



Executive and Managerial Benchmark Compensation Study

Board of Supervisors Personnel Committee Meeting

July 26, 2022

Agenda

- Background
- Study Overview
- Study Results
- Implementation Steps
- Discussion

Background

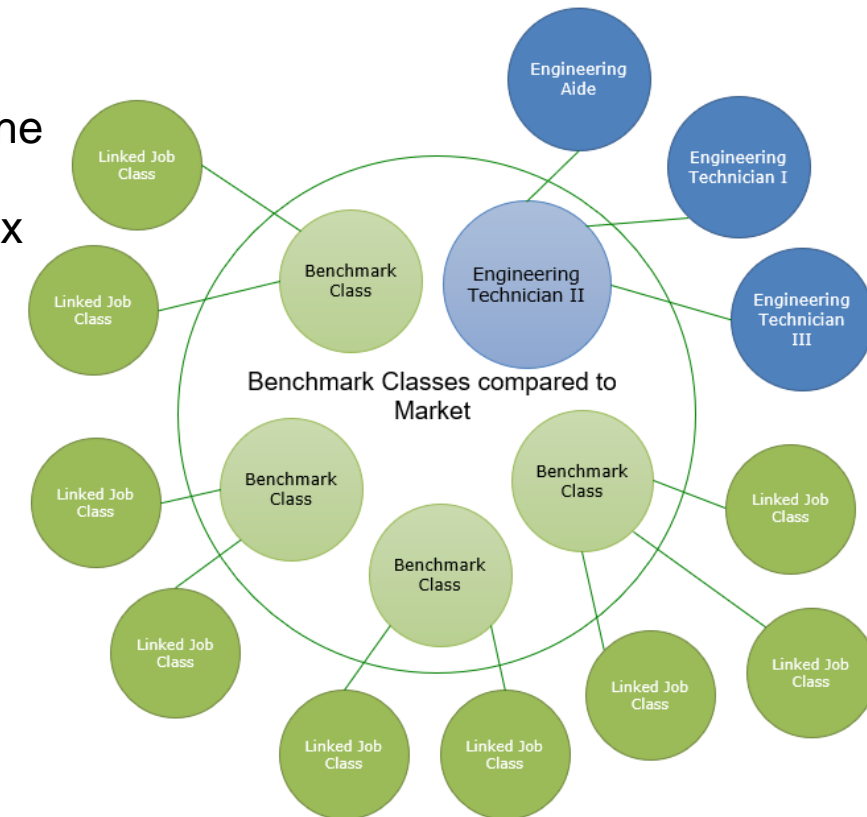
Current Environment

- Market has changed since the onset of COVID-19
 - More competitive salaries offered by surrounding jurisdictions and other employers
- Internal equity/alignment issues
 - New hires are often brought in at or above long-serving County employees
 - Compression issues between employees and their supervisors
 - Impacts on morale/performance

Background

Maintaining Market Competitiveness

- Benchmark studies are completed annually for uniformed pay scales and non-uniformed job classes in pay grades S-30 and below
 - The Board’s long-standing pay philosophy is to be at the midpoint of the market average
 - Job classes are generally recommended for regrades when the Fairfax midpoint is below 95% of the market average midpoint
 - Comparator jurisdictions:
 - City of Alexandria
 - Arlington County
 - District of Columbia
 - Loudoun County
 - Montgomery County
 - Prince George’s County
 - Prince William County
- Targeted studies are conducted when necessary for more in-depth analysis



Background

Recent Actions to Address Pay, Retention and Recruitment

- Benchmark study regrades for pay grades S-30 and below have been conducted and implemented on a regular basis except when postponed due to the pandemic
 - 49% of benchmarks have been regraded since 2014
 - FY 2023 benchmark regrades for S-30 and below were increased to 5% per grade and accelerated to March 2022 to address recruitment and retention
- Full compensation program in FY 2023
- Hiring incentives ranging from \$2,000 to \$2,500 for hard to fill classifications such as nurses, behavioral health specialists, developmental disability specialists, and CDL classifications
- Bonuses of \$1,000 for merit employees in May 2021 and November 2021
- Salary equity reviews in progress to address retention and recruitment challenges

