



## Travis County Commissioners Court Work Session Agenda Request

**Work Session Date:** October 4, 2011

**Prepared By/Phone Number:** David A. Salazar/854-4107

**Elected/Appointed Official/Dept. Head:** Sherri E. Fleming,  
County Executive for  
Health and Human Services  
and Veterans Service

**Commissioners Court Sponsor:** Judge Samuel T. Biscoe

**AGENDA LANGUAGE:**

Review and Discuss Proposed Compensation Policy Changes from the Compensation Committee.

**BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:**

On August 12 and 23, 2011, the Compensation Committee addressed the Court and made recommendations for the revision of Chapter 10 of the Travis County Code and how these proposed changes might be implemented. In response to questions submitted to the Court by Staff on August 26, 2011, the Committee is available to the Court to clarify its recommendations and strategies presented to the Court.

**STAFF RECOMMENDATIONS:**

Please see attached information.

**ISSUES AND OPPORTUNITIES:**

Please see attached information.

**FISCAL IMPACT AND SOURCE OF FUNDING:**

Please see attached information.

**REQUIRED AUTHORIZATIONS:**

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, [Cheryl.Aker@co.travis.tx.us](mailto:Cheryl.Aker@co.travis.tx.us) by Tuesdays at 5:00 p.m. for the next week's meeting.

| Philosophy        |                       |                      |             |  |
|-------------------|-----------------------|----------------------|-------------|--|
| Proposed Policy # | Policy                | Current Policy #     | Policy      | Notes  |
| 14.001(a)         | Philosophy            | 10.024(a)            | Philosophy  | Philosophy changed to reflect emphasis on total compensation and market competitiveness. Objectives replaced with supporting strategies found in Strategy Document |
| 14.0011(a-d)      | Supporting Strategies | 10.024(b) 1-10       | Objectives  |  |
| 14.012(a)         | Definitions           | 10.076(a), 10.079(a) | Definitions |  |

| Classification System |   |                  |  |  |
|-----------------------|---|------------------|--|--|
| Proposed Policy #     | Policy  | Current Policy # | Policy   | Notes  |
| 14.002(a-e)           | Classification System                                   | 10.025(a-c)      | Classification System                          | Same except specifies that Elected/Appointed Officials can opt out of classification system and under what conditions they can return. Specifies procedure for assigning classifications for new positions either during the budget process or outside the budget process. New, spells out procedure for ad hoc reclassification of positions. Specifies reclassification policy when departments go through significant reorganizations.<br><br>Requires job descriptions to have FLSA status. Specifies HRMD will be responsible for final composition and maintenance of job descriptions. Authorizes HRMD Director to make changes without Court approval. Requires all employees that reside in departments that report directly to Court to meet minimum job qualifications. |
| 14.0021(a-d)          | Classification of New Positions                         | 10.028c          | Classification and Reclassification Guidelines |  |
| 14.0022(a-d)          | Ad hoc Reclassifications                                | NA               | Classification and Reclassification Guidelines |  |
| 14.0023(a-d)          | Reclassifications Related to Department Reorganizations | 10.028(b)(e)     | Classification and Reclassification Guidelines |  |
| 14.0024(a-h)          | Job Descriptions  | 10.080(a-c)      | Job Descriptions                               |  |

| Compensation      |                                       |                     |  |   |
|-------------------|---------------------------------------|---------------------|--|---|
| Proposed Policy # | Policy                                | Current Policy #    | Policy   | Notes   |
| 14.003(a-e)       | Compensation                          | 10.03001(a-d)       | Purpose for Determining Pay Policy               | Removes section e which is addressed in section 14.0031. Spells out compensation allocation mechanisms including some not addressed in previous policies. These include adjustments coinciding with adjustments to the pay scale, career ladders, and across the board increases. |
| 14.0031(a-f)      | Compensation Allocation Pay Increases | 10.03001(e), 10.029 | Purpose for Determining Pay Policy, Compensation |   |

