

TRAVIS COUNTY COMPENSATION PHILOSOPHY

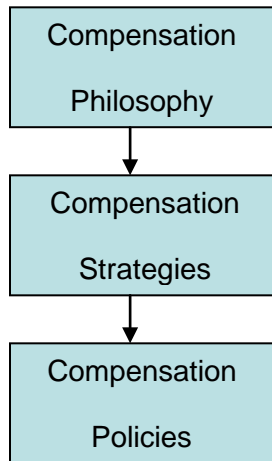
“Travis County considers it a high priority to recruit, motivate, and retain employees capable of providing exemplary service to the residents of Travis County by using a total compensation system that is fair, flexible, and market competitive.”

Travis County Compensation Document

Introduction

The compensation system in Travis County has evolved over time and has emerged as a result of both deliberate design and unintended consequences. In January, 2009, Commissioners Court established the Compensation Committee to examine the County's compensation system and provide input on critical compensation issues related to compensation philosophy, strategy, policy, and implementation. The decision to step back and examine compensation structure, practices, and philosophy serves the County well. The desire to review the existing system and build upon strengths while addressing weaknesses is a logical approach and building consensus around improving the current system is a prudent step. This document serves as a starting point for an examination of the compensation issues facing the County and includes a broad approach to resolving the most difficult problems inherent in the present system.

While it is possible to approach compensation from a number of different angles, the most standard approach is to establish the County's philosophical orientation to compensation, develop compensation strategies from the core principles included within that philosophy, and then develop the necessary policies and implementation procedures to support the developed strategies. The overall approach is depicted below.



This document spells out the overall direction the County should take to address compensation over the long term. Specifically, the focus is on compensation philosophy and strategies. Compensation policies and direction for the implementation of these policies are suggested, but not clearly specified until further discussion and consensus achieved.

Compensation Philosophy

The County's current compensation philosophy is stated as follows:

"The people of Travis County will receive quality service from a talented, dedicated, and diverse workforce that will be attracted and retained through a competitive, progressive compensation system."

Each organization must determine its own compensation philosophy. There is not a standard compensation philosophy that fits all organizations. After much deliberation, the Compensation Committee has voted to approve the following revised compensation philosophy and recommend its adoption by Commissioners Court.

Proposed Revised Compensation Philosophy

"Travis County considers it a high priority to recruit, motivate, and retain employees capable of providing exemplary service to the residents of Travis County by using a total compensation system that is fair, flexible and market competitive."

The proposed changes to the County's compensation philosophy reflect some subtle and more pronounced changes to the compensation system. **Table 1** below highlights some of the key terms found in the proposed compensation philosophy and lists some of the key implications and meaning associated with these terms.

Table 1
Travis County Proposed Compensation Philosophy
Key Terms, Implications, and Meanings

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Supporting Compensation Strategies

Compensation philosophies do not need to be specific statements that spell out all aspects of an organization's compensation program. They can, and should be, broad statements of intent. However, to help specify what is meant in the compensation philosophy, a compensation philosophy needs to be reinforced by clearly specified compensation strategies that are supported by clearly stated policies. Compensation strategies can be thought of as the principles that guide the design, implementation, and administration of a compensation program.

Many (though not all) of the issues that the Compensation Committee has worked to address are properly thought of as issues related to compensation strategy. The overall compensation strategies developed in the remainder of this document are built around four core areas: total compensation, compensation structure, pay equity and employee mobility. Each of these areas is discussed below.

Strategy Area #1 - Total Compensation

Historically, the term “compensation” has been narrowly perceived to include mostly cash compensation. However, within the discipline of compensation management, compensation professionals have realized that to effectively manage compensation and use it as a tool to recruit, retain, and reward employees, all elements of compensation must be used in conjunction. Such elements include benefits such as health insurance and retirement programs and other programs that enhance the work experience.

Conceptual Definition

For purposes of definition, total compensation is defined as the salary and percentage value of benefits that can be matched and measurable among comparable employers.

Total compensation can be thought of as an organization’s efforts to incorporate all aspects of compensation under a comprehensive approach. It commonly contains three elements:

1. Compensation – base pay and variable pay
2. Benefits – tangible awards such as insurance and retirement
3. Work/life satisfaction – less tangible awards such as job security and training (to the extent that such items can be matched and measured among comparable employers)

Operational Definition

Total compensation is defined as the combination of cash and comparable/measurable benefits. Travis County seeks to maintain a market match philosophy, averaging at the 50th percentile, in cash compensation and a high market match philosophy in Group Benefits, with a focus on Wellness Initiatives in order to contain costs

Current Situation

In Travis County, compensation philosophy has centered on the element of compensation, particularly, base pay. Cash compensation has not typically been thought of as merely one element of total compensation. Little effort has been made to include cash compensation as part of a broader approach that incorporates other aspects of compensation. This can be seen in both the structure in which decisions are reached and the manner in which compensation-related issues are brought to Commissioners Court for budget consideration.

Currently, issues related to cash compensation are typically analyzed by HRMD’s Compensation Division and brought to the budget process through the Planning and Budget Office. Historically, this has occurred later in the process than benefits-related issues. Benefits-related issues are typically analyzed by the County’s Benefits Committee and brought separately through the Planning and Budget Office.

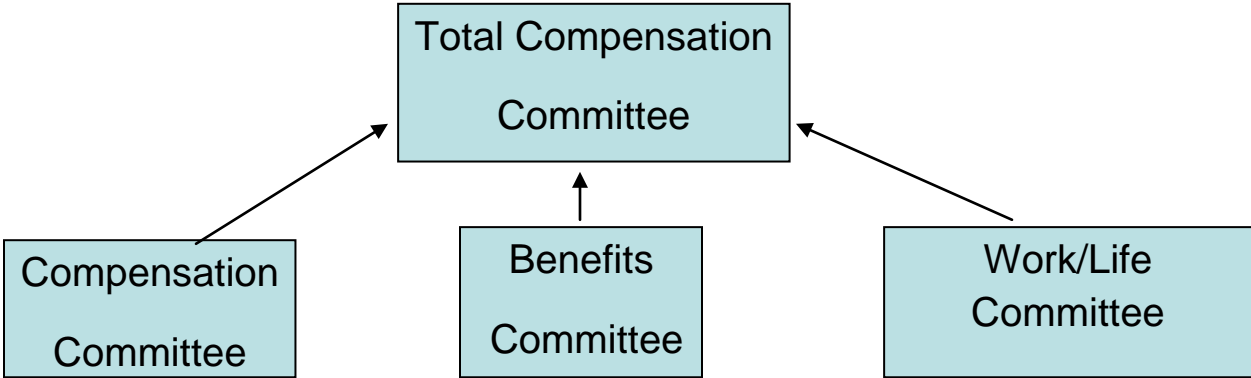
The overriding issue here is that recommendations related to cash compensation and benefits are made separately by separate actors. No effort is made to integrate the two elements as part of a total compensation approach. It is possible that increased spending can occur for benefits while no increases are considered for cash compensation, and that the decision for each can be reached without recognition that both are elements of employee total compensation. Further illustration is provided with the simple observation that the County currently has a Compensation Committee and a Benefits Committee, but no formal communication mechanism exists to facilitate discussion or exchange ideas between the two committees.

Moving Forward

The revised Compensation Philosophy clearly spells out that the County is to use a total compensation system. While this is an admirable goal and in line with current compensation best practices, it should be recognized that such a move is a radical departure from the manner in which compensation is currently viewed. Any radical shift in approach requires extensive planning, education, and commitment from key stakeholders. If the County is going to adopt this paradigm shift in compensation, it must be fully committed to the course, or failure is likely.

Structural Considerations

Presently, the County has a Compensation Committee and a Benefits Committee. No committee exists to monitor work/life issues, though some organizations do exist to deal with such issues as parking and employee training. To truly integrate all three primary elements of total compensation, the following structural recommendation is provided:



The figure above shows three separate committees that will address issues in the three primary functional areas of total compensation. Each committee will send representative to the Total Compensation Committee. The Total Compensation Committee will have the responsibility to

coordinate the information presented from each of the feeder committees and bring forth total compensation recommendations to the Commissioners Court. Ideally, early in the budget cycle the Total Compensation Committee would bring forward proposals related to each total compensation functional area and serve as a central point of contact with PBO and Commissioners. This approach would facilitate more integrated discussions related to specific areas of employee compensation.

Market Position

The revised Compensation Philosophy spells out that compensation should be market competitive. However, “competitive” is a term that can be defined different ways. Logically, an organization can aspire to either be “ahead” of the market (compensate at rates higher than the market), “behind” the market (compensate at rates lower than the market), or “at market” (compensate at rates neither higher or lower than the market). Historically, the County’s approach to market position is to be “at market” in terms of cash compensation. This has been defined as placement at the 50th percentile.

It is unclear exactly what the County’s position has been related to benefits and work/life. It is common to hear that the County is a leader in both areas, but empirical measurement of the prevailing attitudes is sketchy.

Historically, public sector organizations have acknowledged that competition with the private sector is difficult in many jobs based solely on base pay. They have sought to fortify their competitive positions through attractive benefits packages and favorable work/life arrangements. When surveyed, many public sector employees cite these issues as the reason for their selection of public sector employers.¹

The overall desired market position of the County needs to be “competitive” to remain consistent with the Compensation Philosophy. Under such a definition, the most commonly accepted position would be at the 50th percentile. Adopting such a position could lead to some fundamentally difficult issues. For example, if base pay levels are currently at the 50th percentile and benefits are above that point, reaching the 50th percentile would involve a reduction in either pay or benefit levels. The decision of which area to reduce would need to take place in a total compensation framework and could prove difficult politically. In contrast, if base pay levels are currently at the 50th percentile and benefits are below this point, reaching the 50th percentile would involve an increase in either pay or benefit levels. Therefore, the decision of where to place the County from a competitive standpoint needs to be made carefully, with the realization that difficult tradeoffs may need to be made to keep the County at this position. It could be said that if the County is offering a competitive advantage in the area of benefits that including benefits in the definition of compensation is advantageous.

What to Include

Moving beyond where the County wishes to place itself from a market standpoint, the fundamental decision of what to include in the total compensation definition still remains. Once decided, critical issues of measurement still remain. If an item cannot be measured with precision, should it be included

¹ Evergreen Solutions survey of State of Florida Employees, 2006.

in the definition? For example, many public sector employees work in the public because job security is generally much greater than in the private sector. However, can such a concept be empirically measured? If not, where does such a fundamental work/life measure fit into the total compensation scenario?

Several different approaches exist for measuring total compensation. For example, the US Department of Labor regularly measures what it describes as total compensation. The elements contained in their discussion are listed below.

