



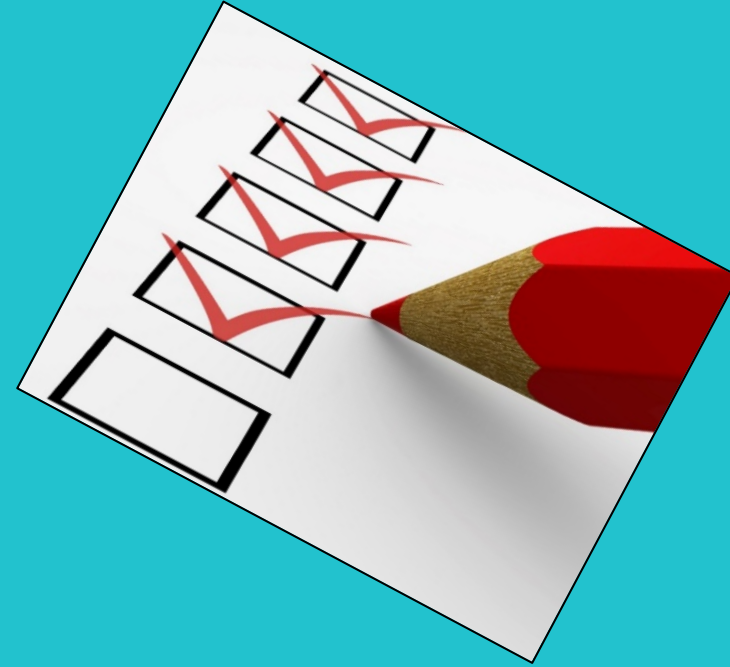
Snohomish County, Washington  
**Compensation and  
Classification Study Findings**

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# Agenda

- County's Objectives
- Project Scope
- Methodology
- Project Outcomes
- Findings
- Summary & Next Steps



# The County's Goal:

*Update, modernize, and make systems and pay structures more equitable*






## **Underlying Objectives of the County's project are to ensure that:**

1. Snohomish County can recruit and retain high performing talent
2. Job Classification structure provides clarity and distinction between jobs and provides internal integrity
3. Career ladders are identified, where applicable
4. Job descriptions accurately reflect work being performed
5. Total Compensation package is competitive with pay ranges/grades/steps market driven
6. Pay administration is user-friendly, equitable, and fair

The primary goal of this project, therefore, is to ensure that the classification and compensation system is:

- ★ Accurate
- ★ Equitable
- ★ Market Sensitive

# Project Scope

				
Project Initiation	Classification Analysis	Total Compensation Market Assessment	Recommendations Development	Implementation and Maintenance
Understand current situation and desired outcomes	Position description questionnaire to collect job documentation	Finalize approach and methodology	Update salary structure/grade/step	Finalize recommendations
Gather data and develop work plan and timeline	Review of internal job equity	Validate markets and determine survey jobs and data to be collected	Review job grade assignment in the pay structure	Assist with fiscal impact analysis
Conduct briefings and hold stakeholder listening sessions	An updated Classification Structure	Collect and analyze market data	Validate and confirm changes	Present results to decision makers
Prepare summary of issues and develop communication plan	Job Descriptions that accurately reflect work being performed	Prepare and deliver findings	Recommend placement of each employee within the pay ranges Provide implementation options	Transfer final study documentation

# Job Analysis

## *Determining the County's Job Classification Structure*





In development of the Classification Structure, Segal...

- Recommends standardized titling format and nomenclature
- Developed job summaries and minimum qualifications from PDQs
- Developed draft classification structure for County review, feedback and operational alignment
- Conducted internal equity review to understand hierarchy of jobs
- Updated job titles with better linkage to market job titles
- Developed classification structure with all County jobs aligned based on internal relationships in one of 20 levels

# Segal Evaluator™





## Overview of Compensable Factors

The purpose of the eight (8) compensable factors is to measure job's minimum qualifications, responsibilities, and skill requirements. The ratings are used to refine the job structure and to align internal pay equity among job classifications.

