

Merit System Protection Board Montgomery County



Classification and Compensation Audit Report

February 6, 2018

SUBMITTED BY:

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As directed by Montgomery County Personnel Regulations §9-3(h)(2) (COMCOR §33.07.01.09-3(h)(2)), CPS HR Consulting presents this objective audit report following a comprehensive review of the classification and compensation plan and procedures under the Merit System Protection Board of Montgomery County. This report concludes that there are no significant compliance issues of a regulatory or policy manner.

CPS HR Consulting identified that the Merit Systems Protection Board has policies and practices in place to administer a reasonably effective and compliant classification and compensation program. The report will address opportunities to address “perceived” compliance matters and positively affect current processes for long-term success and organizational effectiveness. Overall, it is our recommendation that there is an opportunity to further develop an agency culture related to compensation that is more translatable to practitioners and recipients.

In close, we appreciate all staff that participated in various stages of the audit process to provide feedback, data and overall views on employment within Montgomery County. We extend special appreciation to the Office of Human Resources (OHR) for timely responses and data compilation.

Respectfully submitted,



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Background/Introduction

Montgomery County, Maryland (hereafter, the County) borders the nation's capital and is the State's most populous jurisdiction, with 971,777 residents as of the 2010 Census. The County, with an operating budget of \$5.3 billion, is comprised of Executive, Judicial, and Legislative branches, and consists of 39 departments, boards, and commissions. The County is a charter form of government, with an elected County Executive and a nine-member elected County Council. The Chief Administrative Officer and most agency heads are appointed by the County Executive, subject to confirmation by the County Council, serve under the direction of the County Executive.

The Merit System Protection Board (hereafter, the MSPB) oversees the merit system and protects County employees and job applicant rights under the merit system law. The Board is comprised of three members appointed by the County Council. As defined under § 404 of the Montgomery County Maryland Charter, the Merit System Protection Board is required to, "...conduct on a periodic basis, special studies and audits of the administration of the merit and retirement pay systems and file written reports of its findings and recommendations with the Executive and the Council." Montgomery County Personnel Regulation §9-3(h)(2)(A), COMCOR §33.07.01.09-3(h)(2)(A) requires the MSPB "have a consultant who is a specialist in the field and independent of the County government conduct an objective audit of the entire classification and compensation plan and procedures."

The Board has entered into a contract with CPS HR Consulting (hereafter, the CPS HR), an independent consultant, to design and conduct a comprehensive review and audit of the County's Classification and Compensation Program and Procedures. The objective is two-fold:

1. To ensure the accuracy, equity, validity and integrity in the administration of the classification and compensation program and execution of its procedures; and,
2. To determine the effectiveness of the current Classification and Compensation models and methodologies.

The audit will determine whether the present Classification and Compensation Program and Procedures are administered properly and fairly, assuring equitable treatment of employees, coupled with meeting the needs of the County to attract and retain a quality work force. It will also determine the effectiveness of the County's job classification models and practices as compared to other "like" organizations in the regional market.

The County workforce has approximately 12,651 employees, of whom 8,645 are full-time, and the remainder are a combination of part-time, temporary, and seasonal workers. With the exception of approximately 67 appointed officials, all employees are included in the County's Merit System. Additionally, the Fire/Rescue Service consists of 19 independent fire corporations

with approximately 1,300 paid Merit System employees. The County uses eight occupational categories in accordance with the EEO-4 requirement, 56 occupational series, and approximately 550 job classification specifications. The Classification and Compensation Study will include a review, audit, and analysis of these categories, series, job specifications and the employees that occupy these jobs.

The scope of services is listed and summarized in the table below.

Table 1: Scope of Service

<input type="checkbox"/> Classification Services	<input type="checkbox"/> Compensation Services
<input type="checkbox"/> Classification Specification	<input type="checkbox"/> Labor Market Base Salary and Total Compensation Review
<input type="checkbox"/> Reclassification and Occupational Studies	<input type="checkbox"/> Quantitative Evaluation System (QES)
<input type="checkbox"/> Job Series and Career Ladders	<input type="checkbox"/> Salary Grades / Schedules
<input type="checkbox"/> Distinguishing Characteristics	<input type="checkbox"/> Salary Compression
<input type="checkbox"/> FLSA Status	<input type="checkbox"/> Gender Pay Equity

Classification

Develop and execute a plan to conduct a job audit of positions and administration of prescribed regulations, administrative procedures and policies, including general task analysis by departments, which may include interviews with department directors, managers and other key personnel and employees to determine the essential functions of the jobs within the occupational categories and series. The audit should include, but is not limited to, the following:

- Statistical sample size of Individual Position Study Files: new position creations, position reclassifications, and position abolishment.
- Statistical sample size of Class Study Files: class creations, class abolishment, class reallocations, and class title changes.
- Review and examination of Administrative Procedure 4-2 Classification Procedures, Quantitative Evaluation System Manual, and the execution of policies and procedures of managers, supervisors, and Human Resource Personnel.

Review and make any necessary recommendations regarding the County's current job classes, and job specifications, ensuring adequate differentiation for ladder jobs and ladder progression criteria, including but not limited to, Social Worker I - III, Program Specialist I – II, and Administrative Specialist I - III.

Prepare new job class specifications (if applicable), update existing specifications, and assess FLSA designations for each classification to accurately reflect the duties, responsibilities and type of work performed in the respective job classes.

Review and evaluate the occupational series including but not limited to Administrative Aides, Budget, Finance and Human Resource Specialists and determine the necessity of the series, sufficient differentiation across series, and appropriateness of job classifications included in the series.

The Classification and Compensation Program consists of approximately 550 job classification specifications that are classified under the Quantitative Evaluation System (QES), and approximately 390 positions that are classified under a Broad Banding Classification System. For the purpose of the audit, sample populations were utilized and will be described in each section of the report.

Compensation

Review current compensation rates, pay grades, salary schedules, and salary ranges for multi-incumbent represented, non-represented, and MLS positions, to include evaluation of effectiveness, competitiveness, flexibility, and equitability for internal, external, and across various demographic factors such as gender, race and age. The audit should include, but is not limited to, statistical sample size of the following:

- Internal promotional increases
- External hire compensation
- Special within-grade advancement request study files
- Incumbents in same job classification

Make any necessary recommendations regarding pay grades, salary ranges, salary schedules, and compensation policies and practices for represented, non-represented, and MLS job classifications. Conduct a comprehensive compensation survey of entities considered as the appropriate labor market within the County's competitive area to evaluate the competitiveness of the County's pay schedules and compensation practices for internal and external hires. Such entities may include appropriate private, federal government, local government, and quasi government sector organizations.

Identify potential pay compression issues and recommend solutions. Identify potential gender pay equity issues and recommend solutions.

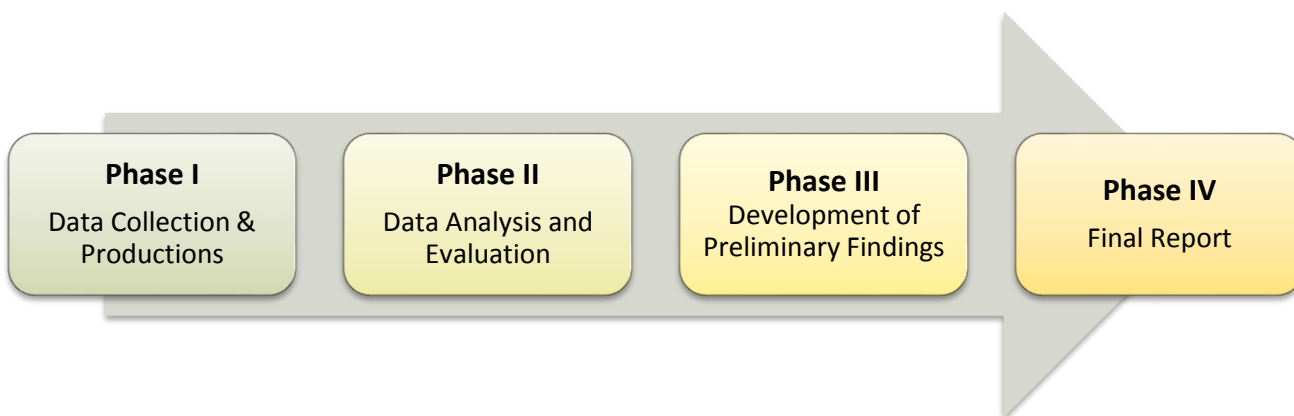
The Compensation Program consists of a Quantitative Evaluation System (QES) and a Broad Banding Classification System. Salary schedules for the County's 40 grades for non-represented employees, 28 grades for represented employees, two grade police management schedule, 15

(A-O excluding LSI and LS2 longevity) salary grades in the Fire/Rescue Bargaining unit, 8 grade seasonal salary schedule, and the three grade levels for the Management Leadership Service (MLS) positions. For the purpose of the audit, sample populations were utilized and will be described in each section of the report.

Study Tasks

The study was conducted in four phases:

Table 2: Study Task Phases



Phase I focused on the collection of information about County to ensure a comprehensive understanding of the study goals, objectives, and to receive their comments, feedback, and concerns with respect to the study and the process. Letters were sent to Department Heads and Union Officials to introduce the study and invite participation (Appendix A). A combination of data collection techniques and sources were employed. Sample data for a five year period, January of 2012 – December 2016, was collected and reviewed. Policy statements, rules and regulations, statistical reports, and other written documents were gathered and analyzed by CPS HR staff, shown in Appendix B, including:

- Personnel Regulations
- Administrative Policies and Procedures
- Occupational Categories
- Occupational Series
- Job Classes by Categories
- Job Class Specifications, Grades, FLSA status
- Salary Schedules
- QES Manual
- Broad Band Document
- Wage Equity Program Procedures
- Collective Bargaining Agreements
- Organizational Charts and Department Contacts

Two employee surveys were distributed to sample populations, soliciting their feedback concerning classification and compensation practices. The first survey focused on position and occupation studies with a 24% response rate (Appendix E). The second survey focused on

classification series, FLSA and other classification practices (Appendix F). This survey had a 38% workforce response rate¹. In addition, sample personnel interviews were conducted. To assess compensation, a labor market study was conducted with 9 local agencies to compare base salary and total compensation programs.

Phase II concentrated on analysis and evaluation of data and development of improvement recommendations. Evaluation involved comparison of policies, procedures and operations with regulatory and related human resources practices – a composite of policies and practices recommended by CPS HR audit staff. This phase also entailed a collection of supplementary data and corroboration of information obtained earlier.

Phase III involved the development of preliminary findings and preparation of a draft report. This process required repeated efforts to corroborate information collected earlier and to test a number of innovations and proposals in the report.

Phase IV included agency review and comment of the draft report followed by the submittal of a final report.

¹ Common survey response rates: Internal surveys will generally receive a 30-40% response rate on average, compared to an average 10-15% response rate for external surveys (SurveyGizmo - 2015)

Executive Summary

Overall, CPS HR found the County to have characteristics of an effective classification and compensation program. This report contains 11 separate recommendations that the County can use to further improve its operations. A list of the priority recommendations is provided below. Recommendations are listed in order of priority and grouped by category.

Table 3: Recommendation Definitions by Category

Regulatory Compliance	<ul style="list-style-type: none"> Processes which may contradict established law or create liability for the agency.
Operations Support	<ul style="list-style-type: none"> Program aspects which create time delays, repetitive steps or general inefficiencies which may impact agency goals and/or budget.
Opportunities	<ul style="list-style-type: none"> General program updates to modernize processes and procedures towards future growth and best practices.

Table 4 below outlines the priority of recommended actions based on study findings. Priority 1 recommendations should be implemented as soon as feasible, as they may not support required regulatory requirements. Priority 2 recommendations should follow and so on. A detailed narrative explaining the context of each recommendation can be found in the recommendations sections of this report.

Table 4: Priority of Recommendations

Priority 1	<i>Fair Labor Standards Act (FLSA)</i>	Classes are designated as exempt or non-exempt by essential duties. This impacts the application of overtime practices. Classifications should be reviewed to ensure compliance.
Priority 2	<i>QES III</i>	The evaluation system should be assessed for current relevancy and/or criteria updated.
	<i>Salary Schedules</i>	Assess bandwidth (i.e., spread) of range in salary grades and implement consistent range values by class series.
	<i>Classification Plan</i>	Remove, edit and update class titles that are no longer in use or require restructuring.
	<i>Equal Employment Opportunity (EEO)</i>	Implement and/or create goals to enhance diversity efforts. Plans, and goals, should have regular updates, training, and communication with employees and leadership.

Priority 3	<i>Classification Specification Templates</i>	The format for class specifications should be revised in conjuncture with policy to ensure consistency (i.e., distinguishing characteristics).
	<i>Data Clean-up</i>	In review of data files, records should be reviewed to ensure relevant tracking information is collected for all employees (i.e., EEO-4 and demographic information.).
	<i>Classification and Compensation Culture</i>	Opportunities to explore communications to educate employees on terminology and practices.
	<i>Classification Plan</i>	Explore consolidation of level-I classes.
	<i>Position Studies</i>	Explore Optional “Flex” positions to enhance career growth.
	<i>Class Audits</i>	Implement a schedule for periodic and ongoing classification audits to ensure updated descriptions and overall equity in compensation plan.

Classification

Overview

An accurate and up-to-date classification system provides an organization with the necessary tools to make administrative, fiscal, and human resources decisions. Further, accurate and current classification specifications provide the fundamental and essential building blocks for successful administration of recruitment, performance management, compensation, retention and succession planning programs. In addition to providing the basis for human resources management and process decisions, position classification can also effectively support systems of administrative and fiscal control. Identifying positions based on a well-defined and orderly classification system supports organizational planning, budget analysis and preparation, and various other administrative functions. In summary, the system should enhance efforts to Recruit, Retain and Reward employees.

The County Classification Program consists of approximately 565 job classification specifications. The current Classification Plan was reviewed and sample data analysis will be discussed within this section.

The following tasks were included in the assessment:

- Review of Personnel Regulations – MCPR Section 9 – Classification (amended 6/30/2015);
- Review of current Classification Plan which provides: Series, Class Code, Class Title, Grade, Salary Schedule and FLSA Status;
- Distribution of an employee survey to 640 employees that have been part of a position or occupational study during the period of 2012 – 2016;
- Distribution of an employee survey to 2,150 employees to assess career series, occupational series, FLSA and other related classification practices;
- Personnel Interviews; and,
- Review of 176 job postings and corresponding hiring data from 2016 and 2017.

The classification analysis relies upon sound principles of job evaluation. The following principles are utilized by CPS HR to complete the classification audit for the County. This section of the report presents a review of the current classification framework as well as quantitative and qualitative data to support recommendations.

Methodology - General Guidelines and Definitions

To facilitate review, this section provides general guidelines and definitions prescribed by CPS HR.

Standard Classification Factors

When assessing classification structures, CPS HR analyzes based on the nature of work performed. Nature of work refers to the occupation, profession, or subject matter field in which each position falls. Positions that perform work of a similar nature are considered to be in the same “job family”. Within each job family, the level of the position is then determined by evaluating it against the following factors:

- **Decision Making** - This consists of (a) the decision-making responsibility and degree of independence or latitude that is inherent in the position, and (b) the impact of the decisions.
- **Scope and Complexity** - This defines the breadth and difficulty of the assigned function or program responsibility inherent in the classification.
- **Contact with Others required by the Job** - This measures (a) the types of contacts, and (b) the purpose of the contacts.
- **Supervision Received and Exercised** - This describes the level of supervision received from others and the nature of supervision provided to other workers. It relates to the independence of action inherent in a position.
- **Knowledge, Skills, and Abilities** - This defines the knowledge, skills, and abilities necessary to perform assigned responsibilities.

These factors were carefully and consistently applied during the classification analysis of positions included in the scope of the study. Not all factors will be as pertinent to all positions and each factor is analyzed in accordance with the importance of that particular factor to the kind of job under study.

Whole-Job Analysis

CPS HR used a whole-job analysis approach. This approach compares jobs with one another on the basis of an overall evaluation of difficulty or performance. The entire position, including the skills required, the decision-making authority, the scope, the magnitude of work, and the accountability for results, is compared as a whole to other positions.

Broad and Narrow Classifications

Key to the classification structure is the judicious use of broad and narrow classification concepts. It is easy to determine that several positions belong to the same class when the duties are identical. However, in practice, the duties and responsibilities of positions need not be identical in order to be placed in a common classification. Classification plans generally establish classifications based on a determination of “sufficient similarity”. However, within an individual organization, sufficient similarity can be interpreted to coincide with the goals and philosophy of the organization. For example, a broad interpretation recognizes positions that share a core set of classification factors, but accepts substantial variation between positions resulting in varied assignments within each broad classification. In contrast, a narrow interpretation might create separate narrow classifications to address such variations.

Point in Time Analysis

A classification study primarily captures the essential nature of positions at a single point in time. Therefore, recommendations cannot be based upon all possible future changes, particularly in a rapidly changing environment where organizational needs, technologies, and skill requirements are continuously evolving. Recommendations are in line with the County’s current workforce data, recognizing that other additions or deletions from the plan may take place in the future. Recommendations to the structure, the levels of work, and the functional areas identified should provide a strong foundation for future classification needs.

Preponderant Duties

Classification studies often find that positions are assigned a wide range of duties and that incumbents have various levels of responsibility at any one time. Therefore, the positions must be analyzed based on their preponderant duties. Preponderance is a measure of importance, and the most preponderant duties of a position are those that support the primary purpose of the position. Sometimes the most time-consuming duties of a position are preponderant; however, consideration must sometimes be given to the responsibility and complexity of certain duties that do not occupy the majority of the incumbent’s time. Overall, the determination of preponderance is a judgment call based on a consistent set of factors.

Level and Not Volume of Work

Position classification is a reflection of the level of work performed by an employee and is generally independent of volume. For example, if one employee processes double the work of another, yet the percentages of time spent on those tasks and other duties are comparable, a single classification should be appropriate for both positions. In fact, study questionnaires do not ask for, and the consultants do not consider, the relative productivity

of employees when evaluating positions. Likewise, classifications are not distinguished by the amount of time spent by incumbents on tasks or the volume of work assigned to positions since problems of excessive workload are properly solved by redistributing work or adding employees, and not by creating new classifications.