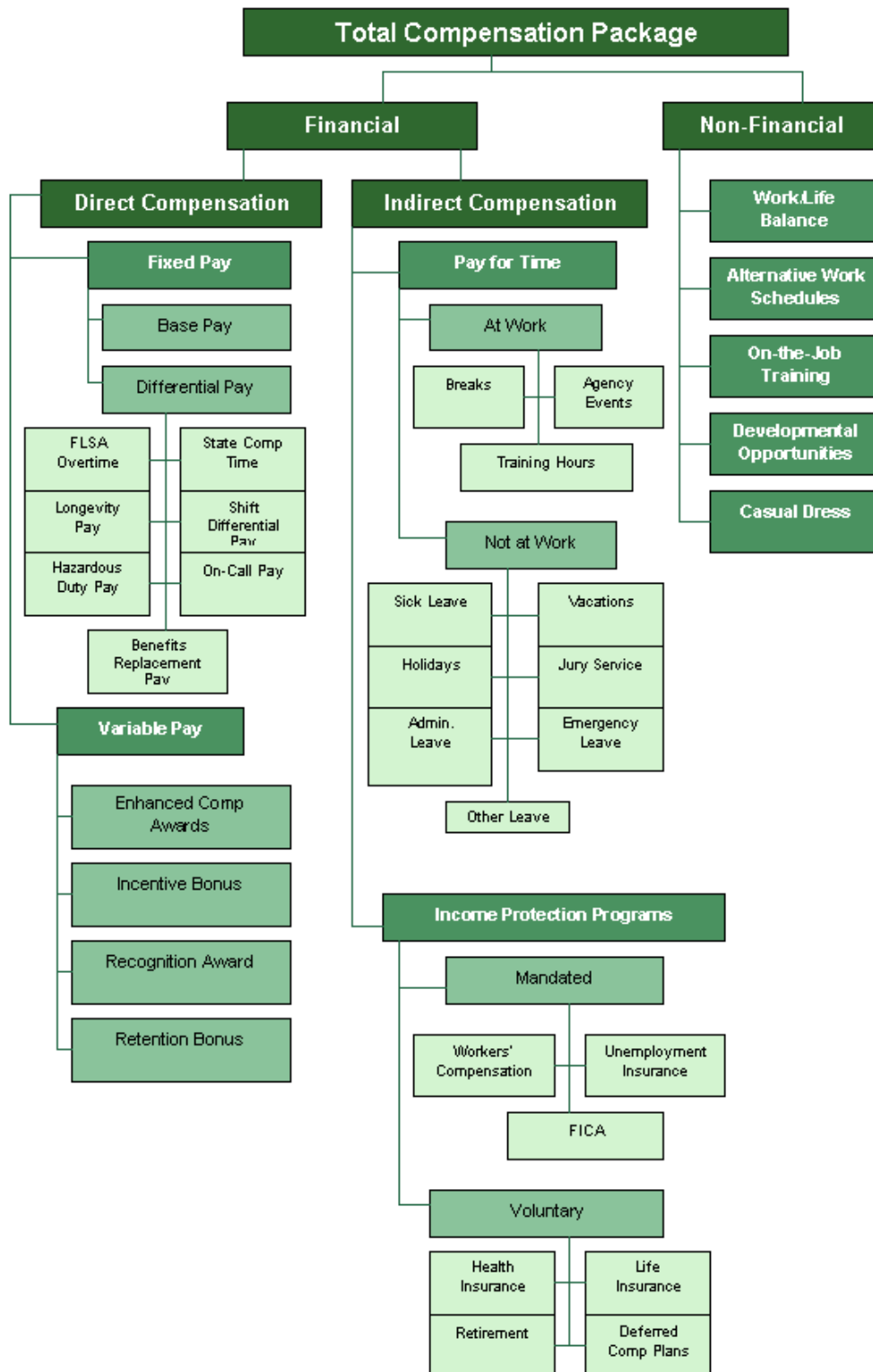
**Department of Labor
Components of Total Employee Compensation**

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The obvious advantages of the DOL definition is that each of the items are measurable and can be included in devising a total compensation figure per job. The disadvantage is that the measurements do not address work/life components. It may also be questionable whether the supplemental pay items should fall under the category of benefits.

The State of Texas has a different definition of a total compensation package and it is shown on the following page. The State package splits the components into financial and non-financial components. The non-financial components are consistent with what are commonly known as work/life components. The financial components are split into direct compensation and indirect compensation. Direct compensation items are mostly cash compensation items while indirect compensation items are mostly benefits. While the State typology is useful, it is unknown to what extent the non-financial elements are measured and figure into any total compensation measure.

State Of Texas
Total Compensation System



For discussion purposes, the proposed primary elements of total compensation for Travis County are listed in their respective areas below.

Table 2

Proposed Total Compensation Components

Cash Compensation	Benefits
Salary/Wages	Health Insurance
	Life Insurance
	Retirement
	Vacation Leave
	Sick Leave
	Personal Leave
	Holidays

Per the previous definition of total compensation, the items listed under cash compensation and benefits can be matched and measured against other employers. To the extent that work/life components can meet these criteria, they can be added over time. The goal would be to develop a total compensation measurement for each job and then use these measurements to compare to other employers during the course of market analysis.

Strategy Area #2 – Compensation Structure

Pay structure refers to the overall organization by which jobs are assigned to potential compensation points or ranges. Generally, pay structures take one of four forms:

- Grade and Step
- Open Range
- Pure Market
- Broad Band

In 2001, roughly half of the public sector organizations used a grade and step compensation system. Another quarter of the respondents reported a grade and open range system. Following this, in terms of response frequency, were organizations that used a market based approach to compensation. Only eight percent of survey respondents used a broadband structure.

Grade and step plans are characterized by designated pay grades that have a minimum and maximum and a defined number of increments (steps) in between that employees move to, typically after serving a specified period of time. Under the most common form of a grade and step plan, employees move up

one step with the successful completion of one year of service. The distance between steps varies, though generally the distance between steps has shrunk over time. Grade and step plans have distinct advantages and disadvantages. From an employee standpoint, this compensation approach offers the advantage of being able to plan advancement through a pay grade. Increases are typically granted routinely, and employees can expect to advance with service tenure. From an organizational standpoint, budgeting is usually easy to accomplish since it is fairly simple to plan future outlays.

However, grade and step plans also have a number of disadvantages. Since advancement through the pay plan is usually based on tenure, the grade and step approach has little connection to employee performance. Managers find it difficult to advance productive employees through the pay grades at faster rates than unproductive employees. Thus grade and step plans limit manager flexibility.

The grade and open range system has some of the same features of the grade and step plan since it is characterized by designated pay grades that have defined minimums and maximums. However, instead of fixed increments for increases, managers are able to vary movement through the pay grades based on factors such as tenure, employee performance and acquisition of employee skills. Thus open range systems offer improved flexibility and the ability to move key employees through the range more quickly. This makes it easier to recruit and retain key employees.

Pure market approaches are based on slotting jobs based on market rates. Minimums and maximums are set by surveying market averages. Within market ranges, employees are slotted based on such characteristics as tenure, performance and skill acquisitions. Some market approaches are characterized by defined pay grades but in others no pay grades are set. Theoretically, all classifications can have their own pay grades. A pure market approach has distinct advantages and disadvantages. The primary advantage is that each job is defined by market forces. This offers an organization the opportunity to recruit and retain employees based strictly on market forces. However, such an approach requires the acquisition of a large amount of market data on a regular basis. This can be expensive, time consuming and can, at times, cause great debate over the internal value of jobs. Advances in data collection techniques and the availability of secondary data sources have made the implementation of pure market systems more accessible.

Broadbanding pay structures use a small number of large salary pay ranges, instead of many different pay grades within an organization. The main objective of a broadband is to reduce salary ranges within a certain level but introduce broader pay ranges within a job level or family. Broadbanding groups jobs with similar skill set requirements into pay groups within the organization. Jobs within a particular broadband do not have to necessarily report to the same supervisor(s) particularly in larger organizations where similar skill sets are required in multiple departments/offices or divisions.

Broadbanding can be used to encourage employee development by reducing barriers to employee mobility within the organization. Employees within a given band may capitalize their learned skills through lateral progressions within the organization. Such moves are typically fast tracked. Employees are not pressured into availing themselves of existing broadband opportunities. However, those employees who are so inclined are afforded the opportunity to further advance their career through

lateral transitions which should eventually lead to upward mobility into higher levels of the broadband. Ultimately, such moves should be designed to prepare the employee for upward promotion into a higher broadband.

Current Status

Travis County employs a variety of different pay structures that vary by employee type. The majority of employees are placed either on the POPS scale, which is a grade and step plan, or on the Classified Scale, which is an open range scale. The table below shows the type of scale by employee type.

Type Of Employee	Structure	Features
Elected Officials	Fixed Rate	Rate set by CC with input from Committee and Statute
Appointed Officials	Fixed Rate	Rate set by Appointing Body
Classified Employees	Unified Pay Scale	35 Pay Grades – Open Range
Law Enforcement	Bifurcated Scale	Grade and Step Plan
Non Classified (98)	Open Scale	Ranges set by Market

Currently there is no policy on when or by what criteria the Classified Pay Scale is adjusted.

Classified Pay Scale Issues

Travis County’s Classified Pay Scale is a unified scale. In other words, there are not separate scales dedicated to different employee groups. As a result, the County has generally treated all employees on the classified scale the same. Generally speaking, Cost of Living and Performance-based Pay parameters are set the same for all employees. Elected/Appointed Officials have some additional discretion, particularly in the area of PBP, but for the most part compensation parameters are fairly similar regardless of where they take place. In previous meetings, some members of the Compensation Committee have questioned this practice. Essentially, four issues exist:

1. Is it necessary (or wise) to treat all classified employees the same?
2. If not, how should employee groups be separated?
3. If separated, what is the purpose of the separation?
4. If separated, what shape should the resulting structure take?

Is it necessary (or wise) to treat all classified employee groups the same?

From a compensation perspective, treating all employee groups the same enforces the principle of fairness or equity. What one set of employees receives, every set receives.

However, in the pursuit of equity, the competing value of flexibility is discarded. If the purpose of the compensation system is to recruit, motivate, and retain employees capable of providing exemplary service, it seems proper to examine if the same compensation structure and tools perform these functions across employee groups. It also seems proper to question if different expectations should not also play a role. For example, should line employees be rewarded in a similar manner as senior managers?

Over time, compensation theory has evolved to the point where those employees making the most important decisions within the organization should have more salary “at risk”. Good decisions, reflected in good performance, should result in larger increases through performance pay. Typically, general increases are small. However, line employees typically have lower levels of their compensation “at risk” and move through the pay scale at more predictable rates. However, performance-based pay is usually a smaller part of the compensation package.

In the public sector, this has translated to different mechanisms for pay increases based on employee type. Line employees typically receive fixed increases with less emphasis on PBP, while senior managers typically receive the majority of their increases based on PBP. Generally speaking, the further an employee moves up within the organizational structure, the more salaries become dependent on performance, and less on tenure. Supervisors, and mid-level managers, typically fall somewhere in between.

If not, how should employee groups be separated?

A unified pay scale, though it does offer simplicity of administration, is not an approach that is universally adopted. The most common form of segregation is usually along the lines of Exempt versus non-Exempt employees. For example, Bexar County, Dallas County, and Tarrant County have separate scales for exempt and non-exempt employees.

In addition to Exempt versus non-Exempt, employees are sometimes segregated based on type of work performed. For example, within the counties listed above, the following employee types have dedicated scales in at least one location:

- Information Technology
- Engineering
- Attorneys
- Social Services

Finally, some organizations segregate employees based on the nature of the job within the organizational hierarchy. For example, it is not uncommon to see separate scales developed for:

- Executive

- Managerial
- Professional
- Manual & Trades
- Administrative

If separated, what is the purpose of the separation?

Primarily, separate pay scales evolve for three distinct reasons. First, and most importantly, separate pay scales allow for more targeted and flexible pay implementation. For example, in a system with an Executive pay scale, compensation can be more directly tied to performance and achievement of Departmental/Office goals. In contrast, other employees could receive increases with less emphasis on performance and more on other factors.

A second reason that separate scales evolve is ease of fit with HRIS systems. As various HRIS systems have developed, they frequently have emphasized the distinction between Exempt and non-Exempt employees for various aspects of HR administration. Consequently, the decision to separate along Exempt/non-Exempt lines for compensation structures was a logical next step.

Finally, sharp market movements within sectors have brought about the need to pull out some job families when internal equity relationships were broken. For example, in the late 1990s it was not uncommon to see IT jobs put into their own pay scales as the market for these jobs sky-rocketed. Organizations found they could not make the necessary pay adjustments and still keep these jobs within the existing framework.

If separated what shape should the resulting structure take?

Ideally, compensation structures should reinforce the pay strategy adopted. For many years, grade and step programs were highly popular because they reinforced the belief that progression through the pay range should be based on employee tenure. Longevity was rewarded as the social contract between the organization and the employee endured. Over time, as industry became more competitive, the social contract between employers and employees started to break down. As a result, employers shifted their focus from tenure to performance and employees showed less reluctance to “job hop”.

As the shift to performance-based pay took effect, compensation structures reflected the shift. Grade and step plans gave way to open-range plans and, in a few cases, to broad band plans.

Today, grade and step plans are rarely found in the private sector outside of heavily unionized environments. They are more prevalent in the public sector, especially among law enforcement and teachers. Where grade and step plans are found in other public sector environments, they are nearly always used for non-exempt employees. Typically these “production jobs” still place a value on tenure, though they sometimes incorporate a performance component through a “step plus” approach. Exempt employees are rarely found on grade and step plans.

Moving Forward

As the Compensation Committee moves forward, several structural issues related to the Classified Pay Scale are particularly critical. Should the Classified Pay Scale remain a unified scale? If not, what form should the resulting structure take? Finally, what process should be used for adjusting whatever pay scales are adopted?

