



WASHINGTON COUNTY

PROGRAM OF SALARY ADMINISTRATION

REVISED AND ADOPTED 5/30/00

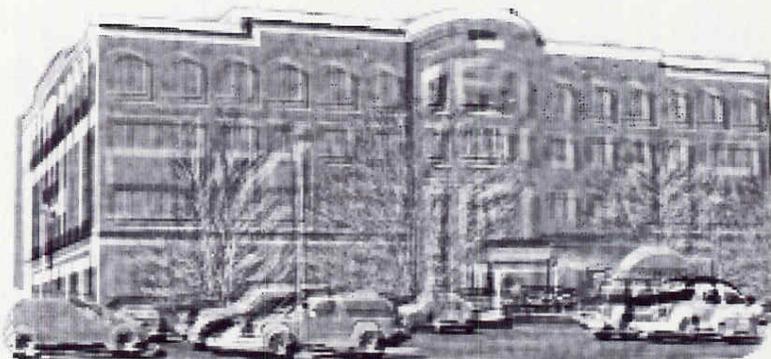
REVISION 8/7/03

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Salary Administration Policies
 Revised and Adopted on 5/30/00
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WASHINGTON COUNTY PERSONNEL POLICIES

PROGRAM OF SALARY ADMINISTRATION

INTRODUCTION

The County instituted a program of job evaluation and salary administration for all salaried personnel to ensure a competitive pay plan linked to individual performance and the County's mission and goals. The principal aims of the salary administration program are as follows:

1. Equitable distribution of the salary dollars based on employee contribution to the County's results, with emphasis upon attainment of the performance standards for each position.
2. County's salary levels are competitive with external salary levels.
3. Provide a sound and continuing salary administration program which will aid in eliminating salary inequities, assist in the proper management of salaries, provide means for relating performance to salaries, plus employee performance evaluations.

Having formulated Washington County's salary administration program, its ongoing success will depend upon how well it is administered by each person and entity that are accountable for effective salary administration. Equitable salary policies have been established and must be administered consistently throughout all the areas of Washington County's operations to assure receiving the greatest return from each salary dollar.

I. Salary Adjustments:

A. Types of Increases:

1. Salaried personnel may receive a base salary increase through cost of living adjustment, merit, and/or promotion.

B. Payment Within The Range:

1. The goal of the salary administration program is to reach a point where all employees shall be paid at an equitable level within the prescribed salary range for their classification, with each position having a prescribed salary grade. No employee will receive a salary adjustment that causes the person's salary to fall above salary range. The purpose of a salary range is to fully compensate employees for proven performance as related to the performance standards and goals for a respective position. The range should be viewed as a continuum, stretching from acceptable performance at the bottom to superbly outstanding at the top, or maximum. Thus, common sense salary administration adjustments, and not some mechanistic formula, are required in administering salaries within the upper half (quartiles 3 and 4) of the range, based upon employee performance as related to standards and other aids used to assess performance.

C. Hiring Rate:

1. In most cases, all full-time employees shall be hired at the minimum rate for their grade range. The County will allow an individual new hire to be paid up to halfway between minimum and midpoint for the position's salary range given the person has additional experience, education, etc. that add value to the position. These additional attributes and the negotiated amount will be presented to the Job Evaluation Committee for review and approval. In general, pay in excess of minimum will be supported by additional related experience that exceeds the minimum required experience as noted in the position description. Any exception to this policy must be approved by the Personnel Committee.

2. In the case where an Elected Official or Department Heads is at risk of losing a potential new hire while waiting to seek approval from the Job Evaluation Committee at its next regularly scheduled meeting, the Elected Official or Department Head may make an above minimum pay rate offer to the new hire per the above stated hiring rate policy. The Elected Official or Department Head must inform the new hire that this pay rate is pending and subject to JEC approval. The Elected Official or Department Head will present the additional attributes of the new hire and the offered pay rate to the Job Evaluation Committee for review and approval.
 (Rev. November 10, 2005)

D. Salary Range Quartiles:

1. The quartile principle of salary administration has proven to be an effective control in correlating performance and merit salary progression. The salary range is composed of four parts, representing levels of accomplishment.

Example:

Automatic Step Adjustments		Performance Based Adjustment	
Q1	Q 2	Q 3	Q 4
Minimum	Mid-Point	Maximum	
	MARKET		

- a. First Quartile - for those whose performance is acceptable but not yet fully satisfactory. Usually these are new employees - new to a given job or to the County organization.
- b. Second Quartile - up to and including the mid-point, should be used for compensating those whose performance is fully satisfactory and who are doing a good, completely adequate job, including meeting the respective standards of performance for the job's goals. This is considered a "Going Rate" for the market for productive employees.
- c. Third Quartile - should be entered only when an individual's performance is clearly superior and significantly above that which would normally be expected; thus, the incumbent is exceeding the standards of performance for the job's goals.
4. Fourth Quartile - should be reserved for compensating outstanding performance, unusual and exceptional achievement, which includes those persons who are ready for promotion to a higher position due to qualifications and a sustained high level of performance in excess of the agreed upon performance standards.