Classification of the Position, Not the Employee

Position classifications should be consistent regardless of who holds the position. As such, a classification study process classifies positions, not individual employees. Furthermore, classification does not consider the capabilities of individual employees or the efficiency and effectiveness of an incumbent. It is not a measure of how well an individual employee performs but of the actual duties assigned to the employee. Thus, classification is not a tool to reward individual achievement, nor should classifications be created simply to reward length of service.

Position versus Classification

Position and classification are two words that are often thought of as interchangeable; but in fact have very different meanings. In a classification plan, a position is an assigned group of duties and responsibilities performed by one person. Sometimes the word “job” is appropriately used in the place of position.

In contrast, a classification may contain only one position, or may consist of a number of positions. When there are several positions assigned to one classification, it means that the same title is appropriate for each position because the scope, level, duties, and responsibilities of each position assigned to the classification are sufficiently similar (but not necessarily identical); the same core knowledge, skills, and other requirements are appropriate for all positions; and the same salary range is equitable for all positions.

Classification versus Allocation

Classification is the process of identifying and describing the various kinds of work in an organization and grouping similar positions together based on job family, classification series, and classification distinctions. Allocation is more specifically tied to the placement and/or budgeting of positions within an organization. Thus, agencies may allocate a position within an organization based on the results of the classification analysis for that position.

Nature of the Work

The overall nature of the work being performed provides the basis for establishing job families and also helps group positions according to their overall functions and responsibilities. Classifications in a job family usually have similarities in their employment requirements that may support career progression. However, classes in the same job family

may still require different levels of education, experience, skill, effort, or responsibility. These categories are described as follows:

- **“Clerical/Administrative” classifications** are responsible for general office and/or secretarial support work such as document production/processing, filing, reception, calendar maintenance, scheduling, and data entry. Typically, incumbents use a basic knowledge of office procedures, combined with basic reading, writing and arithmetic skills.
- **“Technical” classifications** describe work that requires specialized skills, knowledge, and abilities typically acquired through practical experience. Positions at the technician level typically require incumbents to have, at a minimum, a high school diploma or GED equivalency, combined with college level courses or possession of technical certification.
- **“Professional” classifications** typically describe work that is analytical in nature, requiring incumbents to possess sufficient knowledge and skill to analyze problems, evaluate and identify alternatives, and recommend/implement actions/solutions; such knowledge is usually obtained through possession of a four-year college degree and/or a highly specialized and advanced type of training.

Classification Job Family Levels

Within each classification series, there may be a classification at every level or only at selected levels. The levels within a job family reflect the organization and should be tailored to that organization’s needs and priorities. The categories recommended are described as follows:

- **Entry-level** classifications are designed to provide an on-the-job training opportunity to an employee who has limited or no directly related work experience and is not yet performing the full range of work assigned to the journey-level class. In some cases, positions which are limited in scope and/or performing more basic duties may be permanently allocated to the entry-level.

- **Journey-level** classifications recognize positions that perform the full range of tasks typically assigned to positions in the job family. A journey-level position requires incumbents to be fully competent in performing assigned duties. The designation of “II” may be used for a journey-level classification.
- **Advanced journey-level** classifications describe positions with specialized and/or advanced duties beyond the journey level of the series. Incumbents may also serve as a lead. Leads are typically responsible for providing lead supervision to a group of at least three lower level staff while performing the day-to-day work themselves. The designation of “III” may be used for an advanced level classification where the application of “Senior” indicates an advanced level with lead duties.
- **Supervisor-level** classifications describe full, first-line supervisory positions that plan, assign, supervise, and formally review the work of subordinates; assist in program development and management; impose discipline; develop and implement performance improvement plans and assume responsibility for a variety of personnel actions in such areas as performance evaluation, training, selection, transfers, approval of leave, and recommending disciplinary measures. Supervisors may also assist in budget development and administration. Most “working” supervisors also spend a substantial portion of their time performing the more difficult and complex work of the section or unit.
- **Manager-level** classifications describe positions with full responsibility for planning, organizing, and directing staff, oversight of critical and complex strategic initiatives, and/or controlling a major unit or division within a department. Managers are also responsible for the strategic planning and budget oversight for assigned functions and/or operations for a department.
- **Executive Manager-level** classifications describe positions with full responsibility for staffing, management and strategic planning of all department activities and projects, as well as, working with other County departments to forecast, plan for, and coordinate services to be provided County customers.

Classification Scope

This section provides analysis of core components of the classification system as described in the project scope. Each classification component will be organized as follows:

- Background
- Analysis and Findings
- Recommendations

Occupational Series

Background

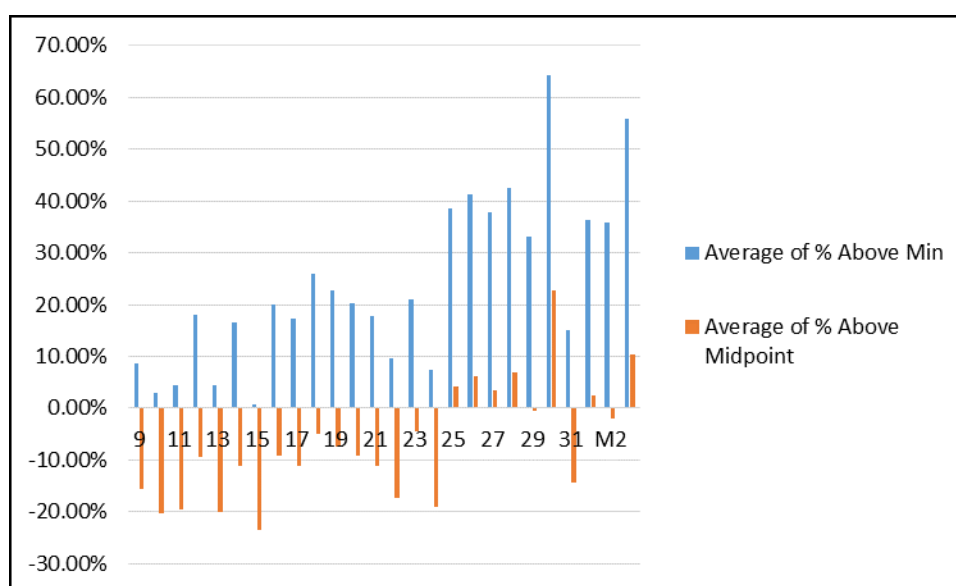
When the nature of the work is similar but has increasing distinguishing levels of responsibility and complexity classes can be assigned to an occupations series (i.e., Accountant I, Accountant II, Accountant III, etc.). Within each classification series, there may be a classification at every level or only at selected levels. The levels within a job series reflect the organization and should be tailored to that organization's needs and priorities. The current Classification Plan includes 565 class titles. Of those, there are 89 classification series, with anywhere from II – VIII levels.

Analysis and Findings

Overall, the entry-level classification, "I" is underutilized. Looking at a sample of 14,857 active positions (report dated March of 2016) only 1,619 positions (10.89%) were assigned to a level-I class. These positions were allocated to 36 classifications. In the period of January to December 2016, 1,744 positions were hired with 303 (17%) allocated to a level-I class. This means that only 19% of all level-I positions are newly hired or have less than one year of service. In the majority of cases, nearly half, level-I classes are filled by part-time or temporary staff. Many of the professional and safety classes (e.g., Nurse, Social Worker, Therapist, Police Officer, Firefighter...) have no positions allocated to a level-I class, regardless of County tenure.

The table below represents the starting salary, by grade, for positions hired in 2016. On average entry salaries were 15.64% above the minimum of the grade and 12.33% below the midpoint of the salary grade. Appendix M shows detail of the 428 full-time positions hired in 2016 and placement in the general and management salary schedule by grade.

Table 5: New Hire Salary Allocation within Range (2016)



Competitive and attractive base salary is often found to be a primary factor when allocating positions to a higher classification level within a series. Alternatively, periods of time where more qualified applicant pools exist, which meet the required experience and skills of a higher classification, can explain the advancement to higher levels within the series. 239 of the positions in 2016 were hired above minimum range, by more than 0.33% - 76.38%, but only 16 were allocated to a level-I classification.

Recommendations

- ✓ Series should be reviewed and possibly restructured to meet organizational needs and required minimum qualifications, possibly eliminating or consolidating the level-I class based on underutilization.
- ✓ Further discussion on salary grade ranges will be provided in the compensation section to assess if grade ranges are ineffective to meet hiring goals.

Career Ladder and Distinguishing Characteristics

Background

A class series review was intended to ensure class series have appropriate distinguishing factors and that classes create a career ladder to motivate employees' career progression. Subsequently, CPS HR audited distinguishing characteristics between levels in a series (e.g. Manager I, II, III).

The project scope entailed the review and analysis of the quality, clarity, applicability, and ease of understanding of the distinguishing characteristics amongst positions of the same job series. In this project, CPS HR used the Career Survey and market accepted practices of classification system design and development. The following job series were reviewed:

- Management Leadership Services Managers
- Human Resources Specialists
- Administrative Specialists
- Election Aides
- Executive Administrative Aides
- Performance Management and Data Analysts
- Procurement Specialists

Analysis and Findings

The analysis shows that most of the series include distinguishing characteristics between levels, which are represented in class definitions, descriptions of duties and/or minimum qualification requirements. In addition, all series differentiate levels by pay grades. For example, in the classification series of Manager, the levels I, II, and III are assigned to pay grades M1, M2, and M3 respectively. The lowest level in the series (in this case M3 is lowest and M1 is highest) requires less experience, education, and less decision-making authority, complexity, and autonomy. The table below details these distinguishing characteristics of levels in the series.

Table 6: Distinguishing Characteristics of Level in Manager Series

Level within Series	Pay Grade	Class Definition	Example of Duties	Minimum Qualifications
MANAGER I	M1	"...functions in one of the following three high level management roles: 1) Director 2) Deputy Director 3) Senior Expert Advisor ."	"...focus is on strategic, mission critical planning..."	MA+7 years (with 4 years in a supervisory or executive capacity)
MANAGER II	M2	"...applies to division chiefs reporting directly to an appointed department director/deputy director."	"...manage organizational unit(s)..."	MA+7 years (with 3 years in a supervisory or executive capacity)
MANAGER III	M3	"...applies to unit chiefs reporting to a Manager II or above."	"...focus is on tactical actions and decisions..."	BA+5 years

The same pattern is observed in other series where grades, class definitions, example of duties, and minimum qualifications serve as distinguishing characteristics defining complexity, autonomy, authority, and length of required study for each level. In some cases, however, the characteristics that are intended to clearly define how each level is different from lower and higher levels in the series do not define that difference explicitly. This may cause confusion and leave some room for misinterpretation and ambiguity. This practice may further lead employees to believe they are ready for or already perform at the next level, but they are not being promoted and their career ladder plateaued. It is, for example, common to differentiate levels by broad statement "this is entry-level professional class", or "this is advanced-level professional...", "intermediate", "full-range", etc.

To support these statements within class definitions employees must carefully study the entire class specification and find clear and well-defined measures that distinguish levels. Although most series do have these measures, their complexity and semantics may affect how effortlessly they are understood and perceived. In the table below the class definition section clearly defines each level by "beginning", "intermediate", "full performance", and "senior", which is supported by the minimum qualifications section.

Table 7: Distinguishing Characteristics of Level in Performance Management and Data Analyst Series

Level within Series	Pay Grade	Class Definition	Example of Duties	Minimum Qualifications
PERFORMANCE MANAGEMENT AND DATA ANALYST I	21	"...beginning level professional staff work in performance management and data analysis..."	"Work is made complex by the variety and types of data..."	BA+2 years
PERFORMANCE MANAGEMENT AND DATA ANALYST II	25	"...intermediate level professional staff work in performance management and data analysis..."	"The work involves collecting data and information on increasingly complex problems or issues..."	BA+3 years
PERFORMANCE MANAGEMENT AND DATA ANALYST III*	28	"...full performance professional staff work in performance management and data analysis..."	"Work is made complex by the volume, variety and types of data and information..."	BA+4 years
SENIOR/LEAD PERFORMANCE MANAGEMENT AND DATA ANALYST	30	"...senior or lead worker professional work in performance management and data analysis..."	"...employees are assigned the most complex, largest and challenging portfolio of county departments and/or agencies."	BA+5 years

The more complex task is then to support these statements by example of duties. Two issues resurface from this:

- ▶ How well the description of duties represents professional designation of each level, “entry”, “intermediate”, or “senior”?
- ▶ How to administer employee’s career progression after one year of adequate performance? Based on the minimum qualifications (MQs), every year an employee is qualified to be promoted to the next level. This may cause either high turnover among all levels in the series or employees’ perception of career plateauing and unfair treatment.

One solution to some of the issues is to add statements about how each level is distinguished from the one below and above followed by more specific description of duties. The audit shows that only one series (out of seven) has recorded statements about distinguishing characteristics. As an example, the classification specification for Administrative Specialist II states, “This class differs from the next higher level in the series in that employees in this class do not have as much autonomy in performing tasks and making decisions. This class is differentiated from the next lower level in the series in that an employee in this class has more latitude to perform a variety of administrative tasks of greater scope independently under the direction of a higher-level supervisor, and analyzes more complex issues and provides recommendations concerning these issues.”

The practice of adding the “distinguishing characteristic” statements can be successfully used for all series, provided that they will be followed by specific examples of duties supporting and explaining each characteristic. Moreover, the “distinguishing characteristics” statements within the series must be consistent, which is not the case in Administrative series. Such, for example, the Administrative Specialist III states, “This class is differentiated from the next lower level in the series by the diversity and complexity of assignments, greater independence of action and

greater scope of work.” Note, that in this statement there is no reference to “higher level in the series” as it is in Administrative Specialist II (see table below).

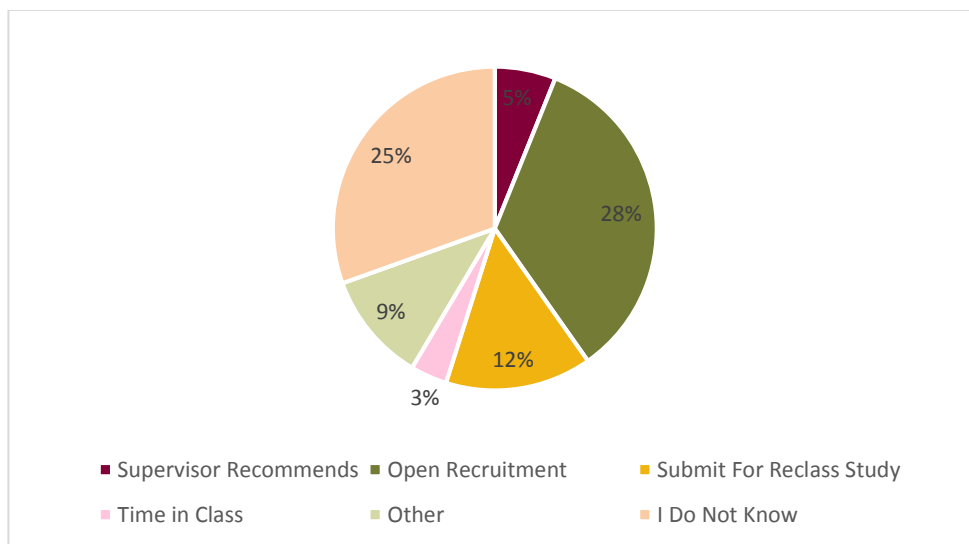
Table 8: Distinguishing Characteristics of Level in Administrative Specialist and Services Coordinator Series

Level within Series	Pay Grade	Distinguishing Characteristics
ADMINISTRATIVE SPECIALIST I	18	This class of work is differentiated from the next higher level in that an employee provides a limited range of administrative support, is developing skills to perform a full range of administrative support activities, or provides organization and support to an elected body of individuals making decisions affecting the County.
ADMINISTRATIVE SPECIALIST II	21	This class differs from the <i>next higher level</i> in the series in that employees in this class do not have as much autonomy in performing tasks and making decisions. This class is differentiated from the next lower level in the series in that an employee in this class has more latitude to perform a variety of administrative tasks of greater scope independently under the direction of a higher level supervisor, and analyzes more complex issues and provides recommendations concerning these issues.
ADMINISTRATIVE SPECIALIST III	23	This class is differentiated from the <i>next lower level</i> in the series by the diversity and complexity of assignments, greater independence of action and greater scope of work.
ADMINISTRATIVE SERVICES COORDINATOR	28	This class is distinguished from the next lower class by: 1) the diversity and complexity of departmental operations and the resulting more detailed analysis and skill required of incumbents of this class to support these operations; 2) greater authority to deviate from and develop guidelines and procedures; 3) more difficult contacts; and 4) supervisory responsibilities (for professional and clerical staff).

Recommendations

- ✓ Add “distinguishing characteristics” statements to all job series (similar to Administrative Specialist series) to better define how each level differentiates from the next lower level and next higher level.
- ✓ Ensure that these statements are consistent among the levels and use the same format and verbiage to eliminate confusion, ambiguity, and misinterpreting level descriptions.
- ✓ Support the “distinguishing characteristics” statements by explicit and well-defined examples of duties and scope of responsibilities.
- ✓ Avoid unclear, ambiguous, and unnecessary overcomplicated statements and description of duties.
- ✓ Ensure that differences between levels are clear, significant and measurable as expressed in class definition, example of duties, and minimum qualifications. Differences should support career progression and be achievable within reasonable time. Table 9 illustrates an unclear view by employees on how one may advance or promote within a career ladder.
- ✓ Series should be reviewed and possibly restructured to meet organizational needs and required minimum qualifications, possibly eliminating or consolidating the level-I class based on underutilization (Also observed in Class Plan).

Table 9: Employees' Views on How to Advance in Series



Position Classification - Reclassification

Background

Position classification is outlined in Personnel Regulations – Section 9-4, with accompanying supplemental language in current Collective Bargaining Agreements. Regulations intend to provide a process for position incumbents or their director to request a review of the allocated classification [9-4(b) (1)]. The request is in response to a change in either the organization chart, location or reporting, or new position duties or responsibilities. This may also be made for an occupational series or group of employees assigned to a classification.

Requests must be submitted to OHR with prescribed criteria/forms during the month of June, each year. A response must be made to the employee via the department director with supporting rationale on the decision.

Analysis and Findings

An electronic survey (shown in Appendix E) was sent to 239 incumbents who were participants in positions studies during the period, 2012 – 2016. The survey included 401 supervisory and management staff organizationally related to the study incumbents by direct reporting structure and/or assigned department. A sample of 19 classification files was also reviewed.