Ultimately, the issue of whether or not the Classified Pay Scale should remain as a unified pay scale should be guided by consistency with the Compensation Philosophy. The system that emerges needs to be able to recruit, retain and motivate employees and do so in a way that is fair and flexible. The critical issue is whether or not different employee types are motivated in the same way. If not, ideally compensation should serve as a mechanism to reinforce the differences. Based on emerging trends in compensation, different employee groups are routinely being compensated in different ways based on where they stand within the organization. In other words, compensation mechanisms are emerging that reward different employee types differently. This would suggest that the unified scale may need to be re-examined in light of this trend. For purposes of the discussion, the following changes to the Classified Pay Scale are proposed.

Proposed Changes to the Classified Pay Scale

Scale Type	Employee Type	Primary Means of Moving Across the Pay Range
Non-Executive	All non-executive employees both exempt and non-exempt	Emphasis on general increase based on acceptable performance and additional increases associated with exceptional performance
Executive	Senior Management	Emphasis on performance

The proposed changes listed above would divide the Classified Pay Scale into two separate pay scales based on employee type. Employees would move across the pay range differently depending on employee type.

Non-executive employees would reside within a separate scale. The scale would be an open range scale with employee mobility characterized by a combination of general increases based on acceptable performance and additional increases based on outstanding performance.

A second scale would be created for high-level executives. The scale would be limited to the top two or three levels within the organization (excluding elected and appointed officials). The scale would also be an open range scale and movement across the pay range would be characterized by performance-based pay.

The specifics of the two scales would need to be worked out. The most difficult decisions would probably be related to discerning the cut-off between the two scales. However, the underlying logic behind the split into two distinct scales is to allow for more targeted and flexible pay administration. Generally, the concept is to tie a greater amount of pay increases to performance based on overall responsibility within the organization. Generally, those employees that have higher decision-making responsibilities would have more of their pay connected to performance outcomes.

The issue of when to make adjustments to the resulting pay scales is a distinct issue from what form the scales take. Currently, the County has no set practices for adjusting the Classified Pay Scale. Best practice is to regularly review the pay scale and make adjustments to the scale on a regular basis, lest it become outdated and result in the County having minimums and maximums out of line with peers.

In the future, the adjustment of the scale should take place in conjunction with the comprehensive classification and compensation studies referenced in Strategy Area #3. Due to the length of time that has transpired since the last scale adjustment, the proposed approach is to adjust the pay scale as soon as possible, preferably in FY 11. In FY 12, the unified classified pay scale could be separated into two scales, as proposed earlier in this section.

Strategy Area #3 – Pay Equity

Within the field of compensation management, pay equity can be thought of as comparing the relative value of jobs with other jobs within the same organization (internal equity) or comparing the relative value of jobs to other similar jobs external to the organization within the defined labor market (external equity). The Compensation Philosophy suggests both are important end goals, and the compensation strategy needs to include both components.

Current Status

Travis County's approach to pay equity includes elements of both internal and external equity. External equity is maintained primarily through regular market studies which have been conducted within the boundaries of three-year strategic plans. Essentially, for those jobs on the Classified Pay Scale, approximately one-third of all jobs are reviewed each year. Over the span of three years, each job is included for review against the market. Comparisons are made structure to structure, and recommendations concerning how to place classifications within the compensation system are based on market midpoints and internal equity relationships. Recommendations for individual pay levels are typically given based on a formula that is based on how many grades a job classification is recommended to move.

The current system has advantages and disadvantages. Advantages include the examination of each job classification and reduced resources needed to examine one-third on the job classifications in a given

year. The approach also reduces the amount of outlay in any given year to implement the results of the market study.

Disadvantages to the system are also evident. Since the completion of the cycle takes three years, budget conditions can change over the course of the cycle. This can lead to inconsistent implementation depending on when a job classification is examined. The implementation approach can also undo other changes made as a result of pay-for-performance and across the board increases. The amount of time between market analyses also leads to profound slippage against the market that needs to be rectified in the next study. This leaves the County in a position where it is usually playing “catch up” in each cycle.

Commissioners Court has adopted the approach that Travis County will be compared to major public sector organizations in Texas, local government organizations and private sector data collected via independent third party sources. The County’s peers are listed below:

<u>Counties</u>	<u>Cities</u>	<u>Other</u>	<u>3rd Party</u>
Bexar	Austin	State of Texas	Towers Watson
Dallas	San Antonio	LCRA	Mercer
Harris	Dallas	AISD	Aon
Tarrant	Ft. Worth	UT Austin	Gartner
Williamson	Houston	Capital Metro	Hay
Bastrop	San Antonio	TAC	Dietrich
Caldwell	Round Rock	TML	Hewitt
Hays		DOL	

Moving Forward

Several substantial questions need to be addressed in the area of pay equity. Related to market studies, the two most fundamental questions center around whether the timing and study methodology need to be revised. Additionally, the issue of study implementation also requires consideration.

Timing of Market Studies

As stated above, the County currently uses a three year strategic plan cycle with approximately one-third of all jobs on the Classified Pay Scale examined each year. The current approach to market studies used by Travis County is not common nationally. Typically, comprehensive examinations of the classification and compensation system are conducted every three to five years and system maintenance is done in the intervening years.

The manner in which system maintenance is conducted varies by organization. Some common approaches include:

1. Annual scale adjustment based on changes to cost of living. Following the completion of a comprehensive classification and compensation study, an organization will adjust its scale by the cost of living in the previous year. Across the board increases are then provided in the amount

of the change. Additional increases can be provided by additional across the board increases or through performance based pay.

2. Annual scale adjustments based on prospective competitor movement. This approach is similar to the first but instead of making changes based directly of cost of living changes, the organization surveys peers and determines scale and across the board changes based on prospective peer movement. Another variant of this approach is to consult a national index of the previous year's pay movement.
3. Benchmarking. Under a benchmarking system, the organization selects a limited number of job classifications for survey each year. Job classifications are adjusted within the pay scale based on the results of the benchmarking survey. Those job classifications not directly surveyed are adjusted based on known relationships to surveyed job classifications. Sometimes benchmarking is conducted in conjunction with items 1 and 2 above.

Organizations will sometimes combine these approaches to best fit their needs. Regardless of the approach used, frequent monitoring of employment conditions and regular adjustment to the scale and salaries is a preferable approach to the County's current system of irregular adjustments to the pay scale and pay grades within the scale.

For purposes of discussion, the following change to the timing of the market studies conducted by Travis County is proposed. In FY 11, a comprehensive classification and compensation study will be performed for all jobs on the Classified Pay Scale. Benchmark studies will be performed in FY 12, 13, and 14. Scale adjustments will take place in accordance with the manner outlined in the previous section on Compensation Structure. The next comprehensive classification and compensation study will take place in FY 15.

Due to the length of time that has expired since the last implementation of the strategic plan, it is possible that implementation of the FY 11 study may require a substantial outlay from the County. This could require that implementation take place over more than one year. However, the County should avoid implementing the results of the study over more than two years since market conditions will likely shift during the interim, and place the County chronically behind market.

Study Methodology

A number of different approaches exist to conducting classification and compensation studies. Travis County's approach is best conceptualized as a market-based approach with a broad bench-marking component included to maintain established internal equity relationships. The primary emphasis, however, is on external equity. The hierarchy of jobs is primarily determined by market values at midpoint. Internal equity relationships are acknowledged but not empirically tested.

Another approach is to use a point factor system to establish a system that is focused primarily on internal equity. Point factor ranges are established and jobs with particular point factor values are placed within a pay grade based on the total point factor score. Pay ranges are then set either through benchmarking of representative jobs in the market or through estimated differentials between grades.

A third approach combines elements of both approaches and can be thought of as a mixed approach. Point factor scoring is conducted to produce an internal hierarchy of jobs. Market studies are conducted and an external hierarchy of jobs is also produced. Then, point factor scores are regressed against the market values to produce a final hierarchy of jobs and the jobs are placed into the pay structure based on the predicted midpoint of the regression analysis for each job. Regression is a statistical technique that allows for the predicted value of one variable (in this case pay) based on the value of another predictive variable (in this case, points). Essentially, each job would have a predicted midpoint based on the number of points scored. Jobs would be placed in the pay structure hierarchy based on the predicted midpoint value.

For purposes of discussion, the following change is recommended for the market methodology. Comprehensive market studies will be conducted using a mixed methodology with market values set by total compensation values. Compensation awarded to job titles may be adjusted upward beyond market value based on internal equity considerations, but may not be adjusted below market value. This approach will require the development of a valid point factor system.

Defining the Market

When conducting market studies, public sector organizations are always faced with the difficult decision of deciding what organizations to which they should compare themselves. Some jobs are directly comparable to jobs in both the private and public sectors. Others, due to the nature of the work, are really only comparable to other public sector organizations. For these jobs, the number of public sector peers within the immediate geographic area is limited. For this reason, public sector organizations, such as Travis County, expand the market area to locations that may not compete directly with the County for labor. Some jurisdictions will vary the definition of the market based on the type of work or the level within the organization. Traditional compensation theory holds that it is customary to expand the definition of the market as one moves up through the pay scale. Thus, the geographic area defined as the market may be different for the Director of a Department/Office than it may be for a line employee in the same department/office. Based on the application of theory, the following market definitions are recommended.

Market Definition By Pay Scale

Pay Scale	Market
Non-Executive	Local and Regional, All Industries, including Major Texas Counties and Cities
Executive	National Public Sector including Regional Peers and National Peers of Comparable Size and all industries by Comparable Size for those positions with an industry counterpart.

This recommendation assumes that HRMD will continue to use third party sources in determining industry matches, and that government peers selected for comparison will be an appropriate match for the position category at the time of the market study. Industry matches for the Executive Scale may require some customization to provide for reasonable comparisons.

Implementation

Large organizations struggle with the issue of implementing market studies on a regular basis. If an organization surveys the market place and finds that a job classification is below market by seven percent, and the midpoint progression is seven percent, it is fairly easy to determine that the job classification should be in the next highest pay grade. But does this mean that all employees within this job classification should receive a seven percent pay increase? There are two ways of viewing this issue. Some would argue that while there is no doubt that the job itself is worth an additional seven percent, this does not necessarily mean that incumbents are underpaid. As long as the incumbents themselves are within the revised pay range, they are being paid “at market”. Any additional pay actions should be separate and based on the organization’s approach to dealing with internal spacing and pay compression. Others argue that those considerations have already been made in the placement of employees through the pay grade, and that adjustment to all by a like amount is the actual market adjustment. Essentially, the argument comes down to how much emphasis the organization is willing to put on internal spacing and how much money it will provide to maintain those relationships.

Travis County has struggled with this same issue, and the issue is exacerbated by the fact that ranges themselves are not adjusted at regular intervals and a number of years can pass between studies, meaning that market studies frequently show job classifications being below market by a number of pay grades. When market studies are implemented, the pay adjustments are not enough to keep the existing spacing of employees intact, and employees typically slide back toward the minimums of their new pay grades. This can cause great consternation to those departments/offices that work diligently to provide spacing between employees based on tenure and performance, and employees frequently view the adjustments as unfair.

The approach used by Travis County is the most common method of implementing market study results. This is not to say that it is the correct methodology, it is simply to say that few organizations can afford to implement market studies consistently with the first approach listed above.

From a purely technical standpoint, market studies are used to determine the value of a job classification. They do not, in and of themselves, provide guidance on how employees within that job classification should be paid. However, from a practical standpoint, adjusting a job classification within the pay scale inevitably will impact where an employee stands within that pay grade.

The following is proposed for employee movement when a job classification is moved as a result of a market study. Under such conditions, the employee should move not less than five percent and not more than five percent per pay grade moved. For example, if as a result of a market study, an employee

moves from pay grade 10 to pay grade 11, the employee would receive a five percent market adjustment. However, if an employee moves from pay grade 10 pay grade 12, the employee would receive a 10 percent adjustment.

Strategy Area #4 – Employee Mobility

Employee mobility has two primary components: vertical progression and horizontal progression.

Vertical progression is concerned with how an employee moves up or down the pay scale and is usually connected with compensation changes associated with promotions, demotions, career ladder movements and market adjustments. **Horizontal progression** is concerned with how an employee moves across his/her pay grade and is usually connected with compensation changes associated with COLAs, performance-based pay, salary adjustments and other related increases.