	<b>Formal Education</b>	Measures the minimum formalized training or education that is required for entry into the position. This factor measures minimum requirements, not preferences.
	<b>Work Experience</b>	Measures the minimum level of work experience required for entry into the position, based on the minimum education requirement identified.
	<b>Management &amp; Supervision</b>	Measures the supervisory or managerial role inherent to the job (to what degree is the job responsible for achieving results through other people).
	<b>Human Collaboration Skills</b>	Measures the job requirements of personal interaction with others outside direct reporting relationships as well as the impact of those interactions on the organization.

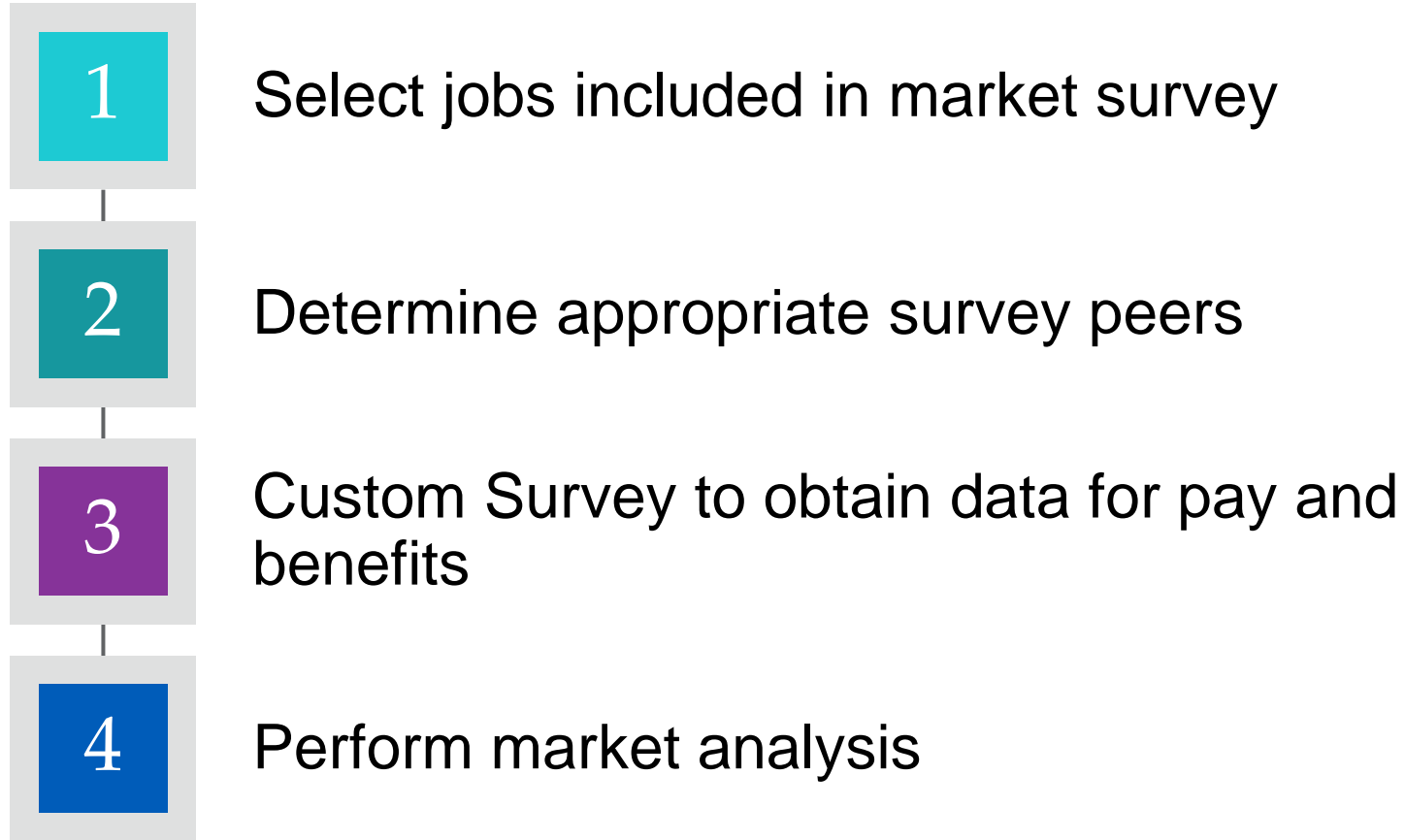
# Segal Evaluator™

## Overview of Compensable Factors (continued)

 <b>Freedom to Act</b>	Measures the extent the employee is free to act in the absence of supervision or standard operating policies or procedures. Conditions or limitations on independence may include supervisory control, the nature of the work, established procedures or lack thereof, or legal/regulatory constraints.
 <b>Knowledge &amp; Skills</b>	Measures the technical skill requirements of the job, including the level of expertise, complexity, and analytic or problem-solving aspects of the position. Also measures the depth and breadth of knowledge and expertise required when compared to other jobs across the county.
 <b>Fiscal Responsibility</b>	Measures the accountability and participation, if any, related to financial transactions, purchasing authority, asset management, and budgets.
 <b>Working Environment &amp; Physical Effort</b>	Measures the surroundings under which the work must be performed, including environmental exposures and risks, as well as the amount of physical effort involved.

# Market Assessment Process

*Determining Market Competitive Wages and Benefits*





# Market Assessment Process

## *Guidelines*

- Purpose of market assessment is to gather relevant data for making informed decisions in pay structure development- initial focus is **not** on individual employee pay
- Segal and the County identified fifty-seven (57) job titles to be included in the survey (termed benchmark jobs)
- Benchmark jobs statistically represented all Health Department job titles included in the study
- The market data is then mapped to all Health Department jobs included in the study through the internal equity review process

# Market Assessment Process

## *Determining market comparators*

- Thirteen (13) public sector employers were identified based on proximity, size, competition for labor, and other similar characteristics
- Three (3) published surveys - private sector data sources: Economic Research Institute, PayFactors, CompAnalyst