|              |  |                     |  |  |
|--------------|--|---------------------|--|--|
| 14.0032(a-c) | Salary Schedules   | 10.026(a-b), 10.029 | Salary Schedule, Compensation  | Changes salary schedule to plural to account for executive pay scale. Includes provision for regular analysis of pay scales in addition to at Court direction.   |
| 14.0033(a-b) | General Overview for Determining Pay Policy                          | 10.03002(a)c        | General Overview for Determining Pay Policy                          | Removes unnecessary language from section a. Removes section d which is unnecessary since pay scale is approved in Budget Rules.   |
| 14.0034(a-b) | Specific Overview for New Hires                                      | 10.03003(a-c)       | Specific Overview for New Hires                                      | Removes section c.<br>Restructures wording of sections to reference pay determination guide. Specifies that employees who work for elected/appointed officials who hire employees that do not meet minimum qualifications must be paid at range minimum. |
| 14.0035(a-e) | Criteria for Determining Pay for New Hires                           | 10.03006(a-e)       | Criteria for Determining Pay for New Hires                           |  |
| 14.0036(a-c) | Criteria for Approval of Pay Greater than 10% Above Midpoint at Hire | 10.03007(a-d)       | Criteria for Approval of Pay Greater than 10% Above Midpoint at Hire | Combines sections b and c and elaborates on acceptable justification.  |
| 14.0037(a-e) | Ad Hoc Salary Adjustments  | 10.03002(b)         | General Overview for Determining Pay Policy                          | Removes the 10% above midpoint restriction for non-routine actions. Makes any ad hoc salary adjustments greater than 10% non-routine.  |

| Employee Mobility |                            |                  |                                     |  |
|-------------------|----------------------------|------------------|-------------------------------------|--|
| Proposed Policy # | Policy                     | Current Policy # | Policy                              | Notes  |
| 14.004(a-b)       | Employee Mobility Overview | 10.03005(a-b)    | Employee Mobility Overview          | No change except for referenced section numbers and inclusion of interim assignment reference.               |
| 14.0041(a-c)      | Promotion                  | 10.03008(a-c)    | Promotion                           | Changes pay increase increments associated with promotion, effectively specifying a minimum of 5% per grade. |
| 14.0042(a-b)      | Voluntary Job Change       | 10.03009(a-b)    | Voluntary Job Change                | No significant changes.  |
| 14.0043(a-b)      | Demotion                   | 10.030010(a-b)   | Demotion                            | No change.   |
| 14.0044(a-c)      | Lateral Transfer           | 10.030011(a-c)   | Lateral Transfer                    | No significant changes.  |
| 14.0045(a-f)      | Temporary Assignment       | 10.030012(a-d)   | Temporary Assignment                | Clarifies pay level and procedure for temporary assignment pay.  |
| 14.0046(a)        | Interim Assignments        | 10.028(f)        | Classification and Reclassification | Specifies interim pay provisions for person assigned to interim position.                                    |
| 14.0047(a)        | Exceptions                 | 10.030013        | Guidelines<br>Exceptions            | No change except for referenced section numbers.   |

| Pay Additives     |        |                  |        |       |
|-------------------|--------|------------------|--------|-------|
| Proposed Policy # | Policy | Current Policy # | Policy | Notes |

|              |                                  |             |                                  |   |
|--------------|----------------------------------|-------------|----------------------------------|---|
| 14.005       | Pay Additives                    | NA          |                                  | New - recognizes that certain pay additives are commonly used by County.                  |
| 14.0051(a-c) | On Call/Call Back                | 10.032(a-c) | On Call/Call Back                | Specifies on-call pay will be awarded whether or not the employee is called back to work. |
| 14.0052(a)   | Shift Differential               | NA          |                                  | New - incorporates into policy what was once merely a practice.                           |
| 14.0053(a)   | Longevity Pay                    | 10.029c     | Longevity Pay                    | Aligns maximum to 21 years consistent with section (v).                                   |
| 14.0054(a)   | Payment of Compensatory Accruals | 10.033      | Payment of Compensatory Accruals | No change.  |

Peace Officer Pay Scale

| Proposed Policy # | Policy                  | Current Policy # | Policy                  | Notes  |
|-------------------|-------------------------|------------------|-------------------------|--|
| 14.006(a-i)       | Peace Officer Pay Scale | 10.0295(a-i)     | Peace Officer Pay Scale | No change. Committee not charged to examine POPS Policies. |