Horizontal Progression

The issue of where employees should be located within a pay range is complex. In a step plan approach, progression is fairly well determined. However, in an open-range system, a number of factors can be utilized. Most organizations combine tenure and performance to arrive at projected placement. When it comes to employee tenure, all things being equal, longer tenured employees typically earn more than shorter tenured employees. Essentially, the organization is paying for additional experience within the job. When it comes to performance, employees that exhibit greater levels of performance earn more than employees exhibiting lower levels of performance. The organization is paying for productivity.

Travis County faces a number of issues in regard to employee placement within the range. Generally, the above statements do not always hold true. Employees that have been with the County for longer periods will usually earn more than shorter serving employees, unless the differential is wiped out as a result of a market study and the subsequent adjustments. Likewise, the current pay for performance approach is undermined through the same process, and by the fact that many departments/offices do not implement it in the manner intended.

The County faces a number of difficult choices when it comes to progressing employees through the range.

1. Does the County wish to reward tenure within the job?
2. Does the County wish to reward performance within the job?
3. Does the County wish to provide COLAs?
4. Does the County wish to maintain internal spacing as result of market studies?

The differences between the concepts involved can be subtle. Strictly speaking, a Cost of Living Adjustment (COLA) is defined as an increase (or rarely, decrease) provided to all employees to account for the loss (or gain) of purchasing power caused by inflation, or, in very rare circumstances, deflation. COLAs are not awarded based on performance or by tenure, but are instead based on outside forces outside the organization's control. A tenure-based increase is based on the amount of time served within a position. It can either be a direct award such as longevity pay, or it can be across the board

increase not based on any particular factor. In essence, the pay increases given by the County that were often referred to as COLAs in the past were in fact tenure increases, since they were not really tied to the cost of living and required only that employees completed another year of service. Pay for performance is based on receiving a fixed amount of additional pay based on the performance evaluation received by the employee. Ideally, the amount should vary based on the perceived performance.

Ultimately, the County needs to decide which method of salary adjustment is most important and most consistent with its compensation philosophy. Within the private sector, the trend is clearly towards performance and away from tenure. COLAs are still used by some organizations, though their use is declining. Similar trends hold in the public sector but they are far less pronounced.

Returning to the idea that the compensation system is in place to attract, motivate, and retain employees, the only mechanism listed above to motivate employees is performance-based pay. Clearly performance-based pay is necessary as a means of progressing employees through the pay range if motivation is a key element of the compensation system. Overall pay levels are the primary mechanism for recruitment, and generally these are determined by the market study process itself. This leaves retention as a key feature of the compensation system. Any mechanism used to increase pay levels can be thought of as an enhancement to retention. Even regularly applied COLAs can serve to facilitate retention.

The discussion in Strategy Area #2 laid out the proposed approach for horizontal progression. As specified, the primary driver for movement across the pay grade would depend to a large degree on which pay scale the job is placed. For non-executive jobs, the primary driver would be a combination of general increases based on acceptable performance and additional increases based on exceptional performance. For executive jobs, the primary driver would be performance-based pay.

Another pay additive in use at the County is longevity pay. Longevity awards are given independently of performance. The County should explore the possibility of making the longevity policy for peace officers and classified employees consistent.

Across-the-board increases still provide some value within the public sector. To a certain extent, they help the County provide spacing between employees and, if tied to scale adjustment, will help with keeping the organization competitive. Many organizations are capping across the board increases at a fixed percentage, and adjusting their scales accordingly. The Commissioner's Court has expressed reservations about annual adjustments to the pay structure, so this would reinforce a conservative approach to across the board adjustments.

Pay for performance is a simple concept to understand and a difficult one to implement. However, if the organization truly wishes to motivate employees, variable pay based on performance will need to be emphasized to a greater degree.

Performance-based pay (PBP) is based on the simple premise that how much one earns should be tied, at least in part, to how well they do their jobs. The concept is easy to understand, but not always easy to administer. For PBP to work, some conditions need to be in effect:

1. The organization must make a bona fide commitment to making a performance-based pay system work. If the organization funds the program inconsistently, it will damage the program's credibility and employees will not buy into the philosophy.
2. Differences in pay based on performance must be distinguishable and meaningful. If the differences are too small, employees will not take the program seriously and change behavior.
3. Employees must perceive the process as fair. Although it is doubtful if 100 percent of employees will view the evaluation process as fair, employees must view the process as sufficiently fair or they will gradually lose confidence in the program and resentment will set in.
4. Performance evaluations must measure performance and be connected to stated objectives.
5. Managers must be evaluated based on how well they perform evaluations. Without this feature, some managers will simply rate all their employees too highly in order to reduce potential resentment and minimize conflict. Additionally, managers need to be trained in how to conduct performance evaluations and what expectations are for the process.
6. Performance evaluations cannot become simply about compensation only. They also need to be used as learning tools for managers to guide future employee conduct and performance.

Unfortunately, with few exceptions, Travis County has not implemented PBP consistently with the principles listed above. The single biggest issue that the County has faced is that managers have lacked the will to provide honest evaluations and have viewed the PBP as just a vehicle to get their employees additional pay. In an environment such as this, managers will rate nearly all their employees as being above average, and disperse funds accordingly. The end result of such behavior is that no meaningful variation exists in the payout, and the PBP money ends up becoming just another across-the-board increase. To be fair to Travis County, this behavior is exhibited in numerous public sector venues.

PBP is (or should be) variable-based pay. In other words, it is pay that is at risk if an employee does not perform. Compensation theory holds that variable-based pay should be more prevalent among managers and professionals. This is why, in the private sector, a large share of senior management pay is tied to bonuses based on the organization's, or division's, performance. When the company performs well, senior management gets paid more. At least, this is how it usually works, despite some recent counterexamples. The public sector has not generally followed this trend, few organizations have tied greater amounts of overall pay to performance for senior management and professionals.

Based on current conditions, Travis County has some fundamental decisions to make with respect to PBP. With some notable exceptions, the system is not operated as intended. The County has several options.

1. Continue to do what it is doing, acknowledging the fact that the system is not working as intended.
2. Eliminate performance-based pay altogether.
3. Revise the current system to make it work as intended.

4. Develop an alternative PBP system.

Since performance-based pay is a critical element in the compensation strategy, option 2 is not practical. Option 1 is also counter-productive. Therefore, the only true options are to make the current system work as intended or develop an alternative PBP system. Given the varying degree of importance for performance-based pay for the different employee types, different systems could be adopted for each employee type.

Vertical Progression

The manner in which employees move up and down the pay scale is ambiguous at best. A number of employees reside within Court-approved career ladders. Other employees work in areas without defined career ladders. These employees operate under a system known as career progression.

Perhaps the most difficult question related to vertical progression is why some jobs are included in a career ladder while other jobs are not. The County has no formal career ladder policy, and most career ladders were established before the existing strategic plan system was put into place.

Those jobs that are within a recognized career ladder are typically funded through a set-aside in the general fund, and departments/offices are not required to fund increases out of department/office funds. In extreme budget conditions, departments/offices may be asked to fund increases out of department/office funds.

Per the World at Work glossary, a career ladder can be defined as:

A series of defined levels within a job family where the nature of the work is similar (e.g., accounting, engineering) and the levels represent the organization's requirements for increased skill, knowledge and responsibility as the employee moves through a career.

Organizations vary in their approach to career ladders. Some do not use specified career ladders at all. Some have very well detailed career ladders for the majority of their jobs. Typically, most organizations reserve formal career ladders for those jobs that are:

1. Difficult in which to recruit and retain staff.
2. Possible to draw clear differentiation between levels based on specific criteria.

Consequently, it is common to find Treat Plant Operators in a career ladder (since the criteria is usually based on certification level), but less common to find administrative jobs in a career ladder.

The County faces several issues related to career ladders.

1. Should the County continue to use formalized career ladders?
2. If so, should the practice be opened up to more job series, held at the same level, or reduced? Who should decide this and what should the criteria be?
3. Should funding for the pay increases associated with career ladder progression continue to be set aside or should funding be handled in the same manner as other promotions?

The deeper issue underlying these questions resides in the difficult question of employee advancement. Should employees progress automatically to the next level within a defined series based on attainment of the necessary skills and experience? If not, how should employee progression be handled?

At a minimum, the County needs to explore the progression path for employees and determine what criteria should guide employee advancement. If different paths are needed for different types of employees, the paths should be spelled out and the budgeting mechanism accounted for. Likewise, when a slot is vacated at a higher level, a process is needed to determine if the slot should be maintained at the current level, or if it should revert to a lower level.

The concept and existence of career ladders within various job families at Travis County is appropriate and should continue. The policy should include a mechanism whereby offices/departments can create career ladders.

As part of this process, existing career ladders should be reviewed. Each department/office should review the classifications in use and determine which classifications should progress through normal career progression and which are best suited for career ladders. Where career ladders are thought appropriate, the business case for the career ladder should be clearly articulated. A set of criteria should be put into policy explaining how a career ladder is established, what conditions are necessary for establishment, how employees will progress through the ladder, and the manner in which career ladder movement will be budgeted.

Chapter 14. Classification and Compensation

14.001 Compensation Philosophy

- (a) Travis County considers it a high priority to recruit, motivate, and retain employees capable of providing exemplary service to the residents of Travis County by using a total compensation system that is fair, flexible, and market competitive.

14.0011 Supporting Strategies

- (a) Travis County will offer a competitive total compensation package of cash compensation, benefits, and work/life balance.
 - (1) Where the market is defined as comparable local, state, and national government entities as defined in Section 14.0085, Travis County seeks to maintain a market match philosophy, averaging at the 50th percentile, in cash compensation and a high market match philosophy in Group Benefits, with a focus on Wellness Initiatives in order to contain costs.
 - (2) Total compensation items that are considered to be comparable and measurable to other organizations include salary/wages, health insurance, life insurance, retirement, vacation leave, sick leave, personal leave and holidays.
 - (3) To the extent that work/life components meet the criteria of being comparable and measurable, they will be added to the operational definition of total compensation.
- (b) Travis County will have a competitive pay structure that is designed to support employee mobility and ease of implementation.
- (c) Travis County's classification and compensation system will be characterized by both internal equity and external equity.
- (d) Travis County's classification and compensation system will support both horizontal and vertical progression.

14.0012 Definitions

- (a) In this manual, the following words and phrases shall have the meaning provided adjacent to the words below.
 - (1) Career ladder: A series of defined levels within a job family where the nature of the work is similar (e.g., accounting, engineering) and the levels represent the

organization's requirements for increased skill, knowledge, responsibility, and experience as the employee moves through a career.

- (2) Career progression: A career path through which an employee advances through the organization via competitive promotion based on department need and the employee's acquisition of increased skills, knowledge and responsibility.
- (3) Classification system: A hierarchical structure of jobs, arranged into pay ranges according to evaluation based on internal and external equity.
- (4) Comparable: The degree to which compensation elements are similar enough to be included within a measurement of total compensation.
- (5) Compensatory time: Authorized leave given to an employee as compensation for overtime worked, instead of monetary compensation.
- (6) Department Head: An Elected/Appointed Official, County Executive or their Designee. Designee is defined as an employee authorized in writing by an Elected/Appointed Official or County Executive to make classification/compensation decisions for a specific office or department.
- (7) External equity: The value of a job based on what other organizations within the defined labor market pay for similar work.
- (8) Full-time employee: An employee who has regularly assigned work schedules of 40 hours per week.
- (9) Horizontal progression: The manner in which an employee moves across the assigned pay range.
- (10) Internal equity: The value of a job based on a comparison to other jobs within the County.
- (11) Job classification: A group of positions with similar duties and responsibilities which can be described by one job title.
- (12) Job description (sometimes called class description): A written description of the duties, responsibilities, and requirements of one classification of positions.
- (13) Job evaluation: The process of allocating a job title to a pay range on the Travis County pay schedule based on (1) a point factor score and (2) on market pay data regarding the job or related benchmark jobs.
- (14) Measurable: The extent to which an item can be assigned a meaningful numeric value for purposes of comparison.
- (15) Midpoint: The numeric value within a pay grade that represents the point between the grade's minimum and maximum.