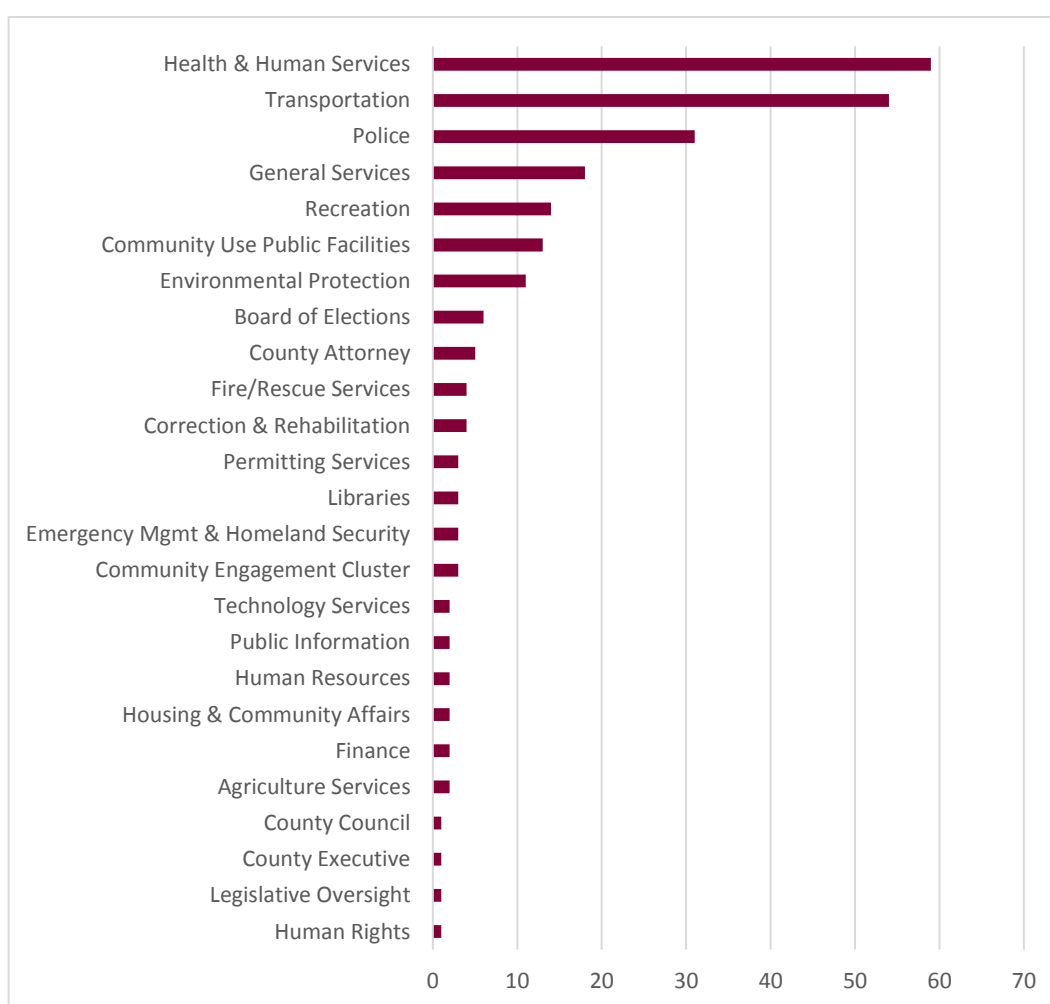
Looking at files there was a variety of incumbents approved and denied. Studies were conducted by OHR or a third-party consultant. Approved requests in the sample were based on meeting

criteria of the higher/alternate classification. Denials were based on duties performed that were within scope of current classification or timeliness.

The survey had a 24% response rate. Respondents represented 17 departments as shown below. 49% reported that the outcome of their study was a reclassification to a higher classification. The primary reason, 94.5%, for the study request was a change in the level of responsibility. 70% indicated that their classification was part of a classification series (e.g., I, II, III...).

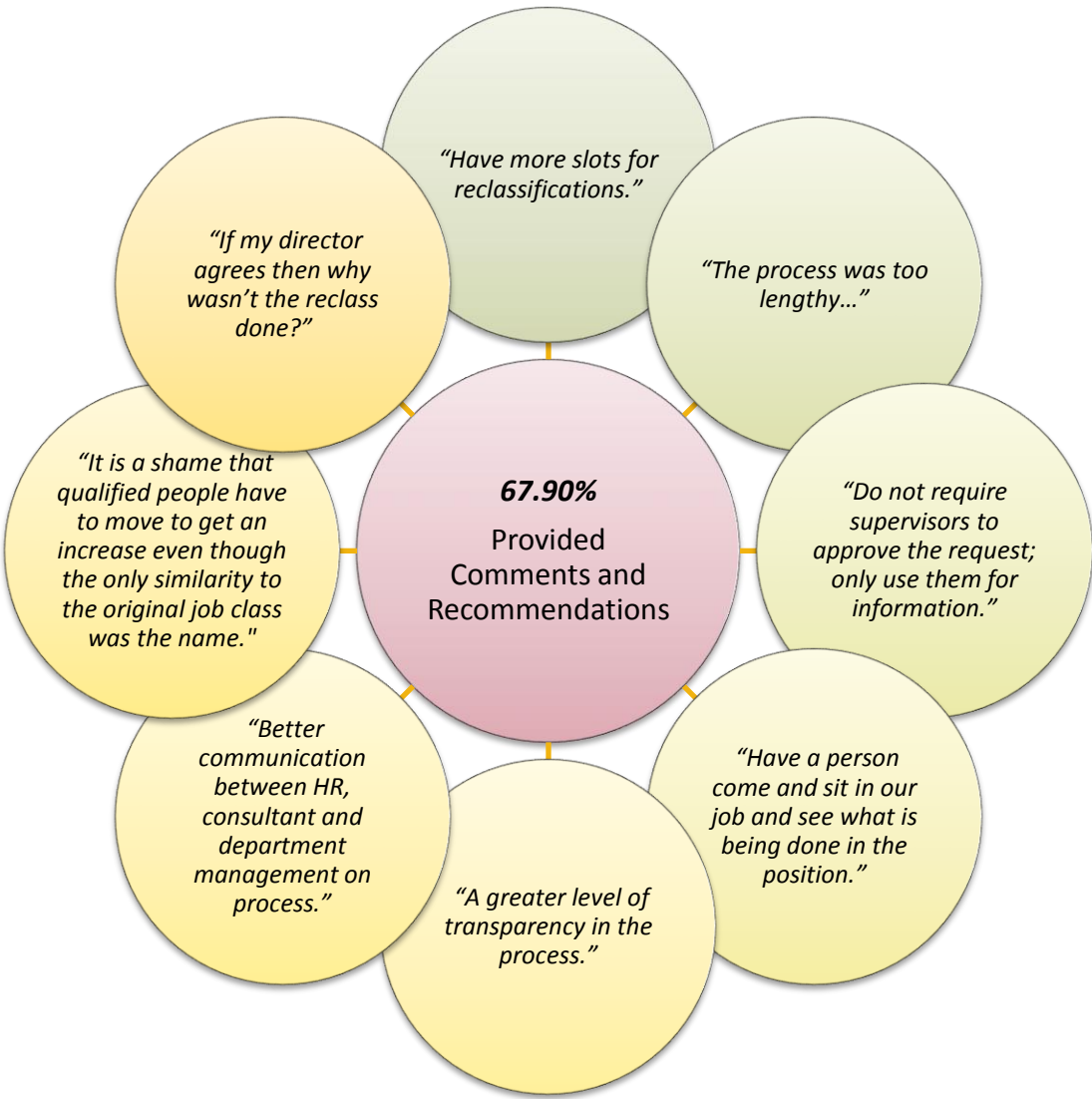
77.4% of respondents indicated that their study results took more than 3 months. 45% disagreed with the study outcome and claimed they were not able to address study disparities with any leadership staff. Over 60% of respondents reported receiving results from OHR.

Table 10: Responses to Overall Currency of Classification Specifications by Department



A sample is highlighted of the 67.90% of respondents who provided comments and/or recommendations on the study process. Reasons reported by employees are presented in the following table.

Table 11: Respondents Feeling Unable to Discuss Survey Results



Recommendations

- ✓ Assess and define recruitment vs. reclassification scenarios. An approved file in the sample reported that, “incumbent has grown in scope.” Growth should be recognized and mentored in a succession plan or career ladder. Relying on a form submittal can overlook talent, extrapolate misclassification and impact morale. Performance and growth are components of career planning and performance management, not position reclassification.
- ✓ Explore the opportunity for “flexible or flex” positions. Flex classifications are typically designated as an I – II and represent entry and journey level skills. Classifications provide a position the opportunity to “automatically” advance in a career series based on quantifiable criteria (e.g., performance, tenure, etc.). This could limit the number of studies by providing those that have specifically had an organization or position change vs. those who are developing within the classification series.
- ✓ Update forms and policy. Many of the study files did not express department management concurrence with the incumbent. If this is not required, then the policy should be updated. In addition, the policy lists that study results will be provided by the department. The survey indicated OHR as the lead in providing results. Update timelines if not reasonable for current workload. Streamline and implement introduction tools for employees to understand the process and criteria.
- ✓ Assess number of denials due to, “maximum request received,” and ensure ongoing assessment of applicant pool numbers. Using thresholds that are not regularly updated or assessed can create perceived inequities. Again, better defining the process to classifications that have had a “true” change vs. normal growth in a series may make study requests more manageable and efficient.
- ✓ Enhance communication plans so that employees may more clearly translate and apply classification and compensation terminology and practices. During interviews, the majority of respondents were not able to immediately articulate when the last salary increase was due to altering terminology. Surveys or focus groups should be conducted to evaluate process improvement opportunities. Additionally, 45.3% of respondents disagreed with position study results and all reported that their feedback was not considered. The chart below shows respondents’ understanding of how to move within a career series. There is an opportunity to streamline and correct policy understanding.

Classification Specification

Background

Classification is outlined in Personnel Regulations – Section 9. The County has a Classification Plan that is defined by title, class code, series, grade, salary schedule and FLSA.

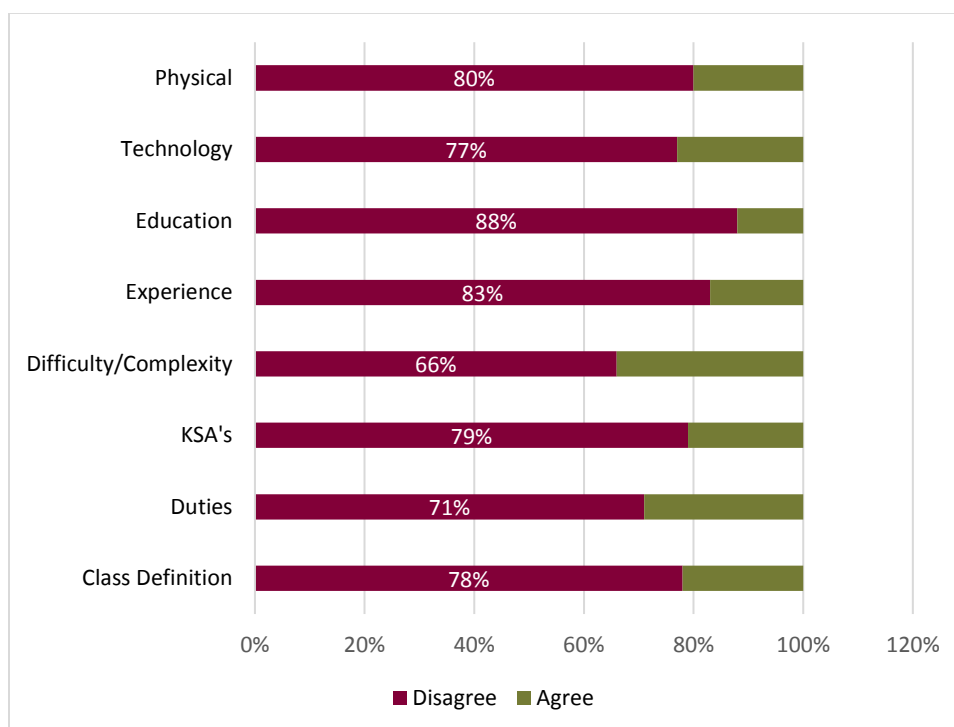
Analysis and Findings

In order to assess classification compliance with County policy the Classification plan, inclusive of 565 class titles, was reviewed. A survey was sent out to 2,150 employees representing 57 classifications. Classifications were selected by assessing hiring data for the last 5 years (2012 – 2016) and establishing those classifications, and related series classifications, where more hiring activity occurred. In addition, 176 recruitments were reviewed related to these classifications.

In initial assessment, it was found not all class titles are currently utilized. Data provided in March of 2016 showed 497 class titles in active use. This provides a ratio of 1:29 (i.e., for every class title an average of 29 employees are allocated). Looking more specifically at the general and management schedule data, this ratio is decreased to 1:17; with 399 class titles utilized.

In analyzing survey results, 64% of respondents indicated they have a classification specification. The following chart represent areas where respondents indicated that the areas in the current classification specification are not up-to-date:

Table 12: Responses to Currency of Classification Specifications by Reason



In assessing recruitment files, 156 job postings included some addition of “preferred” criteria. The majority of the preferred criteria provides more specialized work experience to the work program or expands on the knowledge required. 58% of respondents indicated that the job announcement correctly depicted the work they were hired to perform. Of staff interviewed, several commented on technology factors being out of date and the need to add preferred language to job postings. Overall, in assessing 14,587 applicants, 27% of applicants are identified as “not qualified” as a candidate to advance in the recruitment process. These factors collectively show opportunity to update specification language and/or consolidate class titles to reflect actual work duties.

Classifications may also be created, abolished or modified under the program. In review of created classes, 2013 – 2017, 45 new classes were created. The table below shows those classes that have no current allocations that were created in the past 4 years.

Table 13: Classifications with No Current Allocations

Class Title	Grade	Effective Date
Customer Service Representative Leader	18	11/30/2014
Customer Service Representative Supervisor	21	11/30/2014
Emergency Vehicle Mechanic Trainee	12	9/20/2015
EMS Educator	25	2/5/2017
ERP Change Management Specialist	27	8/11/2016
Fiscal and Policy Analyst I	21	4/16/2017
Fiscal and Policy Analyst II	25	4/16/2017
Fiscal and Policy Analyst III	28	4/16/2017
Information Technology Supervisor	30	4/16/2017
Laboratory Supervisor	26	3/6/2014
Performance Management and Data Analyst I	21	4/16/2017
Performance Management and Data Analyst II	25	4/16/2017
Performance Management and Data Analyst III	28	4/16/2017
Public Safety Emergency Communications Specialist I	15	5/15/2016
Public Safety Emergency Communications Specialist II	17	5/15/2016
Public Safety Emergency Communications Specialist IV	20	5/15/2016
Senior/Lead Fiscal and Policy Analyst	30	4/16/2017
Senior/Lead Performance Management and Data Analyst	30	4/16/2017
Transportation Contract Compliance Inspector II	19	2/5/2017

In addition, 5 classes were abolished, 10 classes had title changes and 7 had reallocation of salary grade. Appendix D shows the class detail.

Recommendations

- ✓ Avoid unclear, ambiguous, and unnecessary overcomplicated statements and description of duties, especially in preferred criteria which may not be quantifiable (e.g., “Considerable office desktop experience.”).
- ✓ Update policy to reflect current job evaluation factors (e.g., Section 9-2 (2) (D) (ii) references physical and mental requirements which are not included in all classification specifications).
- ✓ Ensure a periodic audit process of position reviews to ensure classification language represents the current work duty requirements and aligns with the agency classification needs.

Fair Labor Standards Act (FLSA)

Background

The Fair Labor Standards Act was enacted by the United States Congress in 1938 to eliminate labor conditions injurious to the health and efficiency of workers, as well as unfair methods of competition based on such conditions. The act has been amended multiple times since initial enactment. It contains provisions that cover minimum wage, child labor, equal pay and several other employment practices. Although as a federal law, all states must comply with the minimum requirements of the FLSA, some states have enacted legislation that supersedes the FLSA in certain areas. Thus, when determining FLSA compliance it is important to consider both federal and state requirements (if applicable). This study has analyzed the positions based on their qualification for exemption under executive, administrative, or professional rules according to the federal standard. The Maryland Wage and Hour Law provides guidance for minimum wage and overtime but ultimately adheres to federal provisions.

Pertinent to this study, the FLSA contains language that requires employers to pay overtime to an employee at the rate of one and one-half the employee’s regular rate of pay for all hours worked over designated weekly hours unless said employee qualifies for an exemption. This overtime pay requirement cannot be waived by agreement between the employer and employee, although the employer can choose to pay overtime to an employee even though the employee qualifies for exemption under the law.

The FLSA provides an exemption from overtime pay for employees who are bona fide executive, administrative, professional and outside sales employees. Elsewhere in the act, exemptions can also be found for: certain farm workers; full time students; learners and apprentices;

handicapped workers; seasonal workers; and persons working under qualified union contracts where certain hours are specified. FLSA also provides exemptions for certain computer employees who may be exempt from overtime even if paid on an hourly basis if they meet the more stringent hourly rate test.

Except for Computer Professionals, to qualify for an exemption, employees must meet both salary and duties tests. The Act also requires that, in order to establish eligibility for an overtime exemption, analyses must be done on a position-by-position basis, with consideration given to the employee's actual job duties, not merely the job description. It should be noted that placement in a supervisory or management bargaining unit, or granting a management benefit package does not make a position exempt from overtime, nor does requiring professional licensure or registration automatically make a position exempt. Consequently, within a single classification, some positions may be exempt and others non-exempt.

Federal laws define requirements for meal periods, break periods, and payment of overtime, but do not require paid breaks or paid or unpaid meal periods. The Fair Labor Standards Act (FLSA) prescribes standards for overtime pay. It requires employers to pay non-exempt employees overtime pay at one-and-one-half-times the regular rate of pay for a non-exempt who works more than 40 hours in a workweek.

Exempt status is based on the duties and responsibilities assigned to an individual, not to a classification. It is possible that in one classification, some employees could be exempt from overtime and other employees could be eligible for overtime. However public agencies and corporations typically designate FLSA status based on classification and tend to take a conservative approach to designating a classification as exempt from overtime. Further, while it is permissible to designate and pay an otherwise overtime exempt position as overtime eligible, it is not permissible to designate an overtime eligible position as overtime exempt. A negotiated agreement with a union or other representative cannot override the individual rights of an employee.