General Interpretive Provisions

| Proposed Policy # | Policy                                     | Current Policy # | Policy                                     | Notes                 |
|-------------------|--|------------------|--|-----------------------|
| 14.007            | General Interpretive Provisions            | NA               | General Interpretive Provisions            | Provides code number. |
| 14.0071           | Authority                                  | 10.071           | Authority                                  | No change.            |
| 14.0072           | Jurisdiction                               | 10.072           | Jurisdiction                               | No change.            |
| 14.0073           | Effective Date                             | 10.073           | Effective Date                             | No change.            |
| 14.0074(a-f)      | Construction, Precedents, & Interpretation | 10.074(a-f)      | Construction, Precedents, & Interpretation | No change.            |
| 14.0075(a-b)      | Computation of Time                        | 10.075(a-b)      | Computation of Time                        | No change.            |
| 14.0076           | Acknowledgment                             | 10.077           | Acknowledgment                             | No change.            |

Subchapter A - Travis County Classification and Compensation System

| Proposed Policy # | Policy                             | Current Policy # | Policy          | Notes   |
|-------------------|------------------------------------|------------------|-----------------|---|
| 14.008            | Introduction                       | 10.078           | Introduction    | No change.  |
| 14.0081(a-b)      | Structure of Classified Pay Scales | NA               |                 | New - Specifies the county will have two classified scales, one for executives and one for non-executives. Specifies that creation of pay scale reviews will take place during years in which comprehensive classification and compensation analysis takes place. |
| 14.0082(a-c)      | Timing of Pay Scale Reviews        | 10.026c          | Salary Schedule |   |

|              |  |             |  |   |
|--------------|--|-------------|--|---|
| 14.0083(a-b) | Scheduling of Market Studies   | NA          |  | New - Specifies the county will conduct comprehensive classification and compensation studies every fourth year and conduct benchmark salary analysis in intervening years. Identifies the procedure that will be used to conduct comprehensive classification and compensation studies as spelled out in 14.0085-14.0087. These procedures will replace current job banding methodology. |
| 14.0084(a)   | Methodology of Comprehensive Classification and Compensation Studies | 10.082(a-d) | Travis County Job Banding Methodology                      |   |
| 14.0085(a-e) | Job Evaluation   | 10.081(a-g) | Job Evaluation   | Specifies the procedure to be used to place jobs within the classification and compensation structure. Replaces much of current Subchapters A & B.  |
| 14.0086(a-b) | Position Analysis  | 10.082(c-d) | Travis County Job Banding Methodology                      | Specifies that all positions will be examined during comprehensive classification and compensation analysis and will receive a recommendation for title and pay grade. Specifies how study results are to be implemented with key feature a 5% increase per grade moved up to midpoint of new grade.  |
| 14.0087(a-g) | Implementation   | 10.092(a-f) | Guidelines for Implementation of Travis County Job Banding |   |
| 14.0088(a-h) | Methodology of Benchmark Market Studies                              | NA          |  | New - specifies the methodology for benchmark surveys to take place in years between comprehensive classification and compensation studies.   |
| 14.0089(a-b) | Maintenance of Classification and Compensation System                | 10.093(a-f) | Policy Considerations Regarding Job Banding and Transition | Specifies that progression across the pay grade (horizontal progression) will be via performance based increases. Specifies that progression through the scale (vertical progression) will be done either through career ladder or career progression.  |
| 14.009       | Compensation Committee   | NA          |  | New - Calls for Compensation Committee to meet early in budget cycle to make recommendations for compensation in next fiscal year.  |

## Compensation Policy Change Overview

### Introduction

As a result of extensive review of Travis County’s classification and compensation policy, contained in Travis County Code Chapter 10, the Compensation Committee has recommended substantial revisions to many provisions contained therein. Per its charge, the Committee only addressed the sections related to classification and compensation, specifically sections 10.024 through 10.034, and Subchapters A and B. In addition to specific policy changes, the Committee recommends reorganizing the items related to classification and compensation so that subjects are better organized, making the chapter easier to use and understand. Table A below highlights the major changes recommended and the rationale for each.

**Table A**  
**Travis County Classification and Compensation Policy**  
**Key Policy Changes by Section**

| Section                              | Key Changes  | Rationale  |
|--------------------------------------|--|--|
| 14.001 -<br>Philosophy               | Philosophy changed.  | Reflects emphasis on total compensation and market competitiveness.  |
|                                      | Objectives replaced with supporting strategies.  | Reflects supporting strategies found in Strategy Document.   |
|                                      | Definitions expanded.  | Consolidates two separate definition sections.   |
| 14.002 –<br>Classification<br>System | Specifies that Elected/Appointed Officials can opt out of classification system and under what conditions they can return. | Acknowledges legal right of Elected/Appointed Officials to design own classification system and conditions under which they can return to County’s system. |
|                                      | Specifies the procedure to be used to conduct ad hoc reclassification of positions.  | Current policy not clear on whether procedure is for general market studies or ad hoc reclassifications.   |
|                                      | Authorizes HRMD Director to make changes to job descriptions without Court approval after consultation with departments.   | Current policy requires all changes, no matter how insignificant, to be brought for approval to Commissioners Court.                                       |
|                                      | Requires all employees reporting to Commissioners Court to meet minimum job qualifications.                                | Codifies existing practice.  |