- (16) Mobility: Personnel actions that move employees through the County's classification and compensation system either horizontally (across the pay range) or vertically (between pay grades).
- (17) Overtime: Time worked in excess of 40 productive hours in one workweek by non-exempt employees. A workweek begins and ends at midnight on Saturday.
- (18) Part-time employee: An employee who has regularly assigned work schedules of less than 40 hours per week.
- (19) Pay grade: The numeric range assigned to a job based on job evaluation.
- (20) Pay range: The salary level at which a position is budgeted, which has a numerical designation on the County's pay scale and includes the minimum and maximum rate of salary.
- (21) Peace officers: Persons who are in a law enforcement activity, whose job mandates state peace officer certification.
- (22) Point factor system: A quantifiable process of assigning internal job worth to job classifications.
- (23) Position: An organizational slot consisting of a group of duties or responsibilities requiring the full-time or part-time employment of one person.
- (24) Position analysis: The process of reviewing and documenting the duties, responsibilities, qualification requirements, and knowledge, skills, and abilities required for a position or group of similar positions.
- (25) Position classification: The process of assigning a single job title to a position or a group of positions that are determined by job analysis to be sufficiently similar to be described by a single job title.
- (26) Position reclassification: A reassignment of a position to a new job title based on changes in duties, qualification requirements, or knowledge, skills, and abilities necessary to perform the job. Reclassification may or may not include a change in the pay range to which the position is assigned.
- (27) Prevailing market rate: The amount paid by other employers in the labor market for similar work.
- (28) Productive time: Time spent performing job duties required of a County position, representing the County in an official capacity or attending official, County-required training. Time spent away from work on the following types of leave is not counted as productive time: vacation leave, emergency leave, personal holidays, sick leave, family and medical leave, holiday, military leave, and leave without pay. Jury duty is productive time; however, it will not be used to calculate overtime pay.

- (29) Regular employee: An employee hired by the county without limitation as to duration of employment, who is eligible for employee benefits, and who may be either full-time (40 hours per week) or part-time (18-39 hours per week). A regular employee who works less than 900 hours per year (less than 20 hours per week) is not eligible for Travis County benefits and cannot participate in the Travis County Retirement System.
- (30) Seasonal employee: A temporary employee who holds the same or similar position each year at approximately the same time of year to complete an assigned task.
- (31) Separation: The discontinuance of an employee's service with the county as a result of resignation, dismissal, retirement, or death.
- (32) Temporary employee: An employee hired for any position that is not an authorized regular position for a limited period of time, that cannot exceed six months without prior Commissioners Court approval, who is not eligible for employee benefits except as required by law, and who may be either full-time, part time, OR seasonal.
- (33) Transfer employee: A regular employee who became a County employee as a result of a decision by the Commissioners Court to perform a function, program, or other operation with county employees instead of contracting with the City of Austin for the services necessary to accomplish the function, program or other operation.
- (34) Vertical progression: The manner in which employees move between pay grades in the County's classification and compensation system.

14.002 Classification System

- (a) The County maintains a classification system with each position assigned a classification based on duties, responsibilities, qualifications, knowledge, skills, and abilities required. HRMD will maintain the County's classification system.
- (b) After each position is defined, the position shall be assigned a pay range based on the classification's internal value and market competitiveness. Classifications shall be assigned to pay ranges in such a manner as to allow the county to attract and retain qualified employees. Market competitiveness will be determined by HRMD based on adopted philosophy, strategies, policies, and input from Department Heads and Officials.
- (c) The only positions which will not be assigned a classification or pay range are those of Elected/Appointed Officials, and those positions approved by the Commissioners Court. All other county positions will be assigned the appropriate classification and pay range. HRMD will maintain a listing of all non-classified positions.
- (d) Elected/Appointed Officials may opt their offices out of the County's official classification system through official notification to Commissioners Court and HRMD. Any Elected/Appointed Official that opts out of the County's official classification system will be responsible for maintaining its own classification system and is encouraged to keep job descriptions on file. In the event that an Elected/Appointed Official opts out of the official County classifications system, HRMD will still process personnel actions.
- (e) Elected/Appointed Officials that have previously opted their offices out of the County's official classification system may request reinstatement to the official classification system through official notification to Commissioners Court and HRMD. If an Elected/Appointed Official chooses to return to the County's classification system, the Elected/Appointed Official will work with HRMD to determine placement of positions within the classification system. In the event of a disagreement concerning placement, Commissioners Court will make the final determination. The decision to opt in must be made during the annual budget process.

14.0021 Classification of New Positions

- (a) New positions submitted for approval, either during the budget process or outside the budget process, shall be evaluated by HRMD; and a classification and pay range will be assigned to the position prior to submission to Commissioners Court for approval.
- (b) Department Heads will submit a Position Analysis Questionnaire (PAQ), Pay Determination Guide, and an Organizational Chart along with an official Memorandum that describes the function of the position and how it supports the Department's business needs. If the new position requires the creation of a new job classification, a draft job description will also be submitted.

- (c) Each new position will be assigned a classification based on duties, responsibilities, qualifications, knowledge, skills, and abilities required. The classification will be assigned a pay range based on the classification's internal value and market competitiveness.
- (d) Funding for all new positions must be verified by the Planning and Budget Office.

14.0022 Ad-Hoc Reclassifications

- (a) A request for a reclassification analysis for any position that occurs outside a regularly scheduled classification and compensation study is known as an ad-hoc reclassification request. Department Heads are encouraged to include such requests, if necessary, within the budget process.
- (b) For those ad-hoc requests falling outside the budget process, a Department Head shall submit, in writing, a formal request to HRMD. The written request shall include the appropriate documentation; which includes a Position Analysis Questionnaire, the organizational chart, and the rationale for the request. If the request requires the creation of a new job classification, a draft job description will also be submitted.
- (c) A position may be considered for ad-hoc reclassification when the duties and responsibilities assigned to it have a significant change based on organizational needs, reassignment of the position into a different function, or a reorganization implemented by management to improve the service to the citizens of the county. After a careful evaluation and study, HRMD should provide a recommendation to the Commissioners Court.
- (d) All reclassifications must be approved by Commissioners Court before becoming effective.

14.0023 Reclassifications Related to Department Reorganizations

- (a) If there is a departmental reorganization or substantial change in the duties and responsibilities of multiple positions, a Department Head may submit a written request for a reclassification study of the affected unit(s). Positions may be considered for reclassification when the duties and responsibilities assigned have changed significantly based on organizational needs, reassignment into different functions, or a reorganization implemented by management to improve the service to the citizens of the County. After a careful evaluation and study, the Human Resources Management Department and the Office of Planning and Budget should provide a recommendation to the Commissioners Court.
- (b) The written request shall include the appropriate documentation; which includes Position Analysis Questionnaires, the organizational chart, and the rationale for the request. If the request requires the creation of a new job classification, a draft job description will also be submitted. The rationale for the request should outline any operational efficiencies or improvements that will be produced by the reorganization.
- (c) For Departments that report to Commissioners Court, within 60 days of the decision by the Commissioners Court to reorganize, merge, consolidate or change the mission of any department, the Department Head affected will be re-evaluated by the Human Resources Director to determine if such changes significantly affect the scope of the position to warrant a classification adjustment. If a position is already classified at the highest possible level, the incumbent's salary could be adjusted horizontally within the range. In the event changes should be considered, recommendations will be submitted to Commissioners Court for approval.
- (d) All requests for reclassification associated with a reorganization must be approved by Commissioners Court before becoming effective.

14.0024 Job Descriptions

- (a) A new job description draft is prepared when HRMD determines a new job classification is required as a result of a scheduled classification and compensation study or a Department Head requests that:
 - (1) A new job title be approved;
 - (2) A current job title be renamed or two or more job titles be combined; or
 - (3) A revision be made because an approved job description no longer accurately describes the duties, qualification requirements, and required knowledge, skills, and abilities of the position or group of positions covered by the job title.
- (b) Travis County job descriptions, when officially approved by the Commissioners Court, will contain:
 - (1) The job title approved by the Commissioners Court;

- (2) The classification number assigned by HRMD;
 - (3) The pay range approved by the Commissioners Court for the job title or an indication that the job title is one for an Elected or Appointed Official's position for which pay is set (after job analysis, classification, and evaluation) by individual determination of the Commissioners Court or by other authority established by law;
 - (4) The date the job description was last revised;
 - (5) A summary of the function describing briefly the major duties and responsibilities of the job;
 - (6) Selected examples of work performed including the tasks most characteristic of the job and a statement that the job includes such other duties as may be assigned;
 - (7) Qualification requirements that include the combinations of education and experience that are required to hold the job, required or preferred certificates or licenses, and any other specific prerequisites for holding the job and
 - (8) Knowledge, skills, and abilities that a person holding the job may be required to use and in which he or she must demonstrate competency or the ability to establish competency.
 - (9) Fair Labor Standards Act designation related to exempt or non-exempt status.
- (c) A job description is complete and approved for use after:
- (1) Position analysis;
 - (2) Position classification (resulting in assignment of a job title);
 - (3) Job evaluation (resulting in assigning a pay range or a discrete pay amount for the job title); and
 - (4) Review and approval by the Commissioners Court.
- (d) HRMD is responsible for the final composition and maintenance of all job descriptions used within the County's classification system.
- (e) The Director of HRMD is authorized to make revisions to existing job descriptions without re-submission of the job descriptions to Commissioners Court. HRMD will work with effected departments/offices prior to submitting these changes. In the event that differences exist between HRMD and the effected offices/departments, Commissioners Court will make the final decision on the proposed changes.
- (f) Departments/Offices that opt out of the County's official classification system are encouraged to keep accurate, up to date job descriptions for all positions within their respective departments/offices.

- (g) Departments may augment approved job descriptions with task lists for individual employees as long as the task lists do not violate the responsibilities described in the Summary of Functions section of the approved job description or involve Qualification Requirements or Knowledge, Skills, and Abilities above those established on the approved job description.
- (h) For all departments reporting directly to the Commissioners Court, all employees must meet the Minimum Qualifications of the job classification as reflected in the approved job description.

14.003 Compensation

- (a) Within its ability to pay, Travis County pays competitive salaries to assist in recruiting and retaining qualified employees. To remain market competitive, County authorizes appropriate pay for new hire rates and for employee mobility.
- (b) The County recognizes that employees are the most valuable resources for its organization. Along with leadership and mission, working conditions, learning opportunities, and benefits, the County recognizes that pay is important in recruiting and retaining employees. Therefore, the County strives to pay employees competitively within County's ability to pay.
- (c) The County recognizes the need to provide for the most effective utilization of human resources. Appropriate staffing with the right mixture of skills and experience is generally more cost effective than paying low wages to a greater number of employees. Paying below competitive market wages often results in poor services to taxpayers, high turnover, and overstaffing. Turnover may create high costs for overtime pay, recruitment expenses, and payments for contracted services.
- (d) Paying above market is also an ineffective use of taxpayers' dollars. In addition, overpaying may result in outsourcing of services and reduction in force for employees.
- (e) Commissioners Court may, at its discretion, establish a livable wage for regular employees that is greater than the Federal Minimum Wage. HRMD shall make a recommendation each year during the budget process on the status of the livable wage.

14.0031 Compensation Allocation Pay Increases

- (a) It is the intent of the Commissioners Court to pay fair and equitable compensation. Based on the financial ability of the County, internal job worth and market conditions, the Commissioners Court may award the following salary compensation components during the budget process:
- (b) Performance-based pay
 - (1) Salary increases for performance-based pay may be given to all qualified regular employees who:
 - (A) Have been on the payroll at least one year from effective date of award,

- (B) Have not already received a performance-based pay increase in the current fiscal year,
 - (C) Have not received a permanent pay increase based on a mobility action in the previous six months,
 - (D) Are not part of the Peace Officer Pay Scale (POPS),
 - (E) Have not been specifically exempted by Commissioners Court,
- (2) Commissioners Court will determine the following:
- (A) total funds to allocate for performance-based pay;
 - (B) percentage amount of payroll that each department will receive;
 - (C) amount of the percentage increase to be given to employees who meet departmental standards; and
 - (D) any maximum amount that can be awarded based on performance.
- (3) Department Heads will determine the
- (A) level of employee performance,
 - (B) amount of the monetary award to be given to employees who exceed the departmental standards, and
 - (C) dates that the performance-based pay will be distributed to all employees.
- (4) Implementation dates must be at the beginning of a pay period.
- (5) HRMD will notify all Department Heads of Commissioners Court's decisions on the performance-based pay program and available funds, if any.
- (6) Department Heads must stay within their allocated funding limits and should verify these amounts with the Planning and Budget Office prior to making such allocations.
- (7) Training related to performance evaluation will be provided for managerial/supervisory staff, as well as for employees that request it, by HRMD. All managerial/supervisory staff reporting to Commissioners Court will be required to attend this training annually. Elected/Appointed Officials are encouraged to attend.
- (8) Personnel Action Forms are required to process all performance-based pay increases. It must be indicated on the Personnel Action Form that the appraisal has been completed, the date of completion, and that the employee meets all criteria for the salary increase.
- (c) When salary schedules are adjusted, employees will receive a salary adjustment in a like amount.
- (d) Market pay adjustments are granted based on the results of comprehensive classification and compensation studies or benchmark market studies. (See Subchapter A for specifics)
- (e) Career Ladder Adjustments

(1) Commissioners Court may instruct the Planning and Budget Office to set aside funding to fund career ladder adjustments in the coming fiscal year.