The most common overtime exemptions in the public sector are Executive, Professional, Administrative, and Computer Professional. For Professional, Administrative and Executive exemptions, employees must be paid on a salary basis and must *regularly exercise discretion and independent judgment with respect to matters of significance*. This is key to the determination of exempt status as even a very highly paid salaried position may be overtime eligible if they do not exercise sufficient independent judgment and discretion. Computer professionals performing certain types of computer functions may be paid on an hourly basis if the hourly rate is at least \$27.63 per hour.

Paid on a Salaried Basis means the employee receives the same rate of pay regardless of hours worked. An employer may deduct a full day of pay when no available leave balance (i.e., vacation

day). For public sector employers it is permissible to deduct from an employee's leave balance for absences of less than one day. However, if an employee has no accrued leave on the books, an employer may not deduct from the employee's wages for an absence of less than a full day.

The definition of the exercise of discretion and independent judgment involves the comparison and the evaluation of possible courses of conduct and action and making a decision after the various possibilities have been considered. The term must be applied considering all the facts involved in the employee's particular employment situation, and implies that the employee has authority to make an independent choice, free from immediate direction or supervision. Factors to consider include, but are not limited to: whether the employee has authority to formulate, affect, interpret, or implement management policies or operating practices; whether the employee carries out major assignments in conducting the operations of the business; whether the employee performs work that affects business operations to a substantial degree; whether the employee has authority to commit the employer in matters that have significant financial impact; whether the employee has authority to waive or deviate from established policies and procedures without prior approval, and other factors set forth in the regulation. The fact that an employee's decisions are revised or reversed after review does not mean that the employee is not exercising discretion and independent judgment. The exercise of discretion and independent judgment must be more than the use of skill in applying well-established techniques, procedures or specific standards described in manuals or other sources.

Matters of Significance

The term "matters of significance" refers to the level of importance or consequence of the work performed. An employee does not exercise discretion and independent judgment with respect to matters of significance merely because the employer will experience financial losses if the employee fails to perform the job properly. Similarly, an employee who operates very expensive equipment does not exercise discretion and independent judgment with respect to matters of significance merely because improper performance of the employee's duties may cause serious financial loss to the employer.

FLSA analysis is normally performed on a position-by-position basis, and in a single classification, some positions may be exempt and others non-exempt based primarily on supervision received and exercised and the level of independent discretion and judgment. Class specifications do clearly specify the level of supervision and the level of independent discretion. The following analysis will provide detail on classifications reviewed and individual feedback provided from completed surveys.

FLSA Data Analysis

CPS HR proposed a sample size of classification be reviewed and audited to ensure the correct FLSA designation has been allocated. Accordingly, 23 jobs were selected and analyzed by looking at classes that were at a threshold for the salary test (i.e., Assigned a lower grade in the salary schedule but still designated as exempt) with a few comparable classes assigned to higher grades in the schedule. In addition to FLSA overtime exemption tests that were conducted for all classifications specifications in the sample, the position incumbents in the selected classes were surveyed and their statements recorded and used during the analysis. The FLSA overtime exemption test applied for all selected jobs is outlined in the table below.

Table 14: FLSA Overtime Exemption Test

<i>Executive</i>	<i>Professional (Learned)</i>	<i>Professional (Creative)</i>
<ul style="list-style-type: none"> • The employee's primary duty must be managing the enterprise, or managing a customarily recognized department or subdivision of the enterprise; • The employee must customarily and regularly direct the work of at least two or more other full-time employees or their equivalent; and • Must have the authority to hire/fire, or the employee's recommendations as to the hiring, firing, or any other change of status of other employees must be given particular weight. 	<ul style="list-style-type: none"> • The employee's primary duty must be performance of work requiring advanced knowledge, defined as work which is predominantly intellectual and requires the consistent exercise of discretion and judgment; • The advanced knowledge must be in a field of science or learning; and • The advanced knowledge must be customarily acquired by a prolonged course of specialized intellectual instruction. 	<ul style="list-style-type: none"> • The employee's primary duty must be the performance of work requiring invention, imagination, originality or talent in a recognized field of artistic or creative endeavor.
<i>Administrative</i>	<i>Computer Professionals</i>	<i>Outside Sales</i>
<ul style="list-style-type: none"> • The employee's primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers; and • The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance. 	<ul style="list-style-type: none"> • The employee must be employed as a computer systems analyst, computer programmer, software engineer or other similarly skilled worker in the computer field performing the duties described below; • The employee's primary duty must consist of: 1) The application of systems analysis techniques and procedures; 2) The design, development, documentation, analysis, creation, testing or modification of computer systems or programs; 3) The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or 4) A combination of the aforementioned duties, the performance of which requires the same level of skills. 	<ul style="list-style-type: none"> • The employee's primary duty must be making sales (as defined in the FLSA), or obtaining orders or contracts for services or for the use of facilities for which a consideration will be paid by the client or customer; and • The employee must be customarily and regularly engaged away from the employer's place or places of business.

FLSA Findings

During the review of 23 job classifications in the sample (Appendix G), CPS HR consulting team identified 6 classes that either were recommended for changing their FLSA designation, or found to be in need of additional review, analysis and possible revisions. The results of the analysis are shown in the table below and job classifications with recommended change in FLSA designation highlighted.

Table 15: FLSA Recommendations

Classification Title	Grade	Current FLSA Status	Recommended FLSA Status
Accountant/Auditor I	18	Exempt	Exempt (Professional or Administrative)
Accountant/Auditor II	21	Exempt	Exempt (Professional or Administrative)
Accountant/Auditor III	23	Exempt	Exempt (Professional or Administrative)
Administrative Specialist I	18	Exempt	Non-Exempt
Administrative Specialist II	21	Exempt	Perform class spec revision
Administrative Specialist III	23	Exempt	Exempt (Administrative)
Building Services Supervisor	15	Exempt	Exempt (Executive)
Client Assistance Specialist	20	Exempt	Exempt (Professional or Administrative)
Executive Administrative Aide	17	Exempt	See FLSA notes
Human Resources Specialist III	25	Exempt	Exempt (Professional or Administrative)
Imaging Operator Leader	14	Exempt	Non-Exempt
Income Assistance Program Specialist I	17	Exempt	Non-Exempt
Information Technology Specialist I	20	Non-Exempt	Non-Exempt
Information Technology Specialist II	23	Exempt	Exempt (Computer Professional)
Mail Services Supervisor	17	Exempt	Exempt (Executive)-Borderline
Program Specialist II	21	Exempt	Exempt (Professional or Administrative)
Public Service Craftsworker II	17	Exempt	Non-Exempt
Recreation Coordinator	18	Exempt	Exempt (Administrative)
Recreation Specialist	21	Exempt	Exempt (Administrative)
Revenue Counter Supervisor	15	Exempt	Exempt (Professional or Administrative)
Senior Supply Technician	17	Non-Exempt	Non-Exempt
Social Worker II	23	Exempt	Exempt (Professional or Administrative)
Urban Dist. Public Svs. & Maint. Supervisor	17	Exempt	Exempt (Executive)

Recommendations

This section presents the findings for the FLSA status of current individual's task duties in existing positions reviewed by CPS HR. The changes are grouped by:

- ✓ Need to change FLSA status to non-exempt; or
- ✓ Need to change FLSA status to non-exempt or update classification specification.

1. **Recommended to change the FLSA designation to Non-Exempt:**

Administrative Specialist I (000152)

Although this class requires a Bachelor's degree, the educational requirement is general and the class spec does not ask for specialized knowledge in any specific area. The class spec refers to "professional administrative work providing staff support in a variety of functional areas to a department/agency or division in a limited or developmental capacity; or providing administrative support to..." This statement combines professional-level research and analysis on one hand, and routine administrative tasks, such as "planning agendas, gathering materials, taking notes and processing necessary paperwork" – on the other. Notably, this statement is listed first in the Example of Duties section of the class spec, followed by the mixture of duties, from "assist in budget preparation" to "reviews and drafts replies", or "maintains and organizes records". Because of the substantial list of routine administrative tasks, classifying this job under administrative exemption would be a stretch. Nor does it fit under professional or executive designation; there is no strong need or requirement of the prolonged study in specialized area and no formal supervision. The recommendation is to classify this class as non-exempt from the overtime provisions of the Fair Labor Standards Act of 1938.

Imaging Operator Leader (109009)

This is a working lead that, according to class spec, "regularly performs work of the Imaging Operator". This class does not require advanced degree and does not have full-range supervisory responsibilities. Based on the class definition and example of duties, incumbents in this class do not perform work related to management or general business. For that reason, none of the FLSA exemptions can be applied to this class. The recommendation is to classify this class as non-exempt from the overtime provisions of the Fair Labor Standards Act of 1938.

Income Assistance Program Specialist I (002013)

Although this class requires a Bachelor's degree, the educational requirement is general and the class spec does not ask for specialized knowledge in any specific area. According to class spec, the job consists of "determining eligibility and need for assistance based on information secured through interviews with applicants..." The job is well defined and has clear guidelines, precise menu of options, and does not involve independent analysis, or high-level of decision-making. In addition, the class does not require specific experience and refers to on-the-job training. The job is closely supervised and once learned, becomes a routine following of the guidelines and protocols. The recommendation is to classify this class as non-exempt from the overtime provisions of the Fair Labor Standards Act of 1938.

Public Service Craftworker II (205228)

This is a typical highly skilled technical class that performs manual work in construction, maintenance and repair. The class spec states, "employees in this class perform a combination of construction, maintenance and repair work that involves more than one trade or craft." Among skills and projects are carpentry, alteration and maintenance of buildings, parking garages, floors, roofs, stairways, partitions, doors, windows, screens, wood fixtures and furniture. It has no supervisory authority, and does not require an engineering degree. The job requires "four (4) years of progressively more responsible journey-level experience in building/structural construction, maintenance, repair and alteration... and high school diploma." This class does not fit any exemptions from FLSA overtime provisions. The recommendation is to classify this class as non-exempt from the overtime provisions of the Fair Labor Standards Act of 1938. Subsequently, this recommendation also applies to lower level class of Public Service Craftworker I (205229).

- 2. Recommend either changing FLSA designation to Non-Exempt or revising class spec to clearly define set of duties that fit administrative exemption:**

Administrative Specialist II (000151)

In addition to comments in the level I of the administrative series, the class specification suggests that it "differs from the next higher level in the series in that employees in this class do not have as much autonomy in performing tasks and making decisions." This statement alone disqualifies this class from FLSA exemption status. Just like in level I, the college degree requirement is general and no specialized body of knowledge or need for prolonged study is mentioned. The only indication that this is a higher-level administrative class is the allocation to the pay grade 21, with the midpoint of \$69,896. However, based on the class definition and example of duties, classifying this job under administrative exemption would be a stretch. Nor does it fit, the way it is written, under professional or executive designation; there is no strong need or requirement of a prolonged study in specialized area and no full-range

supervision. The recommendation is to either perform class spec revision to better define job duties and scope of responsibilities, or to classify this class as non-exempt from the overtime provisions of the Fair Labor Standards Act of 1938.

Executive Administrative Aide (009272)

Determining the FLSA classification status for executive aides can be challenging for two reasons; first, there are usually multiple incumbents in this class (according to survey, there are currently eleven (11) employees) who provide administrative support to executives at different administrative levels; second, the scope of different incumbents in this class can vary from performing no supervision at all to a full-range of supervisory responsibilities, as shown in the survey of all incumbents. For these reasons, classifying executive aides is a complex and challenging task. The typical market practice is that only jobs that support top-level executives and entail full supervisory responsibilities over other administrative staff are classified as exempt under FLSA administrative exemption. In many cases, these jobs are identified by specific titles based on reporting authority. Montgomery County successfully employs this practice already and has Executive Administrative Aide to the Chief Administrative Officer (009271). Our recommendation is to look at all incumbents in the 009272 class and split this classification into levels where first level would not be exempt from FLSA overtime provisions, second level would involve full supervision and qualify under administrative or executive exemption, and third level would remain as is – Executive Administrative Aide to the Chief Administrative Officer (009271). Otherwise, some of the incumbents in this job will always be misclassified. Recommend restructuring this class into series with three levels.

Compensation

Compensation Scope

A compensation plan is a reflection of the agency goals and objectives in recruiting and retaining qualified staff to manage and perform the functions necessary to conduct business in support of local constituents.

The Compensation Program consists of approximately 550 job classification specifications that are administered under the Quantitative Evaluation System (QES), and approximately 390 positions that are classified under a Broad Banding Classification System. In addition, the audit examined the salary schedules for the County's 40 grades for non-represented employees, 28 grades for represented employees, two grade police management schedule, 15 (A-O excluding LSI and LS2 longevity) salary grades in the Fire/Rescue Bargaining unit, eight grade seasonal salary schedule, and the three grade levels for the Management Leadership Service (MLS) positions.

Policy and procedures for compensation administration is embodied in:

- Personnel Regulations
 - MCPR Section 10 – Compensation (amended 6/30/2015)
- Administrative Policies and Procedures
 - The Montgomery County Government Classification Plan and Salary Schedule Coding System Explanation
- Job Classes by Specifications, Grades, FLSA Status
- Salary Schedules (All) - Fiscal Year (FY) 2015 – 2018
- QES Evaluation
- Broad Band Document
- Wage Equity Program Procedures
- Collective Bargaining Agreements

This section provides analysis of core components of the compensation system as described in the project scope. Each classification component will be organized as follows:

- Background
- Analysis and Findings
- Recommendations

Labor Market Agencies

Background

The first step in conducting this total compensation survey was to determine the basic parameters for the survey, which included:

- County compensation policy
- Labor market agencies
- Survey classifications
- Scope of the survey

Confirmed the elements of total compensation and other data to be collected, and developed the survey instrument.

The survey instrument included a brief description of each classification and requested the monthly minimum and maximum salary for each class based on a forty-hour workweek. The survey form also requested information on various components of total compensation including cash add-ons, health and welfare benefits, premium pays, retirement practices, and leave benefits. The CPS HR project team researched information provided on each survey agency's website, including class specifications, budget documents, salary schedules, Memoranda of Understanding (MOUs), benefits summaries, organization charts, and other related documentation in order to accurately complete as much of the survey instrument for each survey agency as possible. Where information was not available, the survey instrument was sent to the identified contact at the survey agency with a request that they complete the missing information and/or provide documents that contained the missing information.

CPS HR made recommendations of an appropriate labor market for the compensation study. The determination of an appropriate labor market involves the application of the selection criteria outlined below:

Agency Size – In general, agencies that employ relatively similar numbers of employees may have similar economic demographics. Since it is not possible to find agencies that are exactly the same in terms of this particular selection criteria, the goal is to provide a balanced mix of larger and smaller agencies, thereby minimizing the “skewing” effect when either of these are used exclusively.

Geographic Proximity – When considering a labor market, it is important to consider the geographic proximity of potential agencies, since they may be competitors in the recruitment market for most of Montgomery County's employees. If there are not enough agencies within the local market with which to conduct a study, then the geographic area may be expanded to include agencies in other closer counties. Since some agencies provide specialized services,

or may be surveying higher-level management classes, the recruitment area may be further expanded to include more regional agencies.

Industry – In general, agencies that provide the same types of services are more likely to have similar types of job classes, and are more likely to be recruiting from the same applicant pool as the County. For those reasons, the labor market agencies selected should comprise state and local government agencies that include departments responsible for services comparable and/or organized in a manner similar to those provided by Montgomery County.

Competing Agencies – Information regarding the agencies that the County frequently competes with for talent (i.e., has lost employees to or recruited employees from) is also useful in selecting the labor market agencies.

Based upon the selection criteria outlined, the labor market agencies selected to be included in the salary survey are as follows:

- | | |
|------------------------------------|--|
| ■ Arlington County, Virginia | ■ Frederick County, Maryland |
| ■ City of Baltimore, Maryland | ■ Fairfax County, Virginia |
| ■ City of Alexandria, Virginia | ■ Howard County, Maryland |
| ■ Anne Arundel County, Maryland | ■ "The Maryland-National Capital Park and Planning Commission" |
| ■ Prince George's County, Maryland | |

In addition to the above selection criteria, particularly when surveying organizations in different geographic regions, it is important to consider any significant cost of living and cost of wage differences that may exist between the areas these agencies are situated and the County. For that reason, for each of the recommended labor market agencies, CPS HR has identified the following based upon research of a database compiled by the Economic Research Institute (ERI)²:

² Economic Research Institute (ERI) was founded over 25 years ago to provide compensation applications for private and public organizations. Subscribers include corporate compensation, relocation, human resources, and other professionals, as well as independent consultants and counselors, and US and Canadian public sector administrators (including military, law enforcement, city/county, state/provincial, and federal government pay administrators).

ERI Economic Research Institute compiles salary, cost-of-living, and executive compensation survey data, with current market data for more than 1,000 industry sectors. Organizations utilize ERI data and analytics for compensation and salary planning, relocations, disability determinations, and setting salary structures in the United States, Canada, and worldwide.

Cost of Living (COL) Differences – This index measures the differences in the cost-of-living between the location of the Montgomery County offices and the city in which the comparable agency is located.

Cost of Wage (COW) Differences – This index measures the difference in the cost of wages between the locations of the Montgomery County offices and the location in which the comparable agency is located. This index is often used as a market indicator because it is a more accurate and stable reflection of the relative cost of wages between different geographic locations. While some locations may have a much higher cost of living, the actual difference in cost of wages rarely reflects such large differences. The table below identifies the difference in cost of wages (in terms of percentage difference) between the listed agency and comparison agency locations. For example, the cost of wages in the city of Baltimore, MD is 6.7% lower than Montgomery County with a 3% lower cost of living. Within the local and expanded market, we consider the cost of wage differences to be balanced and within acceptable parameters.

Table 16: COW/COL Data, Percent Difference from Base

Comparison Cities	Cost of Wages	Cost of Living
Rockville, Maryland	100.0%	100.0%
Arlington, Virginia	101.2%	112.6%
Baltimore, Maryland	93.3%	97.0%
Alexandria, Virginia	101.2%	103.2%
Annapolis, Maryland	93.3%	100.1%
Hyattsville, Maryland	101.0%	75.0%
Fredrick, Maryland	99.3%	79.2%
Vienna, Virginia	100.6%	97.5%
Ellicott City, Maryland	93.2%	89.2%
Upper Marlboro, Maryland	101.0%	77.6%
United States Average	88.30%	63.7%

Survey Classifications

Survey classifications were selected by looking at the hiring data for the five years, 2012- to present. Classifications were selected in one of three ways; 1) Classifications where the most hiring activity has occurred, 2) Classifications which are part of an occupational series being studied from the first option, or 3) Represent an employee group (i.e., management or executive level) not identified in the first two options.