### List of Comparators

Clark County Public Health Department	Spokane Regional Health District
Fred Hutchinson Cancer Center*	Tacoma-Pierce County Health Department
Island County Public Health Department	Thurston County Department of Public Health and Social Services
Kitsap County Health Department	University of Washington*
Multnomah County Health Department	Washington State Department of Health
Seattle & King County Public Health Department	Whatcom County Health and Community Services Department
Skagit County Public Health and Community Services Department	

Comparators listed with a \* did not participate

# Market Assessment Process

## *Analysis*

- Job purpose statements were written for each benchmark job title and provided to peers for matching purposes
- Jobs are matched base on job content and not job titles, which can vary significantly from organization to organization
- Use of “70% match” rule where predominance of core responsibilities are matched and a minimum of four matches required for use in analysis
- Each market segment’s data was equally weighted at 50% (Custom Survey and Published Surveys)
- Raw data was adjusted to reflect differences in Cost of Labor using Economic Research Institute’s national index
- Market matches were vetted through Segal’s quality review process and County Human Resources staff

# Market Assessment Process

## Benefits Surveyed

The County Custom Market Survey included comprehensive questions on benefits. Benefits surveyed include information on:

- Paid Leave
- Student Loan Repayments
- Vacation/Annual Leave (PTO)
- Vacation Buy-Back
- Sick and Bereavement Days
- Holidays and Personal Days
- Medical & Dental Appts Days
- Flexible Scheduling
- Remote Workdays
- Tuition Reimbursement
- Medical Plans/Premiums
- HSA/FSA
- Telemedicine
- Health Advocate
- Dental Plans/Premiums
- Vision Plans/Premiums
- Life Insurance
- Retiree Health/RHS
- DB & DC Retirement
- 457 Retirement, etc.

### Sample\* Results for Medical Plans

#### PPO/POS PLAN MONTHLY COSTS

Peer Employer	Employer \$		Employee \$		Employer %	
	Single	Family	Single	Family	Single	Family
Peer Name	\$485	\$1,209	\$508	\$1,270	49%	49%
Peer Name	\$708	\$2,115	\$85	\$266	89%	89%
Peer Name	\$609	\$1,703	\$41	\$118	94%	94%
Peer Name	\$623	\$1,755	\$0	\$378	100%	82%
Peer Name	\$611	\$1,346	\$25	\$150	96%	90%
Peer Name	\$569	\$1,681	\$145	\$600	80%	74%
Peer Name	\$600	\$1,044	\$85	\$485	88%	68%
Peer Name	\$469	\$1,457	\$56	\$170	89%	90%
Peer Name	\$615	\$1,559	\$63	\$238	91%	87%
Peer Name	\$863	\$1,401	\$85	\$170	91%	89%
Peer Name	\$411	\$1,217	\$72	\$215	85%	85%
<b>Market Average</b>	<b>\$597</b>	<b>\$1,499</b>	<b>\$106</b>	<b>\$369</b>	<b>86%</b>	<b>81%</b>
<b>Client</b>	<b>\$xxx</b>	<b>\$x,xxx</b>	<b>\$xx</b>	<b>\$xx</b>	<b>xx%</b>	<b>xx%</b>