(f) Any across-the-board increases as determined by Commissioners Court.

14.0032 Salary Schedules

- (a) The County shall have formal salary schedules approved by the Commissioners Court to provide a systematic means for establishing and maintaining salary equity and competitiveness with relevant job markets.
- (b) The salary schedules shall have a minimum salary rate and a maximum salary rate of pay for each pay range. Under no circumstances can any employee be paid outside the official pay range for his/her classification without prior approval of the Commissioner Court.
- (c) HRMD shall conduct salary surveys at regular intervals or at the specific direction of the Commissioners Court to determine if the County is maintaining competitive salary schedules.

14.0033 General Overview for Determining Pay Policy

- (a) Departments/Offices and HRMD shall use the most current pay ranges to review and determine appropriate pay levels for existing employees and for new hires.
- (b) Midpoint of each pay range is represented by the prevailing market rates.

14.0034 Specific Overview for New Hires

- (a) New employees are generally hired at pay levels that are market competitive and equitable with the rate of pay for other employees with similar knowledge, skills, and experience.
- (b) The range minimum is generally competitive for an employee who meets but does not exceed the minimum requirements. As the employee gains more skills and experience, the employee's market value increases until his or her learning curve levels out. Since midpoint represents the market, an employee is not easily recruited away for a similarly skilled job solely for pay reasons.

14.0035 Criteria for Determining Pay for New Hires

- (a) The rate of pay within the assigned pay grade is determined by the Department Head. Within budget constraints, flexibility from minimum up to maximum is provided for new hires. The employee's salary must be no less than minimum and no more than maximum of the new job's pay grade.
- (b) Hiring at a rate of pay that is greater than 10% above midpoint requires Commissioners Court approval. HRMD is available in a consulting role to clarify questions that may occur and to

provide information regarding precedents. HRMD is required to provide an exception report to departments and Commissioners Court upon request.

- (c) The Department Head is accountable for pay practices and is accountable for submitting justification for the salary. Justification should include those factors found on the pay determination guide.

The Pay Determination Guide contains a section for each of these factors and may be used as a guideline for determining pay.

- (d) Hires are allowable only within the budget constraints of the hiring department.
- (e) Elected/Appointed Officials are encouraged to hire employees that meet the Minimum Qualifications of the job classification as reflected in the approved job description. If Elected/Appointed officials hire an employee that does not meet the Minimum Qualifications of the job classification as reflected in the approved job description, the employee will be paid at the minimum of the approved actual pay grade.

14.0036 Criteria for Approval of Pay greater than 10% Above Midpoint at Hire

- (a) Department Heads may request Commissioners Court to consider approval of a salary greater than 10% above the midpoint of the pay range for new hires when the office or department has an exceptional need that affects the County as a whole if:
 - (1) The office or department requires a specialized skill,
 - (2) There is an identified shortage of qualified applicants for the position, or
 - (3) Other extraordinary circumstances exist.

- (b) Requests for approval of a salary greater than 10% above the midpoint of the pay range for a new hire must include the following information:
 - (1) The department name;
 - (2) The job title, the job code, the pay grade, and the slot number of the position for which the request is made;
 - (3) Justification for paying greater than 10% above midpoint.
 - (A) Relevant education
 - (B) Relevant experience (including certification)
 - (C) Relevant skill sets
 - (D) Other relevant extraordinary skills
 - (E) Circumstances surrounding a shortage of qualified applicants
 - (F) Any extraordinary circumstances
- (c) Department Heads shall not offer an applicant a salary greater than 10% above midpoint in the authorized pay range before approval by Commissioners Court. HRMD shall not process, and the County Auditor shall not pay, a new employee greater than 10% above midpoint unless the Commissioners Court has previously approved the salary request or the payment is made in compliance with the compensation policy.

14.0037 Ad Hoc Salary adjustments

- (a) Existing employees may be moved along a pay range with permanent salary savings at the discretion of the Department Head.
- (b) All ad hoc salary adjustments must be within Department/Office budgetary limits as verified by PBO.
- (c) All ad hoc salary adjustments greater than 10% require Commissioners Court approval.
- (d) Departments/Offices are encouraged to consult with HRMD on all ad hoc salary adjustments that require Commissioners Court approval.
- (e) All requests for ad hoc salary adjustments that require Commissioners Court approval must be accompanied by a pay determination guide and a Department/Office memo justifying the proposed increase.

14.004 Employee Mobility Overview

- (a) The Commissioners Court supports the ongoing advancement of County employees to benefit both County operations and employee career development. An employee who changes to a different job may experience a promotion, a voluntary job change, a demotion, a lateral transfer, a temporary assignment, or an interim assignment. Employees are compensated appropriately and equitably for changes in duties and responsibilities. To help facilitate equitable and consistent treatment, the pay for employees is reviewed at the time of the job change for compliance with §14.0041 through §14.0046.
- (b) Sections 14.0041 through 14.0046 do not apply to job changes of employees on the Peace Officer Pay Scale (POPS).

14.0041 Promotion

- (a) Promotion occurs when an employee accepts the offer of a job for a position that is assigned to a higher pay grade. Unless the new job resides on a career ladder approved by Commissioners Court, a vacant slot must be available at the higher level position for a promotion to occur. A promotion recognizes advancement to a higher-level position requiring higher qualifications and involving greater responsibility. Promotions are approved by the employee's Department Head provided that funds are available in the department's personnel budget and the position title has been authorized for use in the department by the Commissioners Court.
- (b) Department Heads have flexibility in determining the amount of pay increase. The employee's adjusted salary must be no less than minimum and no more than maximum of the new job's pay grade. The pay increase may be any of the following:
 - (1) A minimum of 5% or to the minimum of the new pay grade, whichever is greater, or
 - (2) A maximum of 5% per pay grade
 - (3) If the increase results in a salary that exceeds midpoint plus 10% of the new pay grade, Commissioners Court approval is required.
- (c) The Commissioners Court may approve an increase under (b)(3) if the request is based on the following criteria:
 - (1) Relevant education
 - (2) Relevant experience (including certification)
 - (3) Relevant skill sets
 - (4) Other relevant extraordinary skills

14.0042 Voluntary Job Change

- (a) Voluntary job change occurs when the employee is granted a different job in a lower pay grade within the County. The employee's adjusted salary must be no less than minimum and no more than maximum of the new job's pay grade.
- (b) Department Heads have flexibility in determining the amount of pay adjustment. The pay adjustment may be any of the following:
 - (1) If the employee returns to a job from which he or she was promoted within the last 12 months, the decrease is equivalent to the amount of the promotional increase, or
 - (2) If not returning to a former position, the adjustment is from minimum up to midpoint of the new pay grade, or
 - (3) If not returning to a former position, there is a decrease of 5% for each pay grade that the position is lower than the former position.

14.0043 Demotion

- (a) Demotion occurs when an employee is placed in a job assigned a lower pay grade due to performance. The employee's adjusted salary must be decreased and must be no less than minimum and no more than maximum of the new job's pay grade.
- (b) Department Heads have flexibility in determining the amount of pay adjustment. The pay adjustment may be any of the following:
 - (1) If the employee returns to a job from which he or she was promoted within the last 12 months, the decrease is equivalent to the amount of the promotional increase, or
 - (2) Decrease of 5% for each pay grade that the position is lower than the former position.

14.0044 Lateral Transfer

- (a) Lateral transfer occurs when an employee moves from one slot number to a different slot number assigned to the same pay grade. A lateral transfer may occur within an office or department or between two offices or departments throughout the county. The employee's adjusted salary must be no less than the minimum of the new job's pay grade.
- (b) If a lateral transfer is to the same job in the same department, the pay remains unchanged.
- (c) If a lateral transfer is to a different department or to a different job in the same department, the Department Heads have flexibility in determining the amount of pay adjustment. The pay adjustment may be any of the following:
 - (1) Minimum up to midpoint (may use Pay Determination Guide), or
 - (2) No pay change

14.0045 Temporary Assignment

- (a) Temporary assignment occurs when an employee is assigned to perform the duties, all or in part, of another job for a specific period and the duties are at a level higher than those currently called for by the position that the employee currently holds. Department Heads must specify which position the employee is performing these duties for.
- (b) During the temporary assignment, the employee will receive a 5% increase.
- (c) If an employee assumes all the duties of another job at a higher level for longer than 60 days, it will be regarded as an interim assignment and the employee's pay will be governed under the terms found in Section 14.0046.
- (d) After the temporary assignment is completed, the employee returns to the rate of pay earned prior to the temporary assignment.
- (e) Temporary assignment is not intended to apply to employees who are assigned different projects by their Department Heads.
- (f) In exceptional circumstances, Commissioners Court may grant additional pay when an employee is temporarily assigned to perform duties substantially outside the scope of his or her regular duties.

14.0046 Interim Assignments

- (a) When an individual is selected to serve in an interim position for longer than 60 days, the employee's salary temporarily will be adjusted to at least the minimum entry salary of the position in which they will serve. Employees will be paid the greater of the minimum of the range for the position in which they serve or:
 - 5% for one pay range
 - 10% for two pay ranges
 - 15% for three or more pay ranges

This increase will be adjusted downward once the permanent placement is made.

14.0047 Exceptions

- (a) Department Heads may submit a documented request for exception to §10.0041 through §10.0046 to HRMD for consideration by the Commissioners Court.

14.005 Pay Additives

- (a) Commissioners Court may approve pay additives as needed to facilitate efficient and effective County operations.

14.0051 On Call/Call Back

- (a) The purpose of this section is to establish uniform procedures for payment of the county's on call and call back. This only applies to non-exempt employees. Departments should consult beforehand with the Human Resources Management Department to determine if the on call status of the non-exempt employee would be counted as time worked. Employees are required to accept on call/call back status in order to facilitate the necessary service delivery to the residents of the county. It is the responsibility of the Department Head to:

- (1) Ensure adequate staff is available to respond to unscheduled and emergency work situations that may arise within their areas of responsibility,
- (2) Develop fair schedules and assign staff to meet their departmental/office requirements for return-to-work duty as necessary to carry out the mission of the department, and
- (3) Issue appropriate equipment, such as radios and beepers, when necessary, in order not to over-burden the employees assigned for on call/call back status.

- (b) Definitions:

- (1) On call means a period of time during which a non-exempt employee is waiting to be engaged in county work in addition to his/her officially scheduled work hours and previously scheduled overtime or holiday time. If this time is spent primarily for the non-exempt employee's own purposes, even though the employee is subject to receiving a call back to work, it is not work time (non-productive time). If the non-exempt employee is required to leave a number with their department where they can be reached or to use beepers for ease of contact, this is not work time.
- (2) Call back means an unscheduled or emergency return to work at a time other than officially scheduled work hours occurring after leaving the job site, on a holiday, or on a regular day off, but does not include work scheduled in advance for overtime or a holiday.

- (c) Payment for on call and call back time:

- (1) On call -to encourage non-exempt employee participation and to reward the workforce for being on call, two (2) hours of straight time compensation should be paid

for each day a non-exempt employee is scheduled to be "on call". Employees shall be paid whether or not the employee is called back.

- (2) Call back - non-exempt employees receiving a call back shall be paid at the rate of one and one-half hours for each hour worked with a guaranteed minimum of two hours of work paid at that rate. Time worked begins upon departure from place of origin and ends on return to place of origin. If call back time places the employee in an overtime status, the employee will still be paid at the time and one-half rate only.