Compensation plays a vital role in recruitment and retention efforts. Looking at classifications within the market that have been in the highest demand over the past five-year period can

provide additional variables in the effectiveness of the current compensation program (i.e., are base wages and total compensation factors adversely impacting recruitment?).

Based on the above criteria the following thirty-five (35) classifications were included in the survey:

- | | |
|--|-----------------------------------|
| ■ Accountant/Auditor III | ■ Management Leadership Service |
| ■ Administrative Specialist II | ■ Manager II |
| ■ Assistant Chief Administrative Officer | ■ Mechanic Technician II |
| ■ Assistant County Attorney II | ■ Office Clerk |
| ■ Assistant County Attorney III | ■ Office Services Coordinator |
| ■ Client Assistance Specialist | ■ Permitting and Code Enforcement |
| ■ Community Health Nurse II | ■ Inspector III |
| ■ Correctional Officer III (Corporal) | ■ Police Officer III |
| ■ Customer Service Representative II | ■ Principal Administrative Aide |
| ■ Deputy Director Transportation | ■ Program Manager II |
| ■ Deputy Sheriff III | ■ Program Specialist II |
| ■ Election Aide II | ■ Public Safety Communications |
| ■ Equipment Operator I | ■ Specialist III |
| ■ Firefighter/Rescuer III | ■ Recreation Assistant II |
| ■ Human Resources Specialist III | ■ Senior Information Technology |
| ■ Information Technology Specialist II | ■ Specialist |
| ■ Information Technology Technician II | ■ Social Worker II |
| ■ Librarian I | ■ Supply Technician II |
| ■ Library Desk Assistant | ■ Therapist II |
| | ■ Transit Bus Operator |

Survey Scope

A sample survey is provided in Appendix I which outlines the data collected from each agency as summarized below:

- General information regarding salary plan structure
- Title of each comparable classification
- Minimum and maximum monthly salaries for each comparable class
- Cash add-ons, including: deferred compensation and longevity pay
- Details of employer health programs including the employer contribution to medical, dental, and vision plans by analyzing the most expensive plan offered (i.e., PPO with family coverage)
- Employer retirement practices, including:

- Type of program offered
- Benefit offered (e.g., 2%@55, etc.), if applicable
- Benefit formula (e.g., average of three years, single highest year)
- Any vesting period
- Agency contribution to the retirement plan
- Social security contributions

Survey Results

The selection of labor market agencies and the labor market position (the point in the labor market at which the County wishes to set its salaries, e.g., market median, mean, or another percentile) are two important policy decisions when developing a compensation plan. The County does not currently have a compensation policy that includes definition of labor market data. Based on this, CPS HR has provided labor market data based on the market mean and median. The labor market median, which is the “middle” of the market, is the data point at which half of the complete range of data is higher, and half of the complete range of data is lower.

To provide the County with a summary of study results, the following two tables 17 and 18, Base Salary and Total Compensation Results, displays the following information:

- The title of the County’s survey classifications
- The number of comparable classes identified within the analysis
- The County’s maximum monthly salary for the survey classification
- The labor market median monthly maximum salary – this calculation is based upon the maximum monthly salary for each of the comparable classes; the middle of that range of data is then computed to provide the median amount

The percentage that the County’s maximum monthly salary for the survey classification is above or below the median of the labor market; this number indicates what percentage of the County’s salary is required to move it up or down to match the market median.

A summary of the survey results is listed below and detailed data by classification is presented in Appendix K.

Base Salary Compensation Results

Table 17: Base Salary (Monthly) Results Summary

Classification	# of matches	County Maximum Total Comp	Median		Mean	
			Labor Market	% County Above/ Below Market	Labor Market	% County Above/ Below Market
Accountant/Auditor III	9	\$7,978	\$7,721	3.22%	\$7,360	7.74%
Administrative Specialist II	9	\$7,259	\$6,272	13.60%	\$6,754	6.96%
Assistant Chief Administrative Officer	7	\$14,224	\$13,158	7.49%	\$13,442	5.50%
Assistant County Attorney II	8	\$9,644	\$9,023	6.44%	\$9,373	2.81%
Assistant County Attorney III	9	\$12,027	\$10,453	13.09%	\$10,963	8.85%
Client Assistance Specialist	7	\$6,925	\$5,238	24.37%	\$5,427	21.63%
Community Health Nurse II	6	\$8,364	\$7,940	5.07%	\$8,003	4.32%
Correctional Officer III (Corporal)	6	\$6,476	\$6,494	-0.28%	\$6,426	0.78%
Customer Service Representative II	6	\$5,741	\$3,850	32.94%	\$3,889	32.25%
Deputy Director Transportation	3	\$15,417	\$14,190	7.96%	\$13,766	10.71%
Deputy Sheriff III	8	\$7,153	\$5,495	23.18%	\$5,469	23.54%
Election Aide II	4	\$4,347	\$6,655	-53.08%	\$7,118	-63.75%
Equipment Operator I	9	\$5,231	\$3,968	24.15%	\$3,971	24.09%
Firefighter/Rescuer III	8	\$6,732	\$5,813	13.65%	\$5,698	15.35%
Human Resources Specialist III	9	\$6,304	\$7,174	-13.80%	\$7,159	-13.56%
Information Technology Specialist II	7	\$7,978	\$6,761	15.25%	\$6,943	12.97%
Information Technology Technician II	9	\$5,741	\$5,860	-2.07%	\$5,779	-0.66%
Librarian I	5	\$7,259	\$5,796	20.15%	\$5,698	21.50%
Library Desk Assistant	5	\$4,767	\$3,381	29.07%	\$3,414	28.37%
Management Leadership Service Manager II	7	\$12,771	\$10,296	19.38%	\$10,608	16.93%
Mechanic Technician II	9	\$5,741	\$5,084	11.45%	\$5,078	11.54%
Office Clerk	8	\$3,496	\$3,283	6.11%	\$3,346	4.29%
Office Services Coordinator	8	\$5,741	\$4,778	16.77%	\$4,635	19.27%
Permitting and Code Enforcement Inspector III	8	\$7,978	\$5,844	26.75%	\$5,826	26.98%
Police Officer III	7	\$7,656	\$6,453	15.72%	\$6,623	13.49%
Principal Administrative Aide	9	\$4,993	\$4,294	14.01%	\$4,460	10.67%
Program Manager II	7	\$8,770	\$8,317	5.17%	\$8,481	3.29%
Program Specialist II	5	\$7,259	\$6,247	13.95%	\$6,497	10.50%

Classification	# of matches	County Maximum Total Comp	Median		Mean	
			Labor Market	% County Above/ Below Market	Labor Market	% County Above/ Below Market
Public Safety Communications Specialist III	9	\$6,016	\$4,871	19.04%	\$5,001	16.88%
Recreation Assistant II	7	\$1,993	\$4,591	-130.37%	\$4,660	-133.82%
Senior Information Technology Specialist	8	\$10,114	\$8,500	15.96%	\$8,291	18.02%
Social Worker II	7	\$7,978	\$6,264	21.48%	\$6,388	19.93%
Supply Technician II	6	\$4,767	\$4,574	4.06%	\$4,507	5.46%
Therapist II	4	\$8,364	\$8,077	3.43%	\$8,394	-0.36%
Transit Bus Operator	2	\$5,479	\$4,354	20.54%	\$4,354	20.54%
Averages			\$6,602	7.25%	\$6,680	6.09%

Analysis of the base salary data indicates that, on average, Montgomery County is 7.25% above the labor market median for all survey classes included within the scope of the study. Individual comparison rates varied with only five (5) of the classifications showing a deficit when compared to the labor market.

Total Compensation Survey Results

The total compensation analysis reflects how each classification compares against matched positions in the market once the base salary and the value of cash supplements (such as deferred compensation and longevity) and agency contributions to health and insurance programs are taken into consideration. A summary of the results is displayed in the following Table 18, which follows the same format as displayed in Table 17.

Table 18: Total Compensation (Monthly) Results Summary

Classification	# of matches	County Maximum Total Comp	Median		Mean	
			Labor Market	% County Above/ Below Market	Labor Market	% County Above/ Below Market
Accountant/Auditor III	8	\$10,401	\$11,000	-5.76%	\$11,024	-5.99%
Administrative Specialist II	8	\$9,625	\$9,185	4.57%	\$10,148	-5.43%
Assistant Chief Administrative Officer	6	\$17,147	\$20,820	-21.42%	\$20,099	-17.22%
Assistant County Attorney II	7	\$12,201	\$14,001	-14.76%	\$14,608	-19.73%
Assistant County Attorney III	8	\$14,774	\$15,894	-7.58%	\$16,673	-12.85%

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Classification	# of matches	County Maximum Total Comp	Median		Mean	
			Labor Market	% County Above/ Below Market	Labor Market	% County Above/ Below Market
Client Assistance Specialist	6	\$9,264	\$9,049	2.33%	\$9,424	-1.73%
Community Health Nurse II	6	\$10,818	\$11,241	-3.91%	\$11,428	-5.64%
Correctional Officer III (Corporal)	6	\$8,909	\$10,736	-20.51%	\$10,271	-15.29%
Customer Service Representative II	5	\$7,985	\$6,895	13.65%	\$6,995	12.41%
Deputy Director Transportation	3	\$18,435	\$19,276	-4.56%	\$18,669	-1.27%
Deputy Sheriff III	7	\$9,653	\$9,999	-3.58%	\$9,962	-3.20%
Election Aide II	4	\$6,480	\$9,661	-49.09%	\$10,186	-57.19%
Equipment Operator I	8	\$7,434	\$6,861	7.71%	\$7,075	4.84%
Firefighter/Rescuer III	7	\$9,190	\$11,453	-24.63%	\$10,887	-18.46%
Human Resources Specialist III	8	\$8,593	\$11,534	-34.22%	\$11,103	-29.20%
Information Technology Specialist II	6	\$10,401	\$10,525	-1.19%	\$10,814	-3.97%
Information Technology Technician II	8	\$7,985	\$9,676	-21.18%	\$9,270	-16.08%
Librarian I	4	\$9,625	\$9,859	-2.44%	\$10,018	-4.09%
Library Desk Assistant	4	\$6,933	\$6,269	9.58%	\$6,354	8.35%
Management Leadership Service Manager II	6	\$15,578	\$14,649	5.96%	\$15,610	-0.21%
Mechanic Technician II	8	\$7,985	\$8,245	-3.25%	\$8,826	-10.53%
Office Clerk	7	\$5,561	\$6,156	-10.70%	\$6,260	-12.57%
Office Services Coordinator	7	\$7,985	\$8,280	-3.69%	\$8,176	-2.39%
Permitting and Code Enforcement Inspector III	7	\$10,401	\$9,651	7.21%	\$9,715	6.60%
Police Officer III	6	\$10,207	\$12,510	-22.56%	\$12,111	-18.66%
Principal Administrative Aide	8	\$7,177	\$7,309	-1.83%	\$7,773	-8.30%
Program Manager II	6	\$11,257	\$13,043	-15.87%	\$13,114	-16.50%
Program Specialist II	4	\$9,625	\$10,082	-4.75%	\$9,950	-3.38%
Public Safety Communications Specialist III	8	\$8,282	\$8,466	-2.22%	\$8,572	-3.50%
Recreation Assistant II	6	\$3,937	\$8,626	-119.07%	\$8,181	-107.77%
Senior Information Technology Specialist	7	\$12,708	\$12,951	-1.91%	\$12,591	0.92%
Social Worker II	6	\$10,401	\$10,311	0.87%	\$10,528	-1.22%
Supply Technician II	5	\$6,933	\$8,412	-21.33%	\$8,005	-15.46%
Therapist II	4	\$10,818	\$11,383	-5.22%	\$11,822	-9.28%
Transit Bus Operator	2	\$7,702	\$6,823	11.42%	\$6,823	11.42%

Classification	# of matches	County Maximum Total Comp	Median		Mean	
			Labor Market	% County Above/ Below Market	Labor Market	% County Above/ Below Market
Averages			\$10.595	-10.40%	\$10.659	-10.93%

*City of Baltimore was removed from the total compensation calculations, as only base salary data was available for collection.

On average, for all survey classifications Montgomery County is 10.4% below the labor market median for total compensation. In summary, when the value of cash supplements and contributions to health insurance programs was factored in, Montgomery County lost equity within the labor market (moving from an average of 7.25% above the labor market median for base salary to an average of 10.40% below the labor market median for total compensation). The greatest contributing factors to the loss in the labor market based on total compensation is the contribution to retirement. Comparison agencies paid an average of up to \$554 more a month than Montgomery County. Monthly contributions from eight reporting agencies ranged from \$554 to \$1,819 per month (not including social security eligibility).

Supplemental Survey Components

In addition to the base salary and total compensation data collected for the survey, CPS HR collected the following information displayed in the tables presented in Appendix L.

Table B1 – General Information. Each agency was asked to provide information regarding the number of employees, the salary plan structure (steps or open range), the number of hours full-time employees work in a week, the date of the next cost of living increase, and the amount of the next cost of living increase.

Table B2 - Retirement Practices. Each agency was asked to provide information on the type of retirement system the agency has in place: and the retirement benefit and formula, the employer contribution to the retirement system, and social security practices. CPS HR used the reported employer retirement contribution for all employees in the total compensation calculation. Montgomery County has a lower employer contribution rate for their retirement system for seven of eight agencies surveyed. Six agencies reported social security applicable for all or a designated population of employees.

Table B3 – Deferred Compensation and Longevity Pay Incentive. Each agency was asked to provide their practices with regard to agency contributions to deferred compensation programs and any longevity pay available to employees. All agencies surveyed provide access

to enroll in a deferred compensation plan with only one agency providing a monetary match for a single employee group. Only two reported having a longevity incentive.

Table B4 –Medical, Dental, and Vision Insurance Practices. Each agency was asked to provide their practices with regard to the maximum monthly amount paid by the employer to a cafeteria plan and/or to the most expensive medical, dental, and vision insurance plans for full family coverage. Montgomery County’s maximum employer contribution to the most commonly selected medical, dental, and vision insurance plans is \$1,785. This is above the mean maximum contribution of \$1,629.

Compensation Allocation

Background

The following will examine pay allocation within job classes based on allocated positions (i.e., incumbents). The review excludes all seasonal, temporary, contingent and part-time employees from the report, to aggregate data and identify general trends, discrepancies, outliers and anomalies in the final sample of 11,239 Montgomery County employees assigned to 474 job classifications. From that sample ten (10) random job classifications were selected to audit how base salaries are being awarded among various employment groups.

The ten (10) job classifications selected for audit are listed below:

- | | |
|---------------------------------|--|
| 1. Community Health Nurse | 7. Program Specialist II |
| 2. Administrative Specialist II | 8. Income Assistance Program Specialist II |
| 3. Bus Operator | 9. Information Technology Specialist III |
| 4. Recreation Specialist | 10. Therapist II |
| 5. Police Officer III | |
| 6. Manager III | |

Some irregularities and inequities observed during audit may be easily explained by incumbents’ tenure, years of relevant experience, additional certification, credentials, or any other “compensable” factors.

Findings and Analysis

In review of the Compensation Policy the following observations were made:

- 10-5 (c) (1): Increase during promotion of no less than 5% is restrictive and may create inequities.
- 10-10 Pay-for-Performance:
 - Break down between base pay increase and a lump sum is unclear, not defined.
 - Assigning same percentage to all MLS employees below 90th percentile of the range (with the same performance rating) will create large pay variation (dispersion) over time due to compounding effect. This will cause inequities and increase labor costs.
- Overall, the concept of tying pay to performance without considering external (market) and internal equity alignments may create wage inflations and inequity in pay administration.