\* For illustrative purposes only, not actual

# Market Assessment Process

## *Pay Practices Surveyed*

The County customized Market Survey also included comprehensive questions on pay and pay practices for both Represented and Non-Represented employees. Pay practices surveyed include:

- Pay Progression
- Pay Ranges
- Longevity Pay
- Safety Shoe Allowance
- Tool Allowance
- Vehicle Allowance
- Uniform Allowance
- Bonuses
- Overtime
- On Call Pay
- Working out of Class Pay
- Rain Pay
- Shift Differentials



# Market Assessment Findings

## *Base Pay and Pay Practices*

- Snohomish Health Department pay practices and pay policies are generally below the market
- Overall, Segal found SHD's pay structure is competitive at midpoint but lagging at entry and top step

### Overall Pay Range Market Comparison as a % of Overall Market Average

	Base Pay Range		
	Minimum	Midpoint	Maximum
Peer	91%	96%	95%
Published Data Sources	96%	94%	89%
Overall Market Average	92%	96%	92%

Figures shown in **red** are below market (less than 95% of the market average)

Figures shown in **black** are within the market range (95% to 105% of the market average)

Figures shown in **blue** are above market (more than 105% of the market average)

# Market Assessment Findings

## *Health Benefits Costs*

Health Department Average Weighted Employer Annual Health Contribution	Market Average Weighted Employer Annual Health Contribution
\$7,498	\$8,174

Average annual County employer contributions to total health benefits (including medical premiums; H.S.A. contributions; and prescription, dental, and vision premiums) ***is below the market weighted average.***

# Market Assessment Findings

## *Retirement Benefits for Tier X Employees*

County Total Annual Employer Contribution (% of Base Pay)	Market Average Total Annual Employer Contribution (% of Base Pay)
18.70%	15.05%

The total annual County employer retirement contributions made to defined benefit, defined contribution and deferred compensation plans are ***above the average peer employer retirement contributions.***



# Market Assessment Findings

*Overall Total Compensation as a % of Overall Market*

	Pay Range Maximum	Average Weighted Annual Health Contribution	Total Employer Retirement Contribution	Employer Total Compensation Costs
<b>Snohomish Health Department</b>	<b>97%</b>	<b>92%</b>	<b>121%</b>	<b>100%</b>

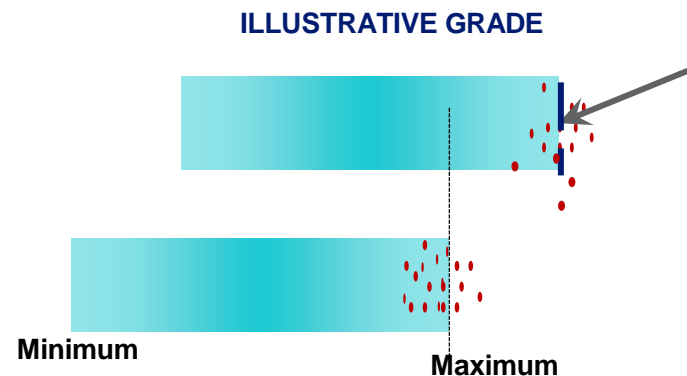
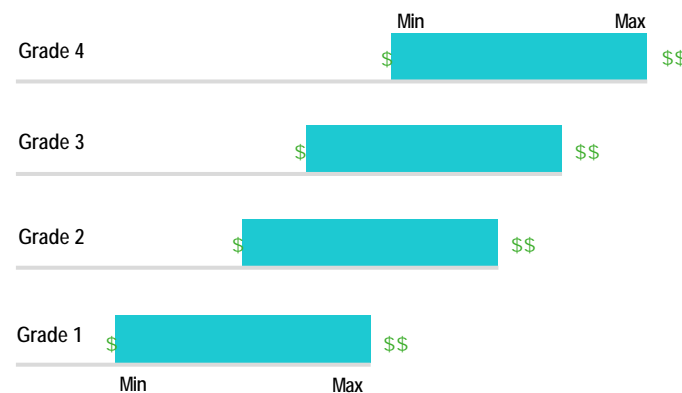
Segal evaluated the overall position of County's base salaries at top step along with health insurance and related benefits and retirement costs incurred by the employer compared to the market average. The County's total compensation market position is expressed as a percentage of overall market average.