14.0052 Shift Differential

- (a) Shift differential is provided to employees who work evening or night shifts assigned by management. The following criteria guide the use of shift differential.
 - (1) Positions must be regular, classified positions in job classifications on the classified pay scale. It does not apply to POPS employees.
 - (2) Applies only to positions in job classifications when it is the prevailing practice for the occupation/or occupational family group, or reflects local labor market trends and is necessary to attract and retain employees who are required to perform shift assignment work schedules. HRMD will make this determination in the course of comprehensive classification and compensation studies or special requests.
 - (3) All requests for shift differential are subject to review by HRMD. HRMD will provide Commissioners Court with a recommendation on the amount of shift differential per job classification.
 - (4) Departments must have sufficient funds within their budget to fund any shift differential requests.
 - (5) Commissioners Court has final approval of shift differentials and may rescind when conditions warranting the pay premium are no longer applicable or funds are no longer available.

14.0053 Longevity Pay

- (a) Longevity pay will be paid in accordance with the following parameters;
- (1) For regular employees, longevity pay is based on long-term employment and service to the County. For transfer employees, longevity pay is based on long-term employment and service to both the City of Austin and the County. It is paid to regular and transfer employees for each year completed after three years of continuous service on the anniversary of their hire date. On an employee's fourth and subsequent anniversaries, he or she will receive a lump sum payment for the previous year. Any employee who terminates employment prior to his or her anniversary date forfeits longevity pay.
 - (2) Longevity pay is based on which ever is greater, either
 - (A) five dollars per month for each year of service up to 21 years, or
 - (B) a percentage of the employee's annual base pay as follows:
 - (i) For three to five years of service after the first anniversary: .50%
 - (ii) For six to nine years of service after the first anniversary: .75%
 - (iii) For 10 to 15 years of service after the first anniversary: 1.00%
 - (iv) For 16 to 20 years of service after the first anniversary: 1.5%
 - (v) For 21 or more years of service after the first anniversary: 2.00%
 - (3) An employee with more than 21 years of service will be credited for the maximum of 21 years at the higher rate.
 - (4) Peace officers who are in a law enforcement activity, whose job mandates state peace officer certification, accrue up to 25 years of longevity pay. Longevity pay begins after one year of certification and is prorated upon separation from the county.
 - (5) Longevity pay shall be prorated if the employee is discharged due to a reduction in force or if the employee leaves as a result of medical disability.

14.0054 Payment of Compensatory Accruals

- (a) All non-exempt employees receiving a salary increase based on promotions, reclassifications, salary adjustments, or similar reasons, should be paid in full for any compensatory time recorded in the payroll system prior to the new salary becoming effective. This will reduce the unfunded liability and pay the compensation time at the same level when it was accrued.

14.006 Peace Officer Pay Scale (POPS)

- (a) Purpose. The purpose of this policy is to establish the compensation rate for Travis County employees designated by the Commissioners Court as part of the Peace Officer Pay Scale (POPS).
- (b) Eligibility. If an Elected Official who employs peace officers elects to participate in POPS, all employees of that Elected Official who are Peace Officers who are actively involved in a law enforcement activity and their job qualifications require state peace officer certification, are eligible to participate in POPS. These positions may include sheriff's patrol and corrections officers, deputies of Constables, investigators, and Park Rangers (POPS).
- (c) Peace Officer Pay Scale. The Peace Officer Pay Scale is approved annually by the Commissioners Court as part of the appendices of Chapter 22. Budget Rules. The scale establishes salary rates and skill based pay rates for employees on POPS. Law Enforcement positions in the Sheriffs Office are separated into distinct Law Enforcement position codes effective October 1, 2001.
- (d) Years of Service
 - (1) Before October 1, 2003, Years of Service on POPS are determined on the last day of the fiscal year based solely on continuous service as a regular Travis County employee subject to POPS. After September 30, 2003, Years of Service on POPS are determined on the last day of the fiscal year based solely on continuous services as a regular Travis County employee subject to POPS and does not result in an automatic salary adjustment.
 - (2) Before December 1, 2007, Sheriff's officers could only count years of service with the Travis County Sheriff's Office toward their years of service in the Civil Service and on POPS. Similarly, Constables, Investigators, and Park Rangers could not count service in the Sheriff's Office toward their years of service on POPS. Effective December 1, 2007, years of service for all Travis County positions subject to POPS may be taken into account in hiring decisions. The applicability of relevant experience will be determined by each department.
 - (3) Effective December 1, 2007, all personnel hired for positions in the Travis County Sheriff's Office subject to POPS start at step 1 on the TCSO POPS scale unless the following criteria apply:
 - (a) Those with 5-9 years prior relevant Law Enforcement/relevant Corrections Experience, and an intermediate TCLEOSE License will be placed on the Corrections Officer or Deputy Sheriff position at Step 3;
 - (b) Those with 10+ years prior relevant Law Enforcement /relevant Corrections Experience, and an Advanced TCLEOSE License will be placed on the Corrections Officer or Deputy Sheriff position at Step 5;
 - (c) Those that meet criteria (a) or (b) above may also take the Civil Service Senior Corrections Officer or Senior Deputy Sheriff test and be placed at Step 3 or Step 5 respectively of Senior Corrections Officer or Senior Deputy Sheriff.

- (4) Effective December 1, 2007, all personnel hired for Non-TCSO positions subject to POPS (Constables, Investigators, and Park Rangers) start at step 1 on the Non-TCSO POPS scale unless the following criteria apply:
 - (a) Those with 5-9 years prior relevant law Enforcement experience and an Intermediate TCLEOSE License will be placed on the scale at Step 3;
 - (b) Those with 10+ years prior relevant law Enforcement/ relevant Corrections Experience, and an Advanced TCLEOSE License will be placed on the scale at Step 5;
 - (c) Those that meet criteria (a) or (b) above may also take the applicable senior-level test and be placed at Step 3 or Step 5 respectively on the scale.
- (5) Except for the 10 positions designated as exempt from Civil Service by the Sheriff, all Sheriffs Office employees are Civil Service employees.
- (6) Non Civil Service Commission POPS Years of service gained within Travis County in non civil service commission positions subject to POPS are interchangeable only among deputies of Constables, Investigators, and Park Rangers.

(e) Career Ladder and Promotions for Sheriff's Office

- (1) Career Ladder Promotions for Sheriff's Office employees are governed by the policy approved by the Civil Service Commission.
- (2) All other promotions for Sheriffs employees in positions subject to POPS are competitive with placement to be based on years of service determined in compliance with (d).

(f) Promotions for Participating Constables' Offices

- (1) Each Constable may determine whether the Peace Officers in his or her office are eligible to participate in the promotion policy for Constables' offices. If the Constable chooses to participate in POPS, promotions are governed by the following requirements.
- (2) A Deputy Constable is eligible to compete for promotion to Senior Deputy Constable after:
 - (i) Completion of two years of continuous service as a regular Deputy Constable with Travis County;
 - (ii) Receipt of performance evaluations showing that the Deputy exceeds standards for the most recent two years of continuous service; and,
 - (iii) Successful completion of a written examination administered by each respective Constable for his or her office.
- (3) The written examination is administered twice yearly. The distribution of information tested is expected to be as follows: 85% of the test questions relate to general knowledge of duties of a constable and 15% of the test questions relate specifically to policies and procedures of the Constable's Office in which the deputy serves. The test must be passed with a grade of at least 70%.
- (4) All other promotions for Constables' employees in positions subject to POPS are competitive with placement to be based on years of service determined in compliance with (d).

(g) Longevity Pay.

- (1) Each commissioned Deputy or POPS employee in a law enforcement position requiring state peace officer certification shall be provided longevity pay of not less than \$5 per month for each year of service in the office. Each commissioned Deputy or POPS employee is entitled to the longevity pay in addition to the applicable salary rate.
- (2) Certified Peace Officers are eligible to accrue longevity pay at the rate of \$5 per month for each year of services (up to a maximum of 25 years), after the first year anniversary of their certification as a peace officer. The accrued longevity is paid in a lump sum on the first pay date on or after the Peace Officers second anniversary,

and each year thereafter. Accrued longevity pay for a partial year is paid upon separation.

- (3) Certified Peace Officers are not eligible for both Longevity Pay under this section and Travis County Longevity Pay created by §§10.029 and 10.094. Certified Peace Officers receive the greater of Longevity Pay under this section or the Travis County Longevity Pay created by §§10.029 and 10.094.

(h) Skill Based Pay

Employees who are in positions that are subject to POPS are eligible for the skill based pay programs in this subsection. Implementation of skill based pay is subject to the department's discretion and ability to pay within its approved budget. The effective date of the skill based pay is the first of the month after Human Resources Management Department receives a departmental memorandum with official certifications attached. Employees are responsible for all costs incurred and for providing evidence of eligibility for the type of skill-based pay requested.

- (1) Field Training Officer Pay. Effective February 1, 2001, pay for Field Training Officer (FTO) shall be at the rate of one hundred twenty-five dollars (\$125) per month to each slot assigned to be a Field Training Officer by the Sheriff or Constable.
- (2) Bilingual Pay. To be eligible for bilingual pay, employees must be required to use any of the following languages in the performance of their duties. Employees are eligible to receive bilingual pay for only one language. Once evidence of proficiency is provided, re-testing is not required. The monthly bilingual pay rate is \$125 for oral translation.
 - (i) Effective May 1, 2001, employees who have received the passing certification of the oral proficiency skills test in Spanish are eligible for the monthly bilingual pay rate.
 - (ii) Effective May 1, 2002, employees who have received the passing certification of the oral proficiency skills test in Vietnamese are eligible for the monthly bilingual pay rate.
 - (iii) Effective May 1, 2002, employees who have received the passing certification of the oral proficiency skills test in American Sign Language are eligible for the monthly bilingual pay rate.
- (3) TCLEOSE License Pay. Effective May 1, 2001, each employee who has received the TCLEOSE certification shall be paid the following amount per month for completion of certification for the following TCLEOSE License level:
 - (i) Intermediate TCLEOSE License \$50
 - (ii) Advanced TCLEOSE License \$100
 - (iii) A Master's TCLEOSE License \$150

- (4) TCLEOSE Certified Civil Process Proficiency Pay. Effective October 1, 2007, employees who have achieved certification from TCLEOSE are eligible for the monthly pay rate of \$125.
- (i) Overtime for Lieutenants. Effective February 1, 1999, Lieutenants shall be compensated on a salary basis and are exempt employees for purposes of overtime compensation under applicable federal laws. Lieutenants shall accept their salaries as inclusive of any and all overtime compensation.

14.007 General interpretative provisions

14.0071 Authority

This manual is adopted by the Commissioners Court acting in its capacity as the governing body of Travis County. Travis County adopts this manual under the authority of the laws of the state of Texas.

14.0072 Jurisdiction

This manual applies to all employees who are paid by Travis County.

14.0073 Effective Date

This manual shall become effective upon adoption by the Commissioners Court.

14.0074 Construction, Precedents, and Interpretation

- (a) This manual shall be construed strictly so that no rights are created that are not specifically created by this manual. This manual shall be applied prospectively.
- (b) Commissioners Court shall resolve any questions regarding any interpretation of this manual.
- (c) If there is any conflict between this manual and the state constitution, or state law or a rule adopted under a state law or the United States Constitution, a federal law or a rule adopted under federal law, the policy shall prevail to the greatest extent possible without violating the United States Constitution, the state constitution, any constitutional federal or state law, or any constitutional rule adopted under either of these.
- (d) The masculine, feminine, and neuter gender shall be construed to include the other genders if required. The singular and plural should be construed to include the other number if required. Words in the present tense shall be construed to include the future tense.
- (e) Words and phrases shall be read in context and construed according to the rules of grammar and common usage. Words and phrases that have acquired a technical or particular meaning, whether by definition in this manual or otherwise, shall be construed according to that acquired meaning. Throughout the manual, words defined in this chapter are shown in italics. The use of italics shall be construed to mean that the definition of the italicized word or phrase shall be the definition provided in this chapter.
- (f) Throughout this manual, headings for chapters and sections are used for convenience only. These headings shall not be construed to expand or to limit the interpretation of the section that follows the heading.