**Table A (Continued)**

|  |  |   |
|--|--|---|
| 14.003 - Compensation                    | Compensation allocation section adds mention of adjustments associated with scale adjustments, career ladders, and across the board increases. | Current policy does not contain references to any of these items routinely discussed during compensation allocation discussions.                |
|  | References County may have more than one classified pay scale.   | Committee is recommending separate Executive Pay Scale.   |
|  | Provides for regular analysis of pay scale levels in addition to "at Court direction".   | Consistent with strategy calling for review of scales every fourth year, but does not exclude Court directive.                                  |
|  | Removes the "10% above midpoint" line for non-routine salary adjustments and replaces with 10% threshold for non-routine review.               | Amount of adjustment, rather than where the employee is within the pay range should be key driver for increased scrutiny on non-routine review. |
| 14.004 – Employee Mobility               | Promotion policy changed to specify minimum of 5% increase per grade.  | Eliminates promotions without pay increases and mirrors demotion policy.  |
|  | Adds section on interim assignments.   | Clarification needed on difference between temporary assignments and interim assignments.   |
| 14.005 – Pay Additives                   | Adds section specifically related to pay additives.  | Acknowledges that pay additives are regularly used and provides space for policy additions/changes.   |
|  | Specifies on-call pay will be paid whether or not the employee is called back.   | Departments do not apply current policy consistently.   |
|  | Adds section related to shift differential.  | Acknowledges key pay additive and codifies existing practices.  |
| 14.006 – Peace Officer Pay Scale (POPS)  | No changes.  | Committee not charged with addressing POPS.   |
| 14.007 – General Interpretive Provisions | No changes.  | Included in case stand-alone document.  |

**Table A (Continued)**

|                          |  |   |
|--------------------------|--|---|
| 14.008 -<br>Subchapter A | Addition of Executive Pay Scale  | Allows differentiation of approach for senior management.                             |
|                          | Pay scales reviewed every fourth year.   | No regular review of pay scales provided for in current policy.                       |
|                          | Provides for benchmark market analysis in years between classification and compensation study.                   | Annual market tracking will prevent the need for large adjustments every fourth year. |
|                          | Includes point-factor system as means of studying internal equity.   | County has no quantifiable way to measure internal equity today.                      |
|                          | Provides for 5% per grade increase up to midpoint of new range for market study implementation.                  | Current implementation parameters resulting in compression at minimum.                |
|                          | Calls for return to performance based pay as primary means to move across pay range.                             | Consistent with compensation trends.  |
|                          | Calls for review of career ladder system in place.   | Career ladder system developed on ad hoc basis without systemic review.               |
|                          | Compensation Committee to convene early in budget cycle to give compensation allocation recommendations to Court | Builds consensus on how to plan for compensation in coming budget cycle.              |

**Summary**

While the Committee has proposed a substantial number of changes, the heart of the changes resides in Subchapter A. This subchapter outlines a system wherein all positions will undergo a complete classification and compensation analysis every fourth year. In the intervening years, benchmark studies will be conducted so that adjustments can be made as the market shifts. In addition to market rates, the system will include the development of a point-factor system to build in a quantifiable method of determining internal equity. The methodologies replace the outdated Banding methodology which is frequently referenced throughout the code (most notably in current subchapters A and B), but which has had no practical impact for many years. The policy also calls for reconvening the Compensation Committee to make compensation allocation recommendation on an annual basis.

The other major changes include a return to the principle of pay for performance as the basis of annual increases (and an accompanying reduction of emphasis on across the board increases), and the addition of an executive pay scale. Additionally, the Committee recognizes that some additional work needs to be done in the area of vertical progression, particularly in relation to how the County has developed and uses career ladders. This is not meant to minimize the importance of changes to policies related to employee mobility and other general classification and compensation policies. A number of recommendations are included in these areas that warrant careful consideration.