General Pay Schedule Analysis Observations:

- Pay Grade Bandwidths, shown in Table 19, are found to be inconsistent and in some cases irrational;
 - Bandwidths in lower grades are too broad (Grade 6 -55%, Grade 9 – 57.5%, Grade 12 – 60.6%).
 - Bandwidths in higher grades are too narrow (Grade 37 – 52%, Grade 39 – 44%).
 - Midpoint separations (2.8%-4.8%) are found to be too small and are not consistent with promotional increase policy 10-5 (c)(1), requiring no less than 5% promotional increases.
 - Grade overlaps (3.8%-4.8%) are found to be too small
 - Midpoint salary compared to midpoint market median is 6.16% above market median as shown in the table below:

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Table 19: General Schedule Bandwidth Current Salary Schedule by Pay Grade

<u>GRADE</u>	<u>MINIMUM</u>	<u>MIDPOINT</u>	<u>MAXIMUM</u>	<u>PERFORMANCE LONGEVITY MAXIMUM*</u>	<u>BANDWIDTH</u>	<u>MID SEP</u>	<u>GR OVLP</u>
5	\$27,153	\$34,550	\$41,946	\$42,785	54.5%	0.0%	0.0%
6	\$28,195	\$35,945	\$43,694	\$44,568	55.0%	4.0%	3.8%
7	\$29,292	\$37,427	\$45,562	\$46,473	55.5%	4.1%	3.9%
8	\$30,432	\$39,034	\$47,635	\$48,588	56.5%	4.3%	3.9%
9	\$31,634	\$40,725	\$49,816	\$50,812	57.5%	4.3%	3.9%
10	\$32,903	\$42,535	\$52,167	\$53,210	58.5%	4.4%	4.0%
11	\$34,233	\$44,427	\$54,621	\$55,713	59.6%	4.4%	4.0%
12	\$35,621	\$46,412	\$57,203	\$58,347	60.6%	4.5%	4.1%
13	\$37,088	\$48,502	\$59,915	\$61,113	61.5%	4.5%	4.1%
14	\$38,629	\$50,699	\$62,768	\$64,023	62.5%	4.5%	4.2%
15	\$40,242	\$52,997	\$65,751	\$67,066	63.4%	4.5%	4.2%
16	\$41,963	\$55,428	\$68,893	\$70,271	64.2%	4.6%	4.3%
17	\$43,866	\$58,028	\$72,189	\$73,633	64.6%	4.7%	4.5%
18	\$45,877	\$60,765	\$75,653	\$77,166	64.9%	4.7%	4.6%
19	\$48,039	\$63,662	\$79,285	\$80,871	65.0%	4.8%	4.7%
20	\$50,299	\$66,700	\$83,100	\$84,762	65.2%	4.8%	4.7%
21	\$52,684	\$69,896	\$87,107	\$88,849	65.3%	4.8%	4.7%
22	\$55,176	\$73,245	\$91,314	\$93,140	65.5%	4.8%	4.7%
23	\$57,802	\$76,771	\$95,740	\$97,655	65.6%	4.8%	4.8%
24	\$60,554	\$80,462	\$100,370	\$102,377	65.8%	4.8%	4.8%
25	\$63,439	\$84,340	\$105,241	\$107,346	65.9%	4.8%	4.8%
26	\$66,481	\$88,420	\$110,359	\$112,566	66.0%	4.8%	4.8%
27	\$69,645	\$92,689	\$115,732	\$118,047	66.2%	4.8%	4.8%
28	\$72,772	\$97,072	\$121,372	\$123,799	66.8%	4.7%	4.5%
29	\$76,054	\$101,673	\$127,292	\$129,838	67.4%	4.7%	4.5%
30	\$79,506	\$106,510	\$133,514	\$136,184	67.9%	4.8%	4.5%
31	\$83,128	\$111,585	\$140,042	\$142,843	68.5%	4.8%	4.6%
32	\$86,926	\$115,627	\$144,328	\$147,215	66.0%	3.6%	4.6%
33	\$90,919	\$119,768	\$148,617	\$151,589	63.5%	3.6%	4.6%
34	\$95,114	\$124,011	\$152,908	\$155,966	60.8%	3.5%	4.6%
35	\$99,519	\$128,358	\$157,196	\$160,340	58.0%	3.5%	4.6%
36	\$104,145	\$132,816	\$161,487	\$164,717	55.1%	3.5%	4.6%
37	\$108,996	\$137,384	\$165,772	\$169,087	52.1%	3.4%	4.7%
38	\$114,092	\$141,838	\$169,584	\$172,976	48.6%	3.2%	4.7%
39	\$119,444	\$145,763	\$172,081	\$175,523	44.1%	2.8%	4.7%
40	\$125,064	\$149,820	\$174,576	\$178,068	39.6%	2.8%	4.7%

Table 20: Base Salary Midpoint (Monthly) Results Summary

Classification	# of matches	County Midpoint Base Salary	Median		Mean	
			Labor Market	% County Above/ Below Market	Labor Market	% County Above/ Below Market
Accountant/Auditor III	9	\$6,398	\$6,200	3.09%	\$6,026	5.80%
Administrative Specialist II	9	\$5,825	\$5,018	13.86%	\$5,437	6.66%
Assistant Chief Administrative Officer	7	\$14,224	\$12,332	13.30%	\$11,812	16.96%
Assistant County Attorney II	8	\$7,724	\$8,383	-8.53%	\$8,333	-7.88%
Assistant County Attorney III	9	\$9,636	\$9,916	-2.91%	\$9,837	-2.09%
Client Assistance Specialist	7	\$5,559	\$4,906	11.75%	\$4,849	12.77%
Community Health Nurse II	6	\$6,705	\$6,417	4.30%	\$6,760	-0.82%
Correctional Officer III (Corporal)	6	\$5,381	\$5,124	4.76%	\$5,141	4.45%
Customer Service Representative II	6	\$4,619	\$3,594	22.20%	\$3,485	24.54%
Deputy Director Transportation	3	\$15,417	\$11,530	25.21%	\$10,853	29.60%
Deputy Sheriff III	8	\$5,863	\$4,898	16.45%	\$4,927	15.96%
Election Aide II	4	\$3,545	\$5,438	-53.41%	\$5,746	-62.10%
Equipment Operator I	9	\$4,225	\$3,496	17.27%	\$3,612	14.52%
Firefighter/Rescuer III	8	\$5,445	\$5,399	85.00%	\$5,077	6.75%
Human Resources Specialist III	9	\$5,064	\$6,483	-28.02%	\$6,425	-26.88%
Information Technology Specialist II	7	\$6,398	\$6,372	0.41%	\$6,185	3.32%
Information Technology Technician II	9	\$4,619	\$5,333	-15.46%	\$5,141	-11.30%
Librarian I	5	\$5,825	\$5,079	12.80%	\$5,148	11.61%
Library Desk Assistant	5	\$3,868	\$3,106	19.69%	\$3,131	19.04%
Management Leadership Service Manager II	7	\$10,069	\$9,067	9.95%	\$9,531	5.34%
Mechanic Technician II	9	\$4,619	\$4,664	-0.97%	\$4,567	1.14%
Office Clerk	8	\$2,880	\$3,132	-8.78%	\$3,014	-4.65%
Office Services Coordinator	8	\$4,619	\$4,124	10.71%	\$4,146	10.25%
Permitting and Code Enforcement Inspector III	8	\$6,398	\$5,248	17.96%	\$5,238	18.13%
Police Officer III	7	\$6,193	\$5,834	5.79%	\$5,899	4.75%
Principal Administrative Aide	9	\$4,084	\$3,698	9.44%	\$3,987	2.36%
Program Manager II	7	\$7,029	\$7,308	-3.98%	\$7,613	-8.31%
Program Specialist II	5	\$5,825	\$6,098	-4.70%	\$5,806	0.32%
Public Safety Communications Specialist III	9	\$4,836	\$4,426	8.49%	\$4,486	7.23%
Senior Information Technology Specialist	8	\$8,089	\$7,518	7.06%	\$7,350	9.14%
Social Worker II	7	\$6,398	\$5,863	8.35%	\$5,723	10.55%

Classification	# of matches	County Midpoint Base Salary	Median		Mean	
			Labor Market	% County Above/ Below Market	Labor Market	% County Above/ Below Market
Supply Technician II	6	\$3,868	\$4,218	-9.06%	\$41,065	-6.16%
Therapist II	4	\$6,705	\$6,940	-3.50%	\$7,034	-4.90%
Transit Bus Operator	2	\$4,417	\$3,491	20.95%	\$3,491	20.95%
Averages			\$5,902	6.16%	\$6,967	3.74%

Recommendations

- ✓ Revisit and re-design General Pay Schedule based on organizational market strategy, compensation philosophy, and career progression goals:
 - Establish bandwidth which meets learning and complexity of classifications (i.e., more complex knowledge factors equate to a larger spread within the grade).
 - Review opportunities to reduce the number of salary grades and address compaction between grades.

Pay Allocation

Background

The following is a review of how compensation and classification policies affect individual pay and career progression. The pay and career progression inconsistencies may be explained by variation in individual performance or other factors, and therefore can be disregarded.

- Some employees within the same job class can be assigned different pay grade.
- Slow pay progression within pay grade (with 2% increases it may take 15 years to midpoint). Table 20 showed the County above market with midpoint which supports a realignment.
- The review of all employees in the job class of Bus Operator showed that the relationship between two variables (years of service and base salary) had a correlation of 85%. See table 21.
- The same exercise with employees in job class of Community Health Nurse II, showed that the relationship between two variables (years of service and base salary) had a correlation of 44%. See Table 22.

Table 21: Pay Allocation – Bus Operator

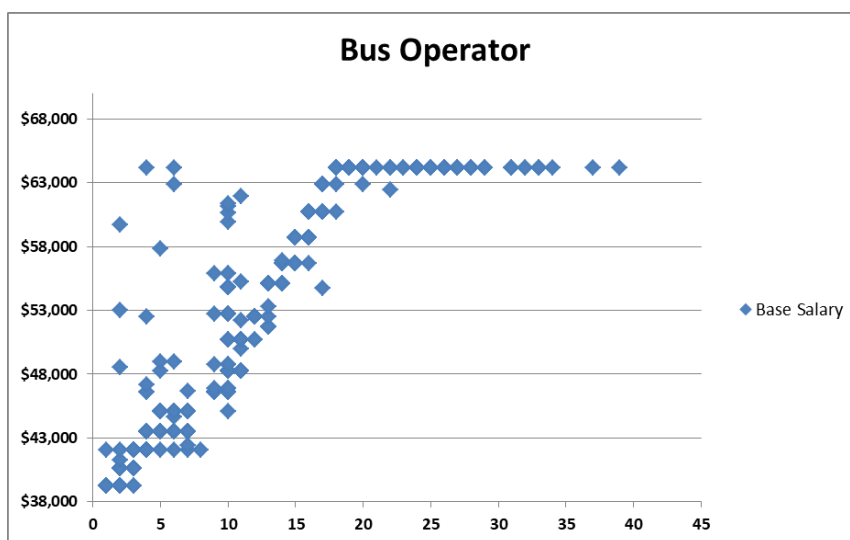
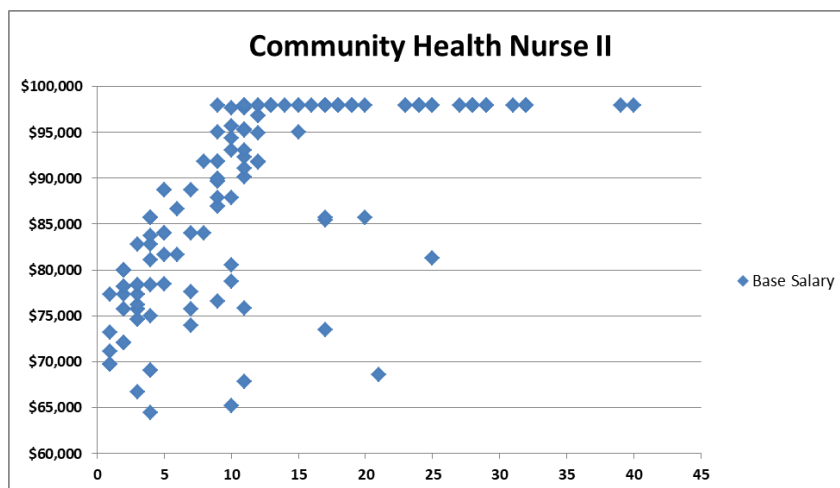


Table 22: Pay Allocation – Community Health Nurse



Analysis and Findings

Summary

During the audit the following observations were made:

- ✓ No inequities were observed between employee age groups; employees in the *OVER 40* age group were typically awarded higher salary than employees in the *UNDER 40* age group. While longer tenure is often correlated to advancements in salary the *OVER 40* group represents 43% of overall employees with 15 years of service or more. Thus, tenure is not a sole factor in pay equity.
- ✓ Although this trend was observed in all audited job classifications, it was best illustrated in the highly populated job of Police Officer III.
- ✓ Majority of audited job classifications did not show findings of pay inequities based on gender.
- ✓ No findings of pay inequities based on Race and/or National Origin in the audited job classifications were identified.
- ✓ Some pay inequities based on Race and National Origin were observed in the total Montgomery County sample, which may be explained by larger presence of certain demographic groups in jobs allocated to lower pay grades.
- ✓ Some pay inequities were observed in selected job classifications where data was cross-referenced with demographic categories (i.e. wages of females in various ethnic groups with males in the same or different ethnic groups).
- ✓ More observations can be made by reviewing Appendix N with detail table for each audited job classification.

Wage Equity - Base Compensation by Age

An assessment was conducted to ensure compliance with EEO guidelines and to observe correlation between employment demographics and compensation practices. For that purpose, CPS HR consultants requested employee data report with the following employment categories: name, gender, ethnical origin, age, tenure, salary, hiring date and other categories by position title.

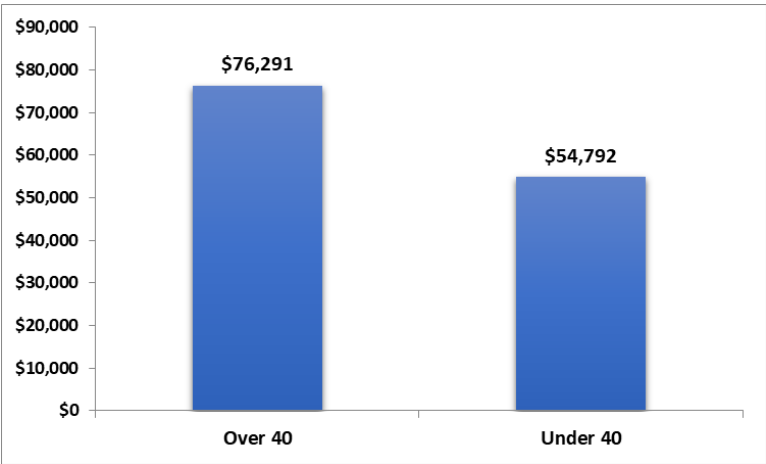
The salary data was then aggregated and broken down by gender, ethnical origin and age in each selected job classification. During the audit CPS HR made a consistent effort to compare data samples that are relatively similar by size, discarding smaller samples, or categories that might adversely affect the integrity of findings.

It is important to mention that the purpose of this audit is to spot irregularities or inconsistencies in pay distribution in various demographic groups, which only identifies general trends and is driven by pay averages within various demographic groups and groups of “protected class” as defined by Title VII of Civil Rights Act of 1964. This section of the report does not intend to, nor does it include the *individual* equity analysis based on race, color, sex, age, religion and national origin as it pertains to Title VII of Civil Rights Act of 1964, Equal Pay Act of 1963 and Age Discrimination in Employment Act of 1967.

A sample set of 11,239 County employees, assigned to 474 job classifications, was analyzed for correlation between two or more variables. The initial stage of the audit included correlation between base salary and age.

In order to audit pay inequity based on age (according to provisions of the Age Discrimination in Employment Act), all employment population was divided into two categories, *UNDER 40* and *OVER 40*. During the audit, CPS HR consultants did not observe inequities or inconsistent application of pay assignments between employee age groups; employees in the *OVER 40* age group were typically awarded higher salary than employees in the *UNDER 40* age group. According to a chart and table below there are 7,330 Montgomery County employees in the “Over 40” category with the average base compensation of \$76,291, which is 39 percent higher than the average of employees in “Under 40” category - \$54,792. This observation suggests that there is no evidence of any irregularities or pay discrimination based on age.

Table 23: All Employees Base Compensation by Age



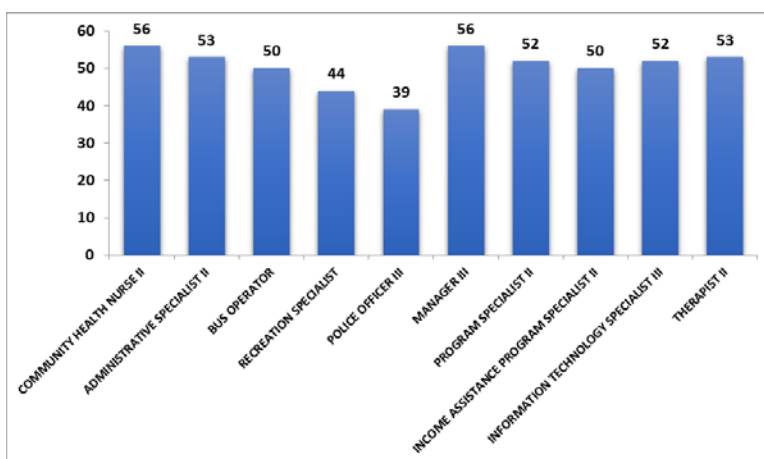
With 7,330 Montgomery County employees being in the “Over 40” category the average age of all county employees is 46, excluding all temporary, part-time and contingent work forces. When these employment categories were added to the total count, the average age went up to 47.

Table 24: All Employees Base Compensation by Age, Number in Age Ranges

Age	Average of Base Salary	Employee Count
Over 40	\$76,291	7,330
Under 40	\$54,792	3,909

The figure below illustrates average age of all job classifications included in the audit and detailed in this report. It is consistent with a general notion that jobs requiring prolonged study and additional specialized education (i.e. Community Health Nurse, Manager III) have higher average age of incumbent employees, and consequently, higher compensation.

Table 25: Average Age of Employees in Audited Job Classifications



The pattern of higher wages paid to employees in “Over 40” age group is observed in other audited job classifications, where the gap between two age categories (“Over 40” and “Under 40”) varies from 9 percent in Administrative Specialist II to 30 percent in Police Officer III job classifications, as shown in table below.

Table 26: Police Officer Base Compensation by Age

Age	Average of Base Salary	Employee Count
Over 40	\$86,515	383
Under 40	\$66,564	554

Base Compensation by Gender & National Origin

During the audit of selected job classifications, in most cases there were no findings of any pay irregularities or inequities based on gender. This part of audit was conducted to ensure compliance with provisions of 1963 Equal Pay Act that specifically prohibits wage discrimination based on gender and requires equal pay for equal work under similar working conditions.

Review of a sample of 11,239 Montgomery County employees assigned to 474 job classifications for correlation between two variables, base salary and gender, demonstrated overall equality in pay between genders. In fact, the average base compensation of 4,310 female employees (\$69,694) was slightly higher than the average base compensation of 6,929 male employees (\$68,268). Although the difference in size of two samples may affect the average compensation, both samples are large enough to normalize the data and make it less volatile (see table below).

Table 27: All Employees by Gender, National Origin, and Average Base Compensation

National Origin	Gender			
	Female	# Employees	Male	# Employees
American Indian or Alaska Native (Not Hispanic or Latino)	\$79,943	9	\$79,839	26
Asian (Not Hispanic or Latino)	\$81,728	254	\$79,930	281
Black or African American (Not Hispanic or Latino)	\$73,042	933	\$67,195	1,350
Hispanic or Latino	\$68,136	409	\$66,071	459
Native Hawaiian/Other Pacific Islander (Not Hispanic/Latino)	\$87,054	1	\$68,064	6
Two or More Races (Not Hispanic or Latino)	\$62,834	32	\$56,355	34
White (Not Hispanic or Latino)	\$73,787	1,805	\$72,502	3,590
(blank)	\$54,629	867	\$54,467	1,183
Total	\$69,694	4,310	\$68,268	6,929

	Total	# Employees
Grand Total	\$68,815	11,239

In some jobs that are primarily populated by female employees, the opposite pay distribution is observed where male employees' average compensation is lagging that of female employees' averages. This can be observed in the job classification of Administrative Specialist II, where the average base compensation of 59 female employees is \$78,792 compared to average base compensation of 11 male employees - \$74,725 (see table below). Females in the class had an average of 12 years of service while males had an average of 11 years of service. Based on these findings years of service do not play a predominant factor in pay allocation.