14.0075 Computation of Time

- (a) When a period of time is stated in days, the days shall be construed as calendar days unless otherwise stated.

(b) If the last day of any period is a Saturday, Sunday, or county holiday, the period is extended to include the next day that is not a Saturday, Sunday, or county holiday.

14.0076 Acknowledgment

I have received, read, and understand all matters set forth in the Personnel Benefits Guidelines and Procedures Manual for all Travis County employees (blue book), and I agree to abide by its provisions, realizing that changes in the employment conditions may be unilaterally implemented by Travis County commissioners' court. Nothing in this manual is to be construed as a contract of employment or a provision guaranteeing the specific term or tenure of employment.

Prior to signing this acknowledgment, I was given an opportunity to ask any questions that I had about the matters described in this manual.

By placing my signature below, I specifically agree to all terms and conditions described in the text of the general provisions appearing on page ii of this manual.

Print name

signature

Social security number

date

SUBCHAPTER A. TRAVIS COUNTY CLASSIFICATION AND COMPENSATION SYSTEM

Travis County Classification and Compensation System

14.008 Introduction

This system of position analysis, position classification, and job evaluation is adopted by the Commissioners Court of Travis County in accordance with its authority to determine the number of county employees to be appointed and their compensation and allowances. The system is established to assure that to the greatest extent practicable Travis County pays in accordance with the relative value of jobs as determined by (1) job duties, qualifications required, and knowledge, skills, and abilities required; and (2) market competitiveness that allows Travis County to attract and keep qualified public employees. The job descriptions of employees, appointed officials, and elected officials are subject to this system of position analysis, position classification, and job evaluation.

14.0081 Structure of Classified Pay Scales

- (a) Beginning on October 1, 2011, all classified positions will reside on one of two pay scales:
 - (1) Non-Executive Classified Scale - Employees include all exempt and non-exempt employees not included on the Executive Scale.
 - (2) Executive Classified Scale – Excluding Elected/Appointed Officials, employees comprising the top tier of executive management within the County.
- (b) Assignment of positions to the established pay scales will be performed by HRMD in conjunction with the respective Department Heads.

14.0082 Timing of Pay Scales Review

- (a) Unless otherwise instructed by Commissioners Court, HRMD will review the classified pay scales each year in which it conducts a comprehensive classification and compensation study.
- (b) The purpose of the pay scale review is to facilitate market competitiveness of the salary structures.
- (c) Comparisons will be made to approved public sector peers as established by Commissioners Court.

14.0083 Scheduling of Market Studies

- (a) Unless otherwise instructed by Commissioners Court, HRMD will conduct a comprehensive classification and compensation study every fourth year with implementation of the results to take place the following fiscal year.
- (b) In each intervening year between comprehensive classification and compensation studies, HRMD will perform a market analysis of benchmark classifications with implementation of results to take place the following fiscal year.

14.0084 Methodology of Comprehensive Classification and Compensation Studies

- (a) The following procedures will be used to conduct the comprehensive classification and compensation studies during the regularly scheduled years.

14.0085 Job Evaluation

- (a) Based on information obtained through job analysis and job documentation, Travis County evaluates jobs on a regularly scheduled basis utilizing market pricing and internal job evaluation techniques.
- (b) The foundation of the compensation program at Travis County is an equitable assignment of job classifications to pay grades based on external analysis of market competitors and on internal analysis of equity within the organization.
- (c) Internal Equity Analysis
 - (1) Point factor analysis will be performed on each job classification included in the comprehensive classification and compensation study. Based on the point factor scores, a hierarchy will be established based on internal job worth. A point factor system for internal job worth will be developed by HRMD and approved by the Compensation Committee and recommended to Commissioners Court for adoption.
- (d) External Equity Analysis
 - (1) To market price jobs, HRMD uses the most current approved job description in the HRMD files and other information obtained through appropriate job analysis. This information is documented in job descriptions.
 - (2) The geographic market for jobs will be defined by the type of jobs considered. Generally, the market for jobs will expand as jobs become more complex and the impact on the organization becomes greater. Generally, appropriate geographic regions are:
 - (A) local area markets for jobs on the non-exempt scale; where an insufficient number of local peers are available, the market will expand to a regional approach;
 - (B) regional markets for jobs on the exempt scale including major Texas counties and cities; and
 - (C) national public sector including regional and national peers of comparable size and all industries of comparable size for those jobs with an industry counterpart for executive jobs. Industry matches for executive scale jobs may require some customization to provide for reasonable comparisons
 - (3) HRMD may use external third party surveys. Use of third party surveys is another method of increasing participation and ensuring confidentiality of data for individual organizations.
 - (4) Confidentiality for organizations not subject to open records legislation is required for ethical reasons and to facilitate their continued participation in future surveys. If county surveys cannot ensure this confidentiality, then this issue must be clearly noted on the survey's initial distribution requesting data

- (5) HRMD attempts to match the job according to the job description and skill level guides in each survey. Since all jobs are somewhat unique to their respective organizations, a match of at least 60 percent in duties and responsibilities determines an appropriate match.
 - (6) To maintain the appropriateness of the market data, a minimum of three separate relevant and valid survey sources must be used in any benchmark market analysis. Use of three sources helps to ensure that one source does not unduly skew the data.
 - (7) Jobs with fewer than three valid survey matches are slotted by internal job evaluation. Although these jobs will not be market priced, the available market data may be used as a secondary method to confirm the accuracy of the internal job evaluation.
 - (8) Midpoint will be used to establish the market rate for jobs. The average market midpoint will be compared to the established Travis County midpoint to establish market differential.
 - (9) External equity analysis will produce a hierarchy of jobs based on market value
- (e) Combining Internal and External Equity Analysis
- (1) Regression analysis will be used to produce a predicted midpoint value for each job. Point factor scores will be regressed against market midpoint value to produce a predicted midpoint value for each job. The regression analysis will produce a hierarchy of jobs based upon a combination of internal and external equity.
 - (2) Jobs will be placed in the pay structure based on the predicted value of the midpoint that occurs as the result of the regression analysis. To ensure that jobs are not placed below market value, no jobs will be placed below the market value found in the external equity analysis.

- (a) Each position included in the comprehensive classification and compensation study will be examined to ensure it is properly classified. Position Analysis is the process of reviewing and documenting the duties, responsibilities, qualification requirements, and knowledge, skills, and abilities required for a position.
- (b) As a result of the position analysis, position classification is performed for each position. Position Classification is the process of assigning a single job title to a position or a group of positions that are determined by job analysis to be sufficiently similar to be described by a single job title.

14.0087 Implementation

- (a) As a result of a comprehensive classification and compensation study, job classifications can be recommended to be moved higher in the pay scale (upgraded), lower in the pay scale (downgraded), or remain in the same pay grade.
 - (1) For jobs that are upgraded, incumbents whose salaries are below the midpoint of the new pay grade should receive a five percent upward market adjustment for each grade moved, not to exceed the midpoint of the new grade. Incumbents whose adjusted salaries are still below the minimum of the new pay grade shall receive a further adjustment to bring their salary to the minimum of the new pay grade.
 - (2) For jobs that are downgraded, incumbents should receive no decrease in pay, however those incumbents whose salaries exceed the maximum of the new pay grade shall receive no increase to base pay.
- (b) As a result of a comprehensive classification and compensation study, positions can be recommended for reclassification. Filled positions can be affected by the reclassification process in the following ways:
 - (1) Upgraded – If the position is upgraded to a higher pay range the employee will be upgraded to the proper pay range and the salary will be adjusted as set forth in section 14.0087(a)(1).
 - (2) Stays the same - The position is retained at its current pay range level, however, a title change may be appropriate based on the duties of the position. There is no change to the employee's salary.
 - (3) Downgraded - The position is downgraded to a lower pay range. Employee pay is adjusted in the same manner as set forth in section 14.0087(a)(2).
 - (4) Change in exempt/non-exempt status-when a position classification changes, the exempt/non-exempt status can be affected since the determining factors in setting that status are related to the duties and responsibilities of the position. To reduce the unfunded liability of positions going from a non-exempt status to an exempt

status, these employees should be compensated for any official compensatory time recorded in the payroll system before the reclassification becomes effective.

- (c) At the conclusion of each comprehensive classification and compensation study, HRMD will provide to Commissioners Court a listing of all positions and the recommendations for each of the following:
 - (1) Proposed classification;
 - (2) Proposed pay grade;
 - (3) Proposed FLSA status; and
 - (4) Proposed salary level.
- (d) Any significant changes to job descriptions that result from the comprehensive classification and compensation study will be presented to Commissioners Court for approval.
- (e) The results of a comprehensive classification and compensation study, including implementation costs, will be presented to Commissioners Court in time for inclusion in the preliminary budget.
- (f) The results of a comprehensive classification and compensation study are not final and may not be implemented without approval of Commissioners Court.
- (g) Department Heads and HRMD are encouraged to discuss any concerns regarding job evaluation to reach agreement on appropriate actions. In the event that consensus is not reached, Department Heads may appeal decisions to the Commissioners Court.

14.0088 Methodology of Benchmark Market Studies

- (a) Benchmark market studies are conducted to capture changes in the market during years in which comprehensive classification and compensation studies are not conducted.
- (b) HRMD will select 75-100 job classifications to serve as benchmarks to represent the jobs within the classified pay scales. HRMD will consult with Department Heads prior to the selection of benchmarks.
- (c) Criteria for benchmarks include the following:
 - (1) Jobs will be selected from each pay scale,
 - (2) Jobs will be selected from each job family,
 - (3) Jobs with high numbers of incumbents will be included,

- (4) Jobs from all levels of the pay scale will be included,
 - (5) Jobs with significant turnover levels will be included,
 - (6) Jobs recommended from departments for inclusion will receive priority to the extent possible.
- (d) After selection of benchmarks, HRMD will survey the market in accordance with the procedures outline in section 14.0085.
 - (e) Based on the results of the benchmark market studies, HRMD will recommend any changes to job classification within the pay scales.
 - (f) Implementation of benchmark market studies will be conducted in accordance with the criteria in section 14.0087.
 - (g) Department Heads and HRMD are encouraged to discuss any concerns regarding job evaluation to reach agreement on appropriate actions. In the event that consensus is not reached, department heads may appeal decisions to the Commissioners Court.
 - (h) The results of a benchmark market study are not final and may not be implemented without approval from Commissioners Court.

14.0089 Maintenance of the Classification and Compensation System

- a) Horizontal Progression

(1) Consistent with Commissioners Court implementation parameters for the compensation allocation, employees will progress across their respective pay grades in accordance to the following:

(A) Non-Executive Classified Scale – Employees whose performance meets the department/office’s performance expectations shall receive a performance-based pay adjustment to their base pay up to the grade maximum, at which point the remainder is paid as a lump sum. The amount will be determined by the Commissioners Court each budget year.

Employees whose performance consistently exceeds the department/office’s performance expectations shall be eligible to receive an additional performance-based pay increase from funds allocated to the department/office for that purpose.

Employees who do not meet the department/office’s performance expectations shall not receive a performance-based pay adjustment.

(B) Executive Scale – Employees will progress across the pay range based on performance-based pay increases.

(b) Vertical Progression

(1) Employees may progress vertically through the classification and compensation system either through a system of career progression or through a career ladder.

(2) Working with the Departments/Offices, HRMD will designate which job classifications should advance via career progression and which should advance via career ladders.

(3) Departments/Offices may request HRMD to perform a career ladder analysis for specific positions. The request for a career ladder must be submitted in writing and must include the following information:

(A) the department’s/office’s operational need;

(B) the benefit/return on the County’s investment;

(C) the significant risks associated with the positions;

(D) the increasing levels of complexity required;

(E) the necessity for continuing professional development;

(F) the criteria that would be considered for progression on the ladder.

In addition to the required information listed above, the request may also include such other justifications as the requirements for industry competencies, the differences in job

duties in the position progression, and the existence of career ladders in similar positions in the marketplace.

- (4) Career ladders may not be established without approval of Commissioners Court.
- (5) Commissioners Court approval for previously established career ladders will expire September 30, 2014. Departments/offices must submit new requests for approval consideration.

14.009 Compensation Committee

- (a) The Commissioners Court shall reconvene the Compensation Committee each year during the annual budgetary process for the purpose of making recommendations to the Commissioners Court in regard to compensation-related items for the upcoming budget year.