than 10% above what they would expect to receive, based on years in class. The expected salary is calculated using a 30-year regression (e.g. an employee would expect to be at the midpoint after 15 years and at the maximum after 30 years).
- Evergreen reviewed the JAT’s that were submitted by UPS employees, assigned a numerical score to all of the job duties for each classification reviewed, and studied correlation between JAT scores and compensation. They found that as JAT scores rise, pay grade midpoints rise, indicating that the UPS has done well with relating an employee’s rate of pay with their level of responsibility.

Report Highlights – Market Summary

- Evergreen conducted a comprehensive market salary survey, which included data from twenty public peer organizations throughout the State of Florida, as well as data from private employers.
- Evergreen identified 134 UPS classifications for the purpose of the salary survey.
- Evergreen conducted market comparisons with:
  - Public sector peers
  - Private sector, using data from the Economic Research Institute
  - A blending of public sector and private sector data

When factoring for total compensation (i.e. including the value of benefits), the UPS was found to be, on average, offering slightly above market rate compensation compared to the whole of the public and private market. As shown in the table below, on average, UPS pay plans:
  - Are comparable to the public sector market in range and actual pay (0.4% above public sector peers)
• However, when factoring in total compensation, pay plans are significantly above the public sector market (6.1% above public sector peers when factoring in the value of benefits)
  o Lag the private sector market in range and actual pay (11.9% below private sector), which is expected given that pay rates in the public sector are normally less than what is offered by private sector employers.
• However, when factoring in total compensation, pay plans are actually comparable to the private sector (0.7% above than private sector when factoring in the value of benefits)

<table>
<thead>
<tr>
<th>Data Type</th>
<th>Public Sector (Primary Market Survey)</th>
<th>Private Sector (Economic Research Institute)</th>
<th>Blended Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries Only</td>
<td>2.3%</td>
<td>-0.8%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Total Compensation</td>
<td>7.8%</td>
<td>4.9%</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

Report Highlights – Recommendations and Options

• **Classification/Compensation Structure:**
  Evergreen recommended that the UPS adopt a method to reduce the number of unique classification titles to better reflect the various types of work performed within the UPS. Based on the approach selected, it will be necessary to revise all existing classification specifications to align them with the new structure. The information provided within the JAT’s will be used to develop the new class specifications.
  o **Option 1: Banded Structure** – Consists of 8 unique career bands with varying compensation levels; reduces the number of classifications from 650 to 49
  o **Option 2: Minor Consolidation** – Minor consolidation of current classifications; reduces the number of classifications from 650 to 630
  o **Option 3: Moderate Consolidation** – Moderate consolidation of current classifications; reduces the number of classifications from 650 to 560

• **Market Approach:**
  Evergreen recommended that the UPS adopt a compensation structure that will align with the selected classification/compensation structure. Compensation structure options provided include (a) public-sector market-based structure, or (b) blended (public/private) market-based structure.

  Implementation of the new compensation structure requires two steps:
  1. Assignment of classifications to appropriate pay ranges – The factors considered in the assignment of classifications are (a) the results of the JAT analysis, (b) the results of the market study, and (c) consideration for existing internal relationships between classifications.
  2. Transitioning of salaries into the newly assigned pay ranges – This process may include a number of possible strategies that will be considered by the appropriate County authorities.
**What Happens Now?**

The study found that most UPS employees are classified appropriately and compensated at or above fair market rates. Human Resources and UPS leadership are reviewing Evergreen’s report and data to identify the steps needed to:

1. Adopt a method to reduce the number of unique classification titles to better reflect the various types of work performed within the UPS.
2. Adopt a compensation structure and align compensation rates for positions that may fall below market levels.

Evergreen consultants will conduct a number of information sessions for UPS employees, and Human Resources will continue to provide updates via The Pen throughout the next few weeks and months.

Questions about the report may be directed to the Human Resources Pay & Classification staff by calling (727) 464-3367 or sending an email to pay.class@pinellascounty.org.

**Next Steps**

<table>
<thead>
<tr>
<th>Item</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption of new classification structure for Classified/Exempt positions</td>
<td>Unified Personnel Board</td>
</tr>
<tr>
<td>Approval of Classified Pay Plan</td>
<td>Unified Personnel Board</td>
</tr>
<tr>
<td>Approval of Exempt pay plan(s)</td>
<td>Board of County Commissioners and Constitutional Officers</td>
</tr>
<tr>
<td>Employee information sessions regarding study outcomes</td>
<td>Evergreen Solutions</td>
</tr>
<tr>
<td>Secondary review of assigned classification by Appointing Authorities and individual employees, as needed</td>
<td>Evergreen Solutions</td>
</tr>
<tr>
<td>Development of classification specifications</td>
<td>Evergreen Solutions</td>
</tr>
<tr>
<td>Pay administration/policy review and recommendations</td>
<td>Evergreen Solutions</td>
</tr>
<tr>
<td>Adoption of pay administration rules for Classified Service employees</td>
<td>Unified Personnel Board</td>
</tr>
</tbody>
</table>