# Pay Structure Development

## *Developing Ranges and Assigning Jobs*

The following approach was used to develop ranges and assign jobs to a pay structure:

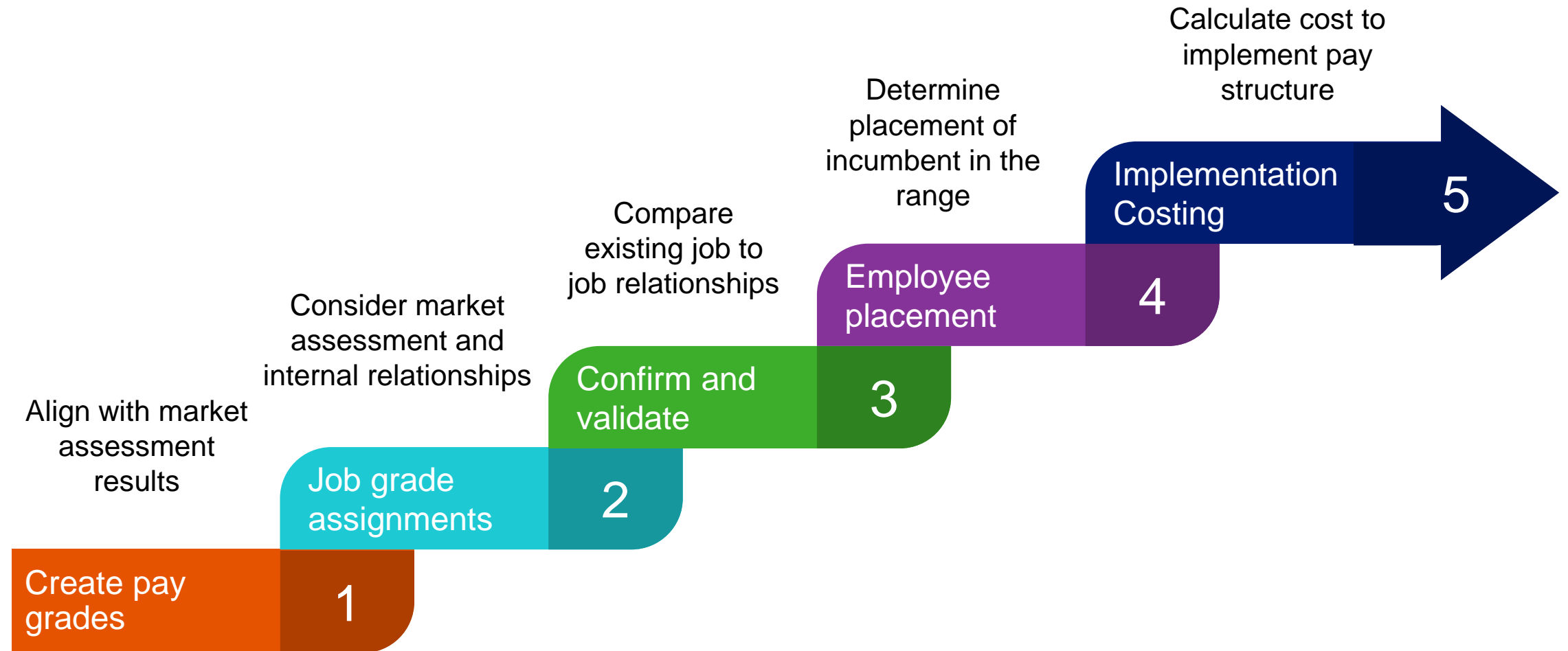
- **Referenced external market data** at range **maximum** to develop a market-based compensation structure, translating the client desired market position to the maximum rate of each salary grade
- **Assigned jobs to the salary grade** with the grade maximum that is closest to the market average maximum for the job while also maintaining existing internal relationships.
- **Added steps to the ranges** beginning at the top step and establishing steps at 5% intervals for seven steps. Ranges will be broader to reflect average spreads in the market data