Table 28: Administrative Specialist II by Gender, National Origin, and Average Base Compensation

National Origin	Gender			
	Female	# Employees	Male	# Employees
Asian (Not Hispanic or Latino)	\$77,475	7	\$64,872	1
Black or African American (Not Hispanic or Latino)	\$80,018	17	\$66,408	2
Hispanic or Latino	\$69,301	7	\$78,627	7
White (Not Hispanic or Latino)	\$80,750	28	\$73,892	1
Total	\$78,792	59	\$74,725	11

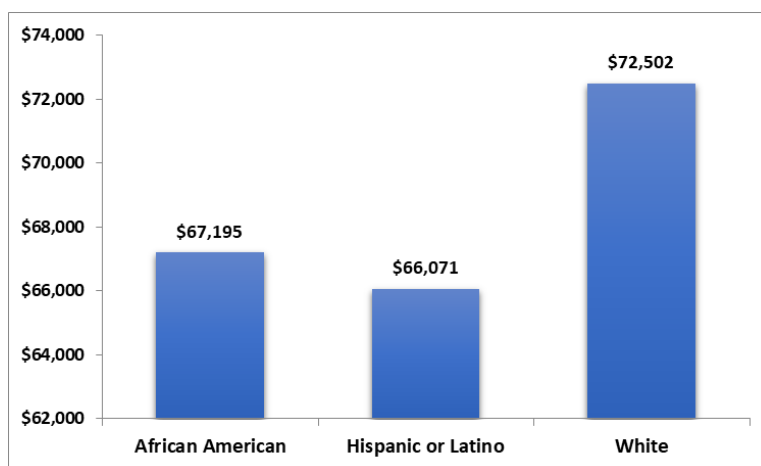
	Total	# Employees
Grand Total	\$68,815	11,239

Possible Pay Inequities

At the same time, some pay inequities based on Race and National Origin were observed in the total Montgomery County sample (see chart below). This may be explained by larger presence of certain demographic groups in jobs allocated to lower pay grades. Such, for example, African American males and females account for 72 percent of all incumbents in the Bus Operator job classification. They account for only 19 percent of all incumbents in Manager III job class, majority of whom (64%) are White employees.

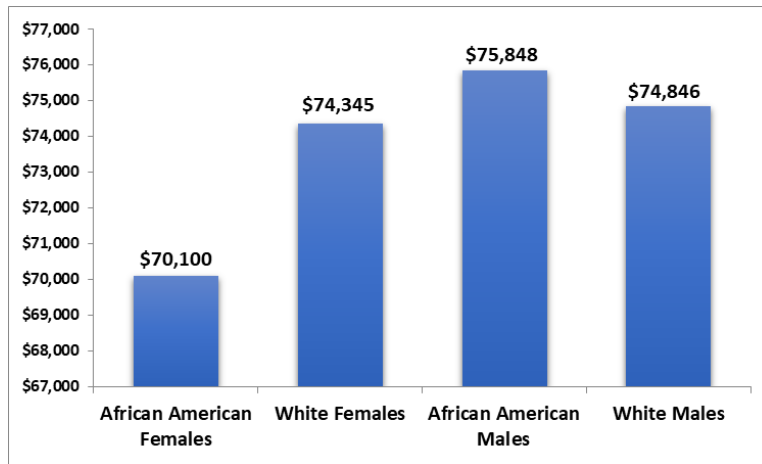
Table 29: Average Base Compensation of Male Employees by Race and National Origin

(Based on the sample of 11,239 Montgomery County employees assigned to 474 job classifications)



Some inequities based on race and national origin were observed in Program Specialist II job classification. Specifically, an average base compensation of African American females (24 incumbents in this job classification) was \$70,100 compared to average base compensation of White females (26 incumbents in this job classification) of \$74,345 (see following table). This may be explained by the tenure, years of relevant experience or other factors.

Table 30: Average Base Compensation in Program Specialist II by Gender and African American v. White



Note: Additional observations may be found in the Appendix N

Recommendations

- ✓ Review criteria used to determine employees' base pay assignment within the same job classifications to eliminate or prevent possible inequities among various demographic groups.
- ✓ Identify job classifications with "uneven" demographic composition and determine its causes and policies that can mitigate these irregularities.
- ✓ Continue applying consistent compensation, recruitment and staffing policies and practices to ensure compliance with EEO guidelines and employee satisfaction.

Wage Equity

Background

The County has a Wage Equity program that is outlined in the “Wage Equity Review Instruction Manual,” dated March of 2014. The goal of the program is:

“Maintain wage equity among union employees by comparing a candidates’ proposed salary offer to the current salary of union employees (incumbents) who work in the same job class.”

The manual provides key definitions, process elements and best practices.

Findings and Analysis

Looking at data from 2012 – 2017, 502 equity requests were submitted and of those, 2 requests were denied with the remaining being approved. Appendix P provides a detail of requests reviewed. Current placement of new hires per Personnel Regulations is subject to department negotiation up to midpoint of range.

Recommendations

While internal equity is an essential component to an effective compensation, this plan does not ensure that current incumbents are correctly placed. If incumbents were initially placed due to promotion, the current salary could be low to start with. More so, the request depends on the hiring manager submitting a request. One could argue that offers of employment could be made to protect current employees, thus not rating new hire offers based on candidates’ qualifications. Additionally, the program does not ensure evolving qualifications (i.e., education, certification, etc.) are regularly assessed.

- ✓ Define or designate ranges for new hire salary allocation. These could include potential increase after satisfactory completion of probationary period. New hires brought in equal to tenured professionals before exhibiting performance capabilities can produce a negative impact on incumbent morale.
- ✓ Conduct periodic audits of classifications within the County to ensure equity extends outside of department.

Quantitative Evaluation System (QES)

Background

Montgomery County follows an established point-factor job evaluation program, “Quantitative Evaluation System, III (QES).” The system was implemented in 1980 and has had a few updates, the last being in 2006.

Most of the developments in the point-factor and factor-comparison job evaluation theories are still based on studies conducted by Eugene J. Benge and Edward N. Hay in the middle of the 20th century. Since the time point-factor was introduced, the job market has undergone dramatic transformations. Jobs in manufacturing or agriculture, along with jobs engaged in cyclical, routine, and repetitive operations have become obsolete. As the economy gradually evolved into service, technology, and mastering advanced equipment, so did the jobs. New jobs surfaced in research, internet, and advanced healthcare, while existing jobs added knowledge, creativity, and critical thinking.

Subsequently, job evaluation systems (such as QES) lost their original validity, and some factors, such as “work controls”, or “contacts”, have lost some of their veracity.

Yet, replacing the QES by any other job evaluation approach may threaten the integrity of the classification system that has been in use for decades. It is still tied to the structure and language of all existing classification specifications and serves as a guideline in maintaining internal equity. In that sense, the QES did not outlive its utility. It may be more effective and wise to address all the shortcomings of the QES, eliminate redundancies, update factors, and redefine their purpose and validity.

According to the 2006 Montgomery County memo QES III - Manual of Procedures for Administering the System - “the County Government's original QES was developed in 1980 by Hallcrest-Craver, Incorporated”. After careful review of the QES III, CPS consultants found that it was the exact copy of the Factor Evaluation System (FES), developed by the U.S. Civil Service Commission (CSC), now known as the U.S. Office of Personnel Management (OPM), in 1977. The development of FES system took more than 5 years of research that involved approximately 4,000 jobs, 26 federal agencies, and 256 field installations.

The full description of FES primary standards and assigned levels is word-by-word identical to Montgomery County QES III and can be found in multiple sources including the academic textbook “Compensation Management in a Knowledge-Based World” by Richard I. Henderson (9th Edition, 2646), or directly in the U.S. Office of Personnel Management website,

<https://www.opm.gov/policy-data-oversight/classification-qualifications/classifying-general-schedule-positions/classifierhandbook.pdf>.

According to Henderson, “this method is capable of accurately measure the worth of more than 1 million nonsupervisory General Schedule (GS) positions”. We did not find any signs of Hallcrest-Craver “tailoring” or “adjusting” the methodology when in 1980 it broadly applied FES to all Montgomery County jobs including supervisory, managerial and executive classes. This might have caused some issues in application of the system, which triggered additional review of the QES system in 1986 and 2004. As stated in the aforementioned memo, “In 1986, in response to pay equity concerns, the consulting firm of Hubbard & Revo-Cohen, Incorporated, was hired by the County to conduct a diagnostic study of QES and recommend revisions and improvements to the system”.

None of the multiple attempts to improve the QES methodology, however, took into consideration the factor that the system was developed for nonsupervisory job classes. The U.S. Office of Personnel Management’s Classifier’s Handbook specifically suggests, “The Factor Evaluation System (FES) is the method most often used to assign grades to nonsupervisory positions under the General Schedule. FES includes nine factors common to most nonsupervisory positions in General Schedule occupations.”

The original FES had nine factors:

- | | |
|-------------------------|------------------------|
| 1. Knowledge | 6. Personal contacts |
| 2. Supervisory controls | 7. Purpose of contacts |
| 3. Guidelines | 8. Physical demands |
| 4. Complexity | 9. Work environment |
| 5. Scope and effect | |

Without further review or adjusting any other factors to supervisory/managerial functions of strategic planning, policy development, financial accountability, etc., Hallcrest-Craver simply added Supervisory factor number 10 to the list of existing 9 factors. We could not find any references or current website for Hallcrest-Craver. As to Hubbard & Revo-Cohen, it was found as a consulting and training firm specialized in diversity and inclusion, and not in job evaluation methodologies or compensation system design.

Principal modifications were made in 1986 to the original QES which resulted in establishing a new factor “Public Service/Assistance” and revisions to the “Working Conditions”, “Work Environment”, and “Hazards” factors. Ultimately, these revisions did not address the underlying issues of QES III and added to subjective and abstract nature of the factor definitions. Notably, “Hazards” factor now included “reference to abusive, aggressive and unpredictable behavior

from clients or the public”, which made it unclear in terms of its class applicability. When modifying “Working Conditions”, Hubbard & Revo-Cohen consultants attempted “to recognize previously unspecified job characteristics of female-dominated classes.” Categorizing jobs by gender or using gender in job evaluation methodology was rarely (if ever) considered in the evaluation systems’ design.

The new job evaluation factor of Public Service/Assistance might have created double crediting or overlapping with “Contacts”. To avoid confusion, consultants specifically referred to “recognize and credit direct hands-on care or assistance to members of the public...” The Contacts factor then had to be revised “to distinguish the differences between these two factors and ensure against double-crediting.” CPS consultants found that these and other modifications made to QES did not meet the objectives of “updating” and “refining” the system and may have created the adverse effect.

Overall, although the QES was providing a good quantitative evaluation to Montgomery County jobs, it had and continues to have some shortcomings that may need to be addressed.

What Changed and Why QES (FES) is a Challenge

An underlying problem common to all point-factor evaluation systems is the abstract nature of their level definitions opened to differences in interpretations and arguments. Previous systems and the FES used in Montgomery County under QES title were developed during the economic, social and technological environment of early 1970s and on the foundation of evaluation systems existing since the early 1920s. It is important that we examine the changes in employment practices since then.

The figure below outlines them in some detail:

Table 31: Historical Comparison of QES

Historically		At Present
Vertical “pyramid” authority	⇒	Flat organizational relationships
Standard organizational structures	⇒	Fluid organizational structures
Consistent wage inflations across jobs & markets	⇒	Inconsistent wage inflations across jobs & markets
Union and Government influences	⇒	Strong market influences
Pay administration’s focus on longevity & COLA	⇒	Pay administration’s focus on equity & efficiency

Equity complaints handled through unions	⇒	Equity complaints handled through legal actions
Dominance of Point-Factor & Step systems	⇒	Shift to Market-based & Competency models
Job analysis focuses on job processes & functions	⇒	Job analysis shift to critical thinking & complexity
Job value changes through enlargement	⇒	Job value changes through enrichment

About Point-Factor

Point-factor methods are based on three components: 1) compensable factors, 2) numerically scaled factor degrees, and 3) weights reflecting the relative importance of each factor.

Most of the developments in the point-factor job evaluation theory are still based on studies conducted by Eugene J. Benge and Edward N. Hay in the first half of the 20th century. Since the time point-factor was introduced, the job market has undergone dramatic transformations. Jobs in manufacturing or agriculture, along with jobs engaged in cyclical, routine, and repetitive operations have become obsolete. As the economy gradually evolved into service, technology, and mastering advanced equipment, so did the jobs. New jobs surfaced in research, internet, and advanced healthcare, while existing jobs added knowledge, creativity, and critical thinking. Subsequently, job evaluation systems based on quantitative methods lost some their original veracity.

The pros and cons of the point-factor models are shown in the figure below.

Table 32: Advantages and Shortcomings of Point-Factor Models

Advantages of Point-Factor	Shortcomings of Point-Factor
Offers systematic, consistent approach to classification system	Difficult to understand, cumbersome, and open to interpretation
Provides detailed and comprehensive job evaluation	May be repetitive, redundant, subjective
Has a long history of use	Aged and outdated, needs constant adjustment
Maintains interconnections with job classification specifications, policies, pay structures	May be disconnected from market values of job classifications, creating barriers to external competitiveness
Measures all compensable factors by their relative worth	May keep measuring factors that are no longer important or obsolete

Finally, the biggest change and challenge observed in today's labor market is the jobs themselves. In the 1990s and through the early 2000s universities textbooks, for decades dominated by R. Mathis, G.T. Milkovich, M.J. Wallace, and J.M. Newman, added "Compensation Management in a Knowledge-Based World" by Richard I. Henderson. In the preface, Henderson wrote, "The last decade of the twentieth century and the first years of twenty-first century witnessed monumental changes in social, political, and economic systems throughout the world." This statement became even more relevant in 2018.

Analysis

Probably the most important of the shortcomings is the fact that narratives in Guides/Application sections are open for interpretation and unless they name specific job classification titles, can be applied to a vast variety of job classes.

Other compensable factors, such as "supervision", were added, re-defined, and found to be separated from "middle management", especially in light of new trends where flat organizational structures started replacing traditional "pyramid" structures in the emerging industries (bio-tech, high-tech, research, web-based marketing, employment analytics, etc.). A perfect illustration of "loose interpretation" and changed realities of "supervision" as a compensable factor can be found in section 10c of the Montgomery QES System. Level 5 of the section refers to classes that supervise 201-800 employees. Aside from the fact that this reference applies to the department size and not to actual supervisory responsibilities (no one can physically supervise that many employees in a true meaning of the supervisory function, such as hiring, firing, training, evaluating, disciplining, and organizing staff), the contemporary organizational structures may place more value to jobs overseeing much smaller departments based on their functionality and purpose (i.e. legal compliance v. housekeeping). One of the emerging concepts of "job enrichment" (as opposed to "job enlargement") has also affected the evaluation of professional and supervisory classes. In today's labor market, a higher value is assigned to jobs that add complexity, critical thinking, creativity and analysis than mere supervision.

Some factors overlap and may be redundant. A good example is to compare the factor "Contacts" that refers to communication with representatives of organizations and community groups to factor "Public Service/Assistance" that refers to contacts with public and client population. The argument that the first factor is assigned more value may be argued by the position incumbents on both sides. Moreover, the job classes that provide both types of assistance will be assigned to the factor of higher point value. This will only be valid if the incumbents dedicate more time to "Contacts" and less time to "Public Service", which is, again, a subject of interpretation and contradictive arguments.

Table 33: Factor Definitions

Factor	Description	Characteristic	Points
Contacts	<p>This factor refers to the requirement for the worker to deal with individuals or groups, such as representatives of organizations, legislative bodies, or community groups, in person or by telephone to accomplish work objectives. Consideration is given to the purpose of contacts, their difficulty, importance and level within or outside the organization.</p> <p><i>NOTE: SEE DEFINITION FOR FACTOR 7: PUBLIC SERVICE/ASSISTANCE for the distinction between Contacts and Public Service/Assistance. CREDIT FOR INTERACTION WITH OTHERS, WHICH IS OF A SIMILAR NATURE. PURPOSE AND LEVEL MAY ONLY BE CREDITED UNDER ONE FACTOR - EITHER CONTACTS OR PUBLIC SERVICE/ASSISTANCE.</i></p>	Contacts with individuals or groups, such as representatives of organizations, legislative bodies, or community groups,	75-200
Public Service/ Assistance	<p>This factor refers to the worker's provision of direct assistance to the public and/or care and custody for a client population in providing public service, either in person or by telephone. This factor encompasses one-on-one assistance/care-giving or custody as well as similar responsibilities for groups of individuals. Consideration is given to the level of intensity and the duration of personal interaction required in providing the public service or assistance. ASSISTANCE TO OTHER COUNTY EMPLOYEES. <u>INCLUDING EMPLOYEES OF OTHER COUNTY-FUNDED AGENCIES, IS CREDITED UNDER THE CONTACTS FACTOR.</u></p> <p><i>NOTE: SEE DEFINITION FOR FACTOR 6: CONTACTS for the distinction between Public Service/Assistance and Contacts. CREDIT FOR INTERACTIONS WITH OTHERS THAT ARE <u>OF A SIMILAR NATURE, PURPOSE AND LEVEL MAY ONLY BE CREDITED UNDER</u></i></p>	Contacts with public and/or care and custody for a client population.	0-150

Factor	Description	Characteristic	Points
ONE FACTOR - EITHER CONTACTS OR PUBLIC SERVICE/ASSISTANCE.			

Another important question is – does the factor “Contacts” represent a source of value. Are there levels of contacts and how they affect a job’s value? There are other examples of factor overlaps and double crediting. The factors “Surroundings” and “Hazard” overlap and normally go in tandem. While “Hazard” refers to danger in surroundings, the “Surroundings” refers to the uncomfortable environment that may lead to danger.

Numerical Point Assignment

The design of point distributions and their relative weight is complex and arbitrary. The original FES designed by the federal government had broader range of points compared to Montgomery County QES (see following table). After thorough research, our team found that the Hallcrest-Craver used a copy of FES taken from U.S. OPM manual, but used the point structure from different point-factor system described in detail in works of M.J. Wallace, Jr and C.H. Fay, as well as R. Matthis and G.T. Milkovich, where the total number of recommended points was 1,000, and points for single factor were in range of 100-300.

This summary is not intended to conduct a scientific evaluation of alternative point systems but to identify the mismatch of the current point-factor methods as their corresponding point ranges is hard to explain and justify and should be assessed moving forward.