E. Merit Increase Eligibility:

1. Each year all full-time county employees will be evaluated based on their past year's performance, using the County's performance appraisal form. All appraisals must be completed and reviewed by the employee and his/her immediate supervisor. Once the meetings have taken place, all original appraisal forms will be submitted into the Human Resources Office by November 15 of each year.
2. Recognizing that the merit allocation to an employee is based on a person's performance, the performance appraisal will assist the supervisor or department head in determining the percentage merit an individual will receive. Merit pay adjustments if approved by the Quorum Court will be allocated annually to deserving employees who met the eligibility requirements for merit based on their performance. Employees with less than one year of employment will receive a pro-rata share of the merit adjustment. Merit adjustment will not cause employee to go over the maximum of their respective range.

F. Limit of Merit Increase:

1. The amount of merit increase in a given twelve-month period should not be more than five percent of the employee's base salary or a different percentage as directed by the Quorum Court. The exact amount of merit increase should be determined by considering: (1) the organization component's salary budget, (2) the incumbent's performance position within the salary range, (3) the general pattern of merit increases throughout the various County organizations, and (4) other factors such as the immediate future of the individual with respect to promotions. Any exception to this policy must be approved by the Personnel Committee.

G. Promotional Increase Eligibility:

1. An employee may be eligible for promotional increase at any given time during the year provided the individual's classification has been changed to a higher salary range due to assignment of additional duties and accountabilities as formulated through the County's job evaluation.

H. Limit of Promotion Increases:

1. The amount of a promotional increase for employees promoted to an existing County position with a greater level of accountability and corresponding classification/grade must be to the minimum salary range of the position the employee is being promoted to or up to halfway between the salary range minimum and the midpoint, or up to a five-percent (5%) increase above the employee's present salary. These promotional salary adjustments will be at the discretion of the Elected Official. If the employee's current base salary exceeds the new position's salary range midway point between the minimum and midpoint, then the employee will receive a five-percent increase on their current base salary. Any promotional increase that exceeds the above criteria requires approval of the Personnel Committee of the Quorum Court. Unbudgeted funds for promotional increases must be approved by the Finance Committee. The new salary shall be determined by the individual's qualifications, time and experience with the County and previous superior performance. Promotional increases shall be separate from merit increases.

Revised and Adopted on 9/9/04

I. Pay Increases for Re-rated/Re-classified Positions:

1. An employee may be eligible for an adjustment in pay if the individual's classification/job grade has changed as a result of a position re-rating. Re-rated positions and subsequent changes in classifications/job grades are usually prompted by additional duties, accountabilities, education and/or experience required by the positions since their previous review and rating. In circumstances where a position has been re-rated and re-classified, an individual's pay will be adjusted to the new classification /grade salary range minimum unless their present pay exceeds the new classification/grade minimum. **For re-rated positions with upward movement of two or more grade levels, an individual's pay may be adjusted up to the half-way point between the new classification/grade salary range minimum and midpoint and treated as a promotion. If the employee's current salary exceeds the new classification half-way point between the grade salary range minimum and midpoint, then a 5% pay adjustment to the employee's salary would be applied.** Re-rated positions must be reviewed and approved by the Job Evaluation Committee **and subsequently approved by the Quorum Court during the annual budget review and adoption process.** Pay adjustments will occur with the new budget year.

J. Salary Decreases:

1. Due to organizational re-adjustments or demotions caused by personal matters or inadequate performance, employees may be transferred to a position having a lesser salary range. This type of transfer may necessitate a decrease in salary due to lesser duties and accountabilities.
2. The County will recognize two types of demotions that may necessitate a decrease in salary. The following two paragraphs outline the related policies to address each of these types of demotions.
 - A. An employee demoted as a result of poor performance and/or disciplinary action where the employee is transferred to a job with a lower grade than their current job will enter the new job with a pay rate at the minimum of the new position salary range.
 - B. An employee demoted due to organizational re-adjustments or a voluntary demotion where the employee is transferred to a job with a lower grade than their current job, will enter the new job with a pay rate between the new position salary range minimum and its midpoint. In the instance that employee held this position previously then employee's pay will return to previous pay in that grade level. An Elected Official may desire to secure a pay level in excess of the midpoint based on County tenure and experience. Any request of pay in excess of the midpoint and supporting documentation will be submitted to the Job Evaluation Committee for review and approval and then forwarded to the Personnel Committee for their approval. The employee's pay will not exceed the grade level maximum.