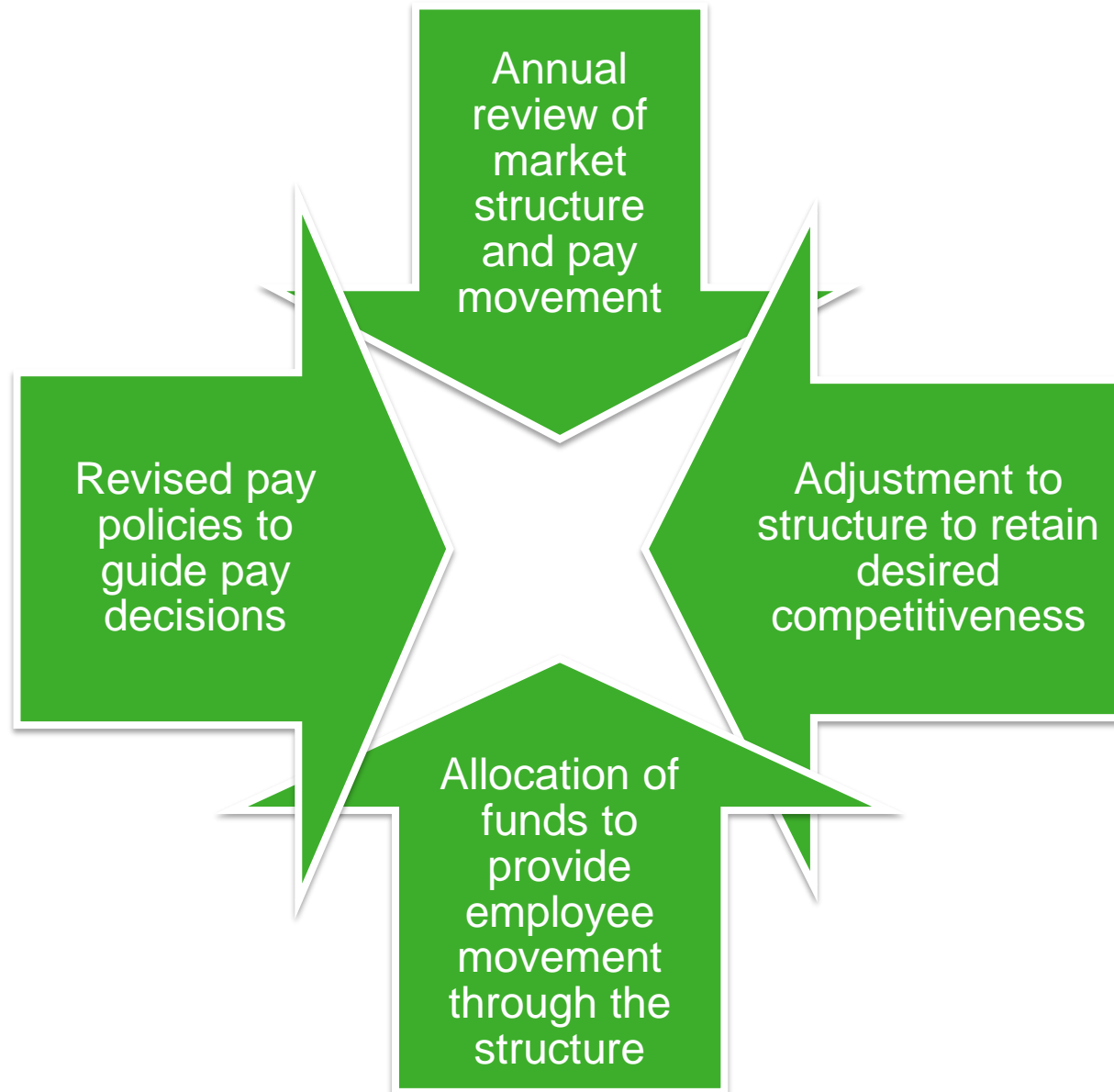
Benchmark average data is a typical reference point for building salary ranges in a market-based structure

# Pay Structure Development

*Developing Ranges and Assigning Jobs*



# On-going Maintenance



# Questions