Table 34: Numerical Point Assignments, FES v. QES

No.	Title	Value Range	
		FES	QES
1	Knowledge	50-1,850	255-1,400
2	Supervisory Controls	25-650	75-200
3	Guidelines	25-650	75-200
4	Complexity	25-450	240-800
5	Scope and Effect	25-450	165-560
6	Personal Contacts	10-110	75-200

Fix or Replace

Arguments for Replacement

The underlying difficulty of most point-factor systems in general and the Montgomery County QES specifically, is that they are complex, difficult to administer, hard to understand by employees, and open to differences in interpretation. The latter is the cause of continuous challenges of the evaluation decisions by employees. The argument that point-factor

methodologies are systematic, objective, and easy to defend in court may not be as strong as some may think. The focus group study, conducted by Fox Lawson (December 2000) at the request of Montgomery County leadership showed that employees and managers perceive QES as cumbersome and difficult to understand. Pointing to QES shortcomings, Fox Lawson, however, failed to notice or mention that system was copied from an already developed system by the federal government (FES) and was open to public and other government agencies.

As we mentioned earlier, point-factor methods are based on three components: 1) compensable factors, 2) numerically scaled factor degrees, and 3) weights reflecting the relative importance of each factor. Examining the current Montgomery County QES suggests that over time all three of these components were somewhat altered from their original intent. First - the system was not properly adjusted for evaluating supervisory classes, second – the modifications offered by consultants in 1986 and 2004 failed to enable the system and refine the evaluation methodology. Finally, over time QES system was influenced by the aging factor. Many jobs, functional areas, and specialties were affected by automation, substitutions, structural and technological developments. Changes in composition of workforce and classification systems caused skill obsolescence and emerging of new specialties and job classifications. In this environment, the QES in its current form will continue be a challenge.

Argument for Fixing

Yet, replacing the QES by any other job evaluation approach may threaten the integrity of the classification system that has been in use for decades. It is still tied to the structure and language of all existing classification specifications and serves as a guideline in maintaining internal equity. In that sense, the QES did not outlive its utility.

Replacing QES will take time and will require complete overhaul of the entire classification system and full support of Montgomery County leadership and staff. Although replacement, if done correctly, can create a modern, robust, uncomplicated, effective, and defensible evaluation system (based on either point-factor or factor-comparison models), however, there is still an opportunity to fix the existing QES. Fixing will take less time and resources, and it will continue serving as an accurate and defensible way to assign value to Montgomery County jobs. For that purpose, CPS consultants will address all the system's shortcomings, eliminate redundancies, update factors, and redefine their purpose and validity. Most importantly, the system needs to be adjusted for evaluating supervisory/managerial/executive personnel, as the initial system was not inclusive of these classes.

Recommendation

Replacing or modifying the existing QES, if done in a rushed and hasty mode, may jeopardize the integrity of the classification system and create inequities between various job classifications. At the same time, we must acknowledge that the QES in its original form may become less accurate overtime because of two reasons, transformation of jobs and the abstract nature of factor/level definitions, which complicates system administration.

There are two ways to mitigate this – one is to carefully adjust the existing QES and gradually re-evaluate all jobs based on the newly modified system. Second, develop a new evaluation system that would account for contemporary trends in job market and reflect the values of knowledge-based jobs. Both options will require considerable research and analysis, first is a short-term solution that may work in a long run. The Second is a more complex solution for the long term.

The best way to make this determination is to start by re-examining the sources of value in jobs and establishing new (or reestablishing existing) compensable factors. Some existing factors must be put to test – how critical is it for Montgomery County jobs to be measured by existing factors. A simplified approach to this is illustrated in the table below.

Table 35: Compensable Factors

Compensable Factor	Argument Against It	Still Source of Value
Public Service/Assistance	Growing trends of self-service web-based applications	Yes/No
Number of FTEs Supervised	Productivity growth & automation may cause change in organizational structures	Yes/No
Contacts	Does overlap with Public Service/Assistance exist? How do “purpose”, “difficulty”, and “level” of the contact add value?	Yes/No

When summarizing the current Montgomery County QES, the main problems and the option to mitigate/resolve these problems can be identified and are shown in the table below.

Table 36: System Options

Problem	Option
The original version (FES) was developed for nonsupervisory jobs. Adding one supervisory factor did not and will not make system applicable to supervisory, managerial, and executive jobs.	System must be adjusted for evaluating supervisory positions. This should be done through both, replacing Supervisory factor and revisiting other factors. There might be a way to keep one system for all jobs.

The modifications made to QES since implementation did not add clarity or ease of use, created factors overlap, redundancies, double-crediting, and made system open to differences in interpretation.	It may be useful to bring QES to its original factors, eliminating some later added factors, and adjusting definitions and language in other factors.
Aging of the system.	Montgomery County leadership to decide the extent to which QES be modified. The cleanup and adjustments are a short-term solution that will consider and adjust for almost 40 years of developments and changes in classification systems. The long-term and more fundamental solution is to develop new system based on either point-factor or factor-comparison (or combined) that would be more nimble, uncomplicated, accurate and defensible.

If the decision is made to re-design the system, CPS is available to develop a task force and discuss the parameters and specifications of the new system. The core underlying concept of the new system is as follows:

- Develop modern effective and defensible quantitative job evaluation system that is easy to use and understand, and based on methodology that provides accurate, equitable, and dynamic value determination.
- The entire QES system should be redesigned with factors, parameters, and categories that are easier to measure, distinguish, and evaluate. The new system shall not only replace ambiguous and complex definitions of compensable factors by concrete, well-defined, and accurate definitions, but also change the entire approach to factor descriptions. For example, the factor “Knowledge” may be broken into levels based on the premise that knowledge is best expressed through the measurement of time of learning required for the job. Second premise for that factor is that knowledge is not a linear process and, therefore, the value of knowledge is not expressed in fixed point values. As a result, each level will be evaluated based on how much value it contributes to the job and organization. Such concepts would break jobs into very distinguished levels, each of which will have explicit distinguishing characteristics, as follows (illustrative only):
 - **Level 1:** Defined (options are well-defined, cyclical, routine, or repetitive) – HS diploma. No training required.
 - **Level 2:** Specialized (options are defined within the scope of craft, trade, skill, or function) – HS diploma. Some training or experience required.

- **Level 3:** Technical (options are selected based on technical knowledge, skills, or creative thinking) – AA degree, technical school, or apprenticeship required.
- **Level 4:** Professional (options are selected based on prolonged study in scientific, artistic, or technical field) – BS/BA degree, experience within the field of study required.
- **Level 5:** Administrative (options are developed based on advanced knowledge, analysis, and organizational skills) – BS/BA degree, extensive experience within the field of study required.
- **Level 6:** Executive (options are developed and controlled through advanced knowledge, analysis, and executive function) – Advanced degree, extensive experience within the field of study required.

More details of the proposed system design or modification will be provided to Montgomery County leadership once the next steps of the process have been decided and outlined.

Broadbanding - MLS Classifications

Background

The Appendix F to QES offers a definition and eligibility criteria of the MLS classification system. According to the Appendix, positions allocated to grade 27 and higher, and meet management criteria, are then placed in the broadband system. The system has 3 management levels (M1, M2, M3) that distinguish positions by scope, level of autonomy, level of responsibilities, decision-making authority, etc.

Reference to MLS Broadbanding can be found in QES Appendix F. The eligibility of a position is outlined in paragraph (a)(1)(A) of Appendix F that states, *“A merit system position is assigned to the MLS if the position, prior to its inclusion in the MLS, either:(A) was classified under the quantitative evaluation system at grade 27 or higher and the duties of the position include all of the following...”*

Appendix F, however, does not provide specifics, process, and methodology of assigning positions to levels and determining incumbent’s position within the salary band, except for the following statement:

- (1) *A merit system position is assigned to the MLS if the position, prior to its inclusion in the MLS, either:*
 - (A) *was classified under the quantitative evaluation system at grade 27 or higher and the duties of the position include all of the following:*
 - (i) *directing the work of an organizational unit of a department, such as a division, section,*

- or team;*
- (ii) *supervising at least 2 full-time employees, or the equivalent of 2 full-time employees;*
- (iii) *assuming responsibility for the success of one or more significant County programs, functions, or services; and*
- (iv) *influencing County policy in the assigned area; or*

There are references to performance-based pay progression and salary determination, which leave some room for interpretation and may create some subjectivity in job evaluation. Assigning jobs to a band and incumbent's position within that band is a complex undertaking, which may benefit from clear and detailed guidelines. The merit system (with 2% lump sum or base pay increases) described in Appendix F cannot substitute a job evaluation system that could consistently be applied to determine a proper band or position within that band.

- (2) *Advancement through the pay band associated with a management level is based on performance.*
- (3) *Movement to a higher management level is based on either a promotion to a vacant position in a higher management level or reclassification because of a significant change in duties.*

Analysis

Initially, prior to determining eligibility for a broadband, positions must have been evaluated through QES. The compensation policy does not provide a detailed description of an evaluation method for positions allocated in MLS. It is our understanding that these positions must go through the QES analysis first and then, based on the QES grade, be assigned to corresponding band.

Based on the compensation theory, Broadband is a classification structure with over 100% bandwidth for each band. Broadband structures are typically introduced for two main reasons, 1) to provide flexibility in defining job responsibilities more broadly, and 2) to foster cross-functional growth and employee lateral mobility to gain depth of experience. Broadbanding is most commonly used for team-based structures, professional or management jobs where the most skilled or experienced incumbent could earn double or more than what was offered to a less-skilled incumbent.

The Broadband structure was developed in 1990s and some attest the use of the Broadband systems are difficult to administer and increase labor costs. Richard I. Henderson wrote "...the labor cost issue could be enhanced significantly within broadbanding approach because the maximum rate within a band is significantly higher than the maximum rate of most of the grades..." George T. Milkovich and Jerry L. Newman wrote "Rather than a saving, broadbanding has the potential to be more expensive..." The difficulty of administration is in its requirement to develop additional systems to determine an incumbent's salary within a larger band, and cost

is difficult to control because the minimum, midpoint, and maximum are often used as the only control points, which complicates market comparison and adds confusion.

Recommendations

In summary, broadbanding offers fewer grades than traditional salary structures do, promising flexibility, lateral mobility and less emphasis on ‘status’ or hierarchy and places more of an emphasis on lateral job movement within the company. This flexibility, however, can lead to internal pay relativity problems as there isn’t as much control over salary progression as there would be within a traditional multi-level grading structure.

Based on our findings presented in the QES section of this report, research supports that the QES (and its original FES) system was developed for non-supervisory jobs and may not be the most effective approach for evaluating management and executive classifications. The Broadband serves as a pricing structure and in itself does not have evaluation mechanism. The performance-based movement that is imbedded in MLS can work for employee growth and development, but cannot substitute a job evaluation system. As mentioned in the analysis, there is scientific evidence suggesting that broadbanding adds subjectivity and increases labor cost. If not administered properly, it may cause inconsistencies and inequities.

The following elements should be considered:

- ✓ Revisit MLS and Broadband as the pricing system and approach to management classifications. Moving these classes to the existing traditional grade system is an option.
- ✓ Design either market-based or factor-comparison system to evaluate management jobs.

EEO Overview

Background

The County utilizes a modified version of EEO-4 job categories. Current definitions are provided in the table below.

Table 37: EEO-4 Job Categories, Description, EEO Group Code

Category	Description	EEO Group Code
Officials and Administrators	Occupations in which employees set broad policies, exercise overall responsibility for execution of these policies, or direct individual departments or special phases of the agency's operations or provide specialized consultation on a regional, district or area basis. (We usually put Directors and Agency Heads in this group)	211

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Category	Description	EEO Group Code
Officials and Administrators- Mid- Level	This group is the same as above but was more so designated for those in MLS.	212
Professionals	Occupations which require specialized and theoretical knowledge which is usually acquired through college training or through work experience and other training which provides comparable knowledge - such as Librarians, RNs, Doctors, etc.	221
Other Professionals	General professional degree and knowledge- such as Human Resources Specialist, Procurement Specialist.	222
Professionals-First Line Supervisors	Supervisors of those in the professional group.	223
Technicians	Occupations which require a combination of basic scientific or technical knowledge and manual skill which can be obtained through specialized post-secondary school education or through equivalent on the job training.	231
Technicians-First Line Supervisors	Supervisors of those in the Technician group.	233
Protective Service Officials	Occupations in which workers are entrusted with public safety, security and protection from destructive forces- Chief of Police, Sheriff, F/R Chief	241
Protective Service Patrol	Occupations in which workers are entrusted with public safety, security and protection from destructive forces- usually done by Patrol- the day to day protections such as Police Officers, F/R workers, Corrections, Deputy Sheriffs	242
Protective Service- Other	Occupations where you have protective service but may not be a uniformed individual- security officers/guards.	243
Paraprofessionals	Occupations in which workers perform some of the duties of a professional or technician in a supportive role, which usually requires less formal training and/or experience normally required for professional or technical status.	251
Paraprofessionals-First Line Supervisors	Supervisors of paraprofessionals.	253
Office and Clerical	Occupations in which workers are responsible for internal and external communication, recording and retrieval of data and/or information and other paperwork required in an office (i.e., secretaries, office services coordinators).	261
Other Clerical	Other office type functions.	262
Office and Clerical First Line Supervisors	Supervisors of office and other clerical workers	263

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Category	Description	EEO Group Code
Skilled Craft	Occupations in which workers perform jobs which require special manual skill and a thorough and comprehensive knowledge of the processes involved in the work which is acquired through on-the-job training and experience or through apprenticeship or other formal training programs.	271
Skilled Craft-First Line Supervisor	Supervisors of Skilled Craft.	273
Service Maintenance	Occupations in which workers perform duties which result in or contribute to the comfort, convenience, hygiene or safety of the general public or which contribute to the upkeep and care of buildings, facilities or grounds of public property.	281
Service Maintenance First Line Supervisor	Supervisors of service maintenance workers.	283

Analysis and Findings

Classification and compensation systems should support identification of qualified candidates and not create adverse employment actions towards any protected class (i.e., sex and/or race). This summary will look at workforce demographics compared with the local geographic area workforce and applicant pool³ (Appendix Q). To assess underutilization (or adverse impacts) a review of 9,714 active fulltime positions was made in comparison to census data from the Equal Employment Opportunity Commission (EEOC). Statistics for the available labor force in the Montgomery County areas are highlighted in the tables below. Asian, White and female, are shown as an opportunity, as the reported workforce total compared to the area total availability have a difference of 2% or greater (as recommended by EEOC guidelines).

Table 38: Workforce Utilization – National Origin

National Origin	Workforce %	Area
American Indian or Alaska Native (Not Hispanic or Latino)	0.40%	0.24%
Asian (Not Hispanic or Latino)	6.37%	11.22%
Black or African American (Not Hispanic or Latino)	26.65%	15.02%
Hispanic or Latino	10.03%	10.46%
Native Hawaiian/Other Pacific Islander (Not Hispanic/Latino)	0.09%	0.06%
Two or More Races (Not Hispanic or Latino)	0.79%	2.48%
White (Not Hispanic or Latino)	50.38%	60.53%
Missing - No Designation	5.28%	N/A

Table 39: Workforce Utilization – Gender

Gender	Workforce %	Area
Female	41.30%	49.00%
Male	58.68%	51.00%

This data can be focused more specifically by looking at occupation groups in the table on the following pages.

³ This is not a comprehensive review of diversity or an Equal Employment Opportunity Plan (EEOP). This serves as a summary and goal to incorporate goals and develop a more comprehensive EEOP.

Table 40: Workforce Utilization – National Origin by Group

National Origin	EEO 212			EEO 221-23			EEO 231			EEO 261-62			EEO 271		
	#	Work-force %	Area	#	Work-force %	Area	#	Work-force %	Area	#	Work-force %	Area	#	Work-force %	Area
American Indian or Alaska Native (Not Hispanic or Latino)	0	0.00%	0.3%	2	0.22%	0.2%	0	0.00%	0.30%	0	0.00%	0.30%	1	0.45%	0.3%
Asian (Not Hispanic or Latino)	10	8.20%	7.8%	75	8.36%	13.2%	41	13.23%	14.20%	43	11.14%	10.00%	17	7.69%	8.2%
Black or African American (Not Hispanic or Latino)	19	15.57%	11.6%	195	21.74%	11.4%	47	15.16%	20.90%	127	32.90%	20.10%	88	39.82%	11.8%
Hispanic or Latino	3	2.46%	6.1%	99	11.04%	4.1%	24	7.74%	6.50%	64	16.58%	8.90%	23	10.41%	27.0%
Native Hawaiian/Other Pacific Islander (Not Hispanic/Latino)	0	0.00%	0.0%	0	0.00%	0.0%	0	0.00%	0.00%	0	0.00%	0.10%	0	0.00%	0.0%
Two or More Races (Not Hispanic or Latino)	0	0.00%	2.0%	6	0.67%	1.8%	1	0.32%	3.10%	4	1.04%	2.70%	2	0.90%	2.7%
White (Not Hispanic or Latino)	86	70.49%	72.3%	472	52.62%	69.2%	155	50.00%	54.70%	129	33.42%	57.90%	75	33.94%	50.1%
Missing - No Designation	4	n/a	n/a	48	n/a	n/a	42	n/a	n/a	19	n/a	n/a	15	n/a	n/a

Table 41: Workforce Utilization - Race

Gender	EEO 212			EEO 221-23			EEO 231			EEO 261-62			EEO 271		
	#	Work-force %	Area	#	Work-force %	Area	#	Work-force %	Area	#	Work-force %	Area	#	Work-force %	Area
Female	54	44.26%	42.90%	683	76.14%	48.60%	116	37.42%	56.30%	335	86.79%	73.10%	6	2.71%	7.10%
Male	68	55.74%	57.10%	214	23.86%	51.40%	194	62.58%	43.50%	15	13.21%	26.90%	215	97.29%	92.90%

OHR currently provides an annual report, “Personnel Management Review” which does provide some demographics on an annual basis but does not have ongoing goal setting or benchmarks.

Recommendations

- ✓ Seek diversity recruitment sources (e.g., professional groups, publications, etc.) to post open positions and seek talent in areas of underutilization
- ✓ Create diversity goals and/or an annual EEOP plan to monitor diversity recruitment and compensation.
- ✓ Incorporate diversity statements (e.g., EEO/F/V/M) in all job postings.

Next Steps

The above sections of this final report provide information concerning the scope of the project, the methodology used, as well as audit findings and recommendations. Should you require any further information, or have questions with respect to this study report, please do not hesitate to contact Christi Tenter at (916) 471-3387.