K. Merit Increase Procedures and Approving Authority:

1. Elected Official/Department Head originates the merit increase request, including support documentation, e. g. performance appraisal data.
2. Elected Official/Department Head counsels with and reviews the merit increase documentation with the County's Human Resources Administrator as to:
 - a. Completeness of the information.
 - b. Availability of salary budget funds.
 - c. Relationship of the merit request as to current criteria and policies.

3. The Job Evaluation Committee reviews the merit increase requests; and will send observations and recommendations to the Personnel Committee of the Quorum Court. The Personnel Committee of the Quorum Court approves, rejects, defers, or takes such actions as are in the interest of Washington County government.
4. Human Resources Department processes the merit increase request as follows:
 - a. Advises Elected Official/Department Head regarding the disposition of the request.
 - b. Processes the payroll and other forms relating to the salary change.
5. After the Quorum Court approves the payroll budget (part of the overall budget), elected Official/Department Head can advise their employees of the forthcoming increase in salary resulting from merit recognized performance.

II. Salary Administration Budgets and Reports:

A. Salary Administration Controls:

1. In order that the day-to-day administration of salaries may be effectively performed, and at the same time, attain overall county-wide salary objectives, there is a requirement for administrative controls as outlined in this policy statement. These controls will keep the County's administrators informed on the exact status of salary administration throughout the various organization components.

B. Overall Salary Budgetary Control:

1. The purpose of this type of budgetary control is to permit the Administrators and government bodies to determine the salary funds to be allocated for salary changes on a yearly basis. Prior to January 1 of each year, Administrators and the Quorum Court will determine the County's total personnel salary increase allocation and a breakdown of each major organization component.

C. Quarterly Salary Report:

1. The Quarterly Salary Report will be prepared by the Human Resources Department, and it will reflect total salary data by major organization components, relating total actual salaries paid to employees to authorized base salary for a given year.

III. Guidelines for Salary Range Management:

1. The Administrators can expect that a sound job evaluation program will provide justifiable measurement of value for each position in the County's organization. This measurement, together with an examination of what other organizations pay for positions of comparable value, permits the County to set a "price tag" or salary range for each position. The salary range (normally forty percent from minimum to maximum), is established without consideration of what any individual in a position should be earning on a basis of the individual's performance as related to the goal standards for the job.
2. A performance appraisal program is an aid to salary administration and focuses its attention on the individual; more specifically, on the individual's performance in the achievement of the primary end results expected from the job. An appraisal program can provide general guides for determining where, within that forty percent range from minimum to maximum, an individual's salary belongs and how much of an increase the person may be entitled to according to the continued performance as compared with the standards for the person's goals and accountabilities.
3. However, the installation of sound job evaluation and performance appraisal programs can turn out to be futile gestures unless they are properly coordinated, integrated and administered; especially, the administration of base salaries as they are affected by performance.

A. The Structure of a Salary Range:

1. Though job evaluation is conducted without direct regard to any individual's performance, the evaluation must be based on an absolute criterion of "acceptable" performance. (Acceptable - "capable or worthy of being accepted; satisfactory, sufficient" by meeting the prevailing standards of performance.) The job is evaluated according to an acceptable criterion of performance; and the appraisal of any incumbent's performance, whether that incumbent be an inexperienced newcomer or a seasoned veteran, must relate to that same absolute criterion.
2. This criterion establishes the midpoint of the salary range within which salaries may be positioned according to the performance of the position incumbents. The normal minimum salary for the range is 80% of the midpoint; the normal range for the maximum is 120% of the midpoint. Between the minimum and maximum, performance zones are established as illustrated on the following page for the administration of salaries.

- 3. The vast majority of employees can usually be accommodated within three middle zones. Though the boundary lines between zones are somewhat fuzzy, there should be little difficulty in classifying individual performance for salary administration.

B. Anatomy of a Salary Range for County Personnel:

Maximum

CONSISTENTLY EXCEEDING JOB REQUIREMENTS. This zone is normally reserved for those individuals whose outstanding performance is clearly obvious.

AT TIMES EXCEEDING JOB REQUIREMENTS. Zone for seasoned employees whose performance is noticeably better than meeting job requirements.

MEETING JOB REQUIREMENTS. Zone for seasoned employees whose performance is "capable or worthy of being accepted; satisfactory,

Midpoint=====

sufficient" and where the person is meeting the standards of performance. Midpoint is considered the current market rate.

PROCESSING TO MINIMUM REQUIREMENTS. Zone for employees whose performance is close to meeting job requirements but the need for further development is recognizable as to the quantitative and qualitative standards.

NEEDS IMPROVEMENT. A provisional zone for inexperienced newcomers and others whose performance is clearly below the meeting job requirements level. Employees should either move up in the range or out of the position in a relatively short time.

Minimum

C. Salary Positioning:

1. Both the incumbent in a job and the person who will appraise the individual's performance must have a clear and common understanding of what constitutes meeting job requirements performance.
2. But the problems of salary positioning do not begin and end with performance. Even those who feel that it is the most important factor recognize that there are other "facts of life" which are always present and which must always affect the outcome. The elected official or department head is obliged, by both reason and reality, to weigh all of the following considerations when locating each incumbent's salary within a range:
 - a. First and foremost, performance in the recent past as related to the standards for the job;
 - b. Second, present salary and past salary treatment;
 - c. Third, years of service in a position or equivalent seasoning. (Under normal conditions, seniority relates to performance.)
 - d. Fourth, expectation of future potential must also receive consideration as such relates to the performance of the individual.

D. Salary Adjustments - "Merit Increases":

1. Management can install practical controls or guides which will indicate the acceleration rate as a function of the performance rating and the years in a job. Normally, the rate is faster in the earlier years, when service and seasoning tend to be synonymous, than in the later years when service becomes more redundant.
2. It is possible to anticipate and plot, within a close approximation, the salary growth of any job incumbent as a function of the years the person remains in the job and the person's performance ratings during those years.
3. Though each individual management, rightfully, has its own philosophy as to what the acceleration rates should be, various control charts and tables can be developed to match that philosophy. These serve as an administrative guide-only as a guide-to awarding increases to each employee.
4. Money is a primary motivating force, but only when it is closely tied to performance. The best return in employee performance that management can expect from its investment in salary dollars will only be achieved when it has a competitive salary structure and an understandable and workable performance appraisal program, both of which must be based on a sound job evaluation program.

IV. Administration of Job Evaluation Program:

A. Position DescriptionA.Position Description:

1. The County maintains position descriptions for each classification, with the format and content establishing the job content in perceptive and intelligible terms. The job description, which is the basic instrument for evaluation, is a functional description which:
 - a. Emphasizes essential & non-essential position objectives.
 - b. Denotes areas of operation and accountabilities.
 - c. Organizational and working relationships.
 - d. Answerability for final results.
 - e. Pertinent data about the position.
 - f. Highlights physical and mental requirements.
2. The following benefits will be derived from position descriptions:
 - a. Basis for use in making organization studies.
 - b. Conduct performance appraisal and counseling functions.
 - c. Selection of employees.
 - d. Determining training needs.
 - e. Formulating individual development plans.
 - f. Preparation of positions' goals and objectives.
 - g. Establishment of lines of progression.
 - h. Means of communicating with new or prospective employees.

B. Position Functions:

1. The list of essential and non-essential functions represent an important part of each position description, and sets forth the end results to be achieved by each job. These functions set out what a job is to accomplish to have an effect on end results.
2. Essential function information is utilized as follows:
 - a. Merit increases are based on performance or progress measured against the job's essential functions.
 - b. Formulation of goals, objectives, standards, and expected end results for each position. If there is no agreement on what the incumbent is to accomplish, how can there be agreement on whether the employee got there?
 - c. Provides a basis for performance appraisal of the employee, whereby the supervisor can review with an employee the critical elements, the "makes or breaks," of the employee's job.
 - d. Provides a means for focusing attention and effort on the prime purposes of the job and County operations.
 - e. Furnishes the County with the most appropriate organization structure design.

C. Descriptions for New Positions:

1. Request for preparation of a position description for a new position should be made by the Elected Official to Human Resources. Human Resources or the Salary Management Consultant, in conjunction with concerned persons, will prepare the job description and schedule it on the agenda for the Evaluation Committee. A newly created position should not be filled until the job has been properly described and evaluated.

D. Maintenance of Existing Descriptions:

1. The content of each position should be compared with the job description annually by the immediate supervisor to assure adequate maintenance of job descriptions. If there is a significant variance between the descriptions and the position as it exists, this should be referred to Human Resources.

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2. No position will be brought up for re-analysis and re-evaluation more than once a year.

E. Position Titles:

1. The Job Evaluation Committee, on a County-wide basis, has formulated job titles in keeping with the following pattern:
 - a. Placed at the beginning of the title is the term Manager, Supervisor, Director, Coordinator, etc.
 - b. Consideration for internal and external descriptive requirements.
 - c. Titles are as short as possible.
 - d. Reflect levels of accountability.
2. Required title changes are processed through the Job Evaluation Committee following same procedure utilized for position descriptions.