Background

Executive and Managerial Market Competitiveness

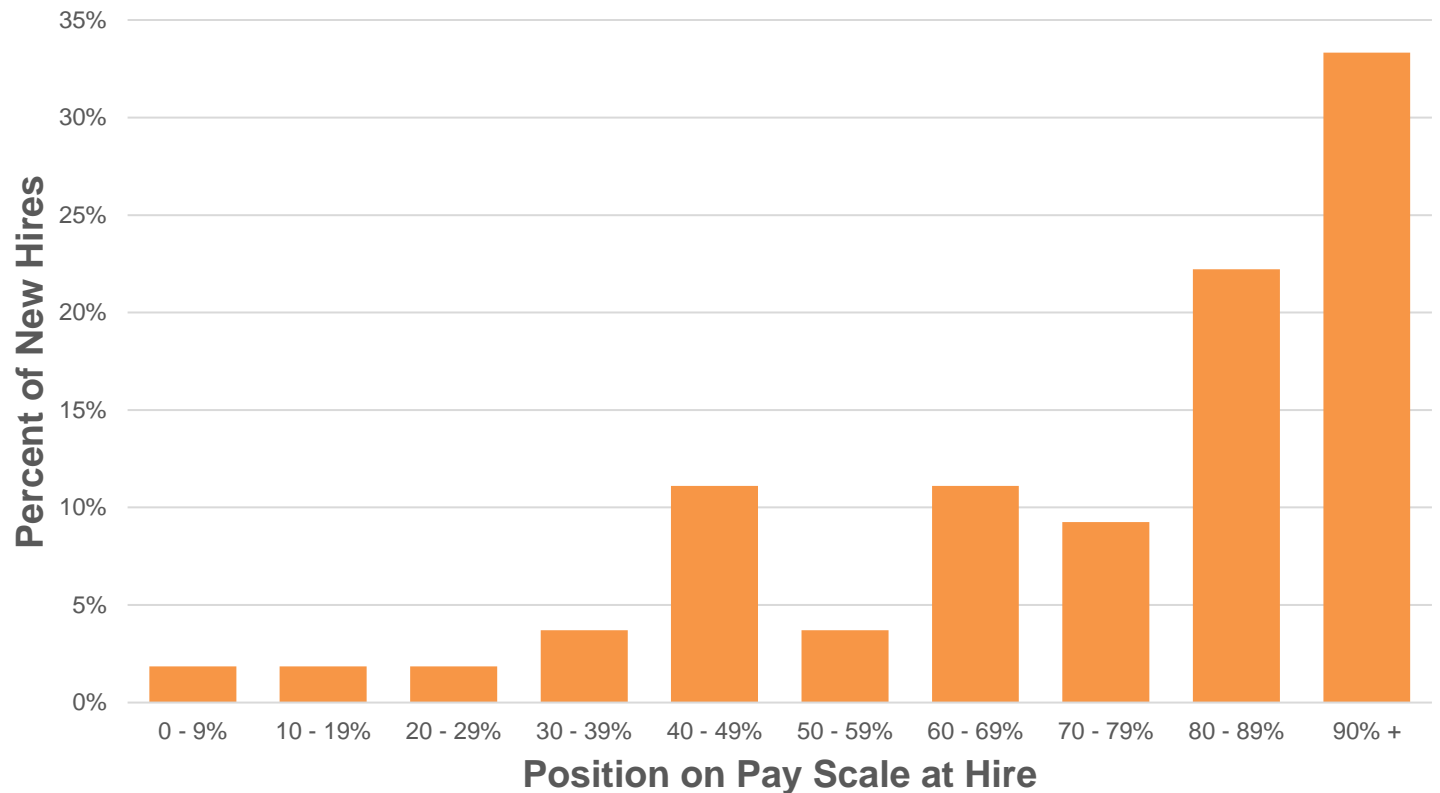
- E scale positions and job classes at or above the S-31 pay grade have not been holistically reviewed since 2009
 - These job classes have historically been reviewed separately through targeted pay studies with extensive consultant support, and are not typically adjusted as part of the annual benchmark study
 - Some individual job classes have been adjusted to address specific recruitment issues, but most adjustments have been held pending the completion of a comprehensive study
- Positions include directors, deputy directors, division directors, other agency management, and high-level individual contributors

Current Issues and Challenges

- Filling executive and management positions has often required hiring at or near the maximum of the existing pay ranges

External hires since January 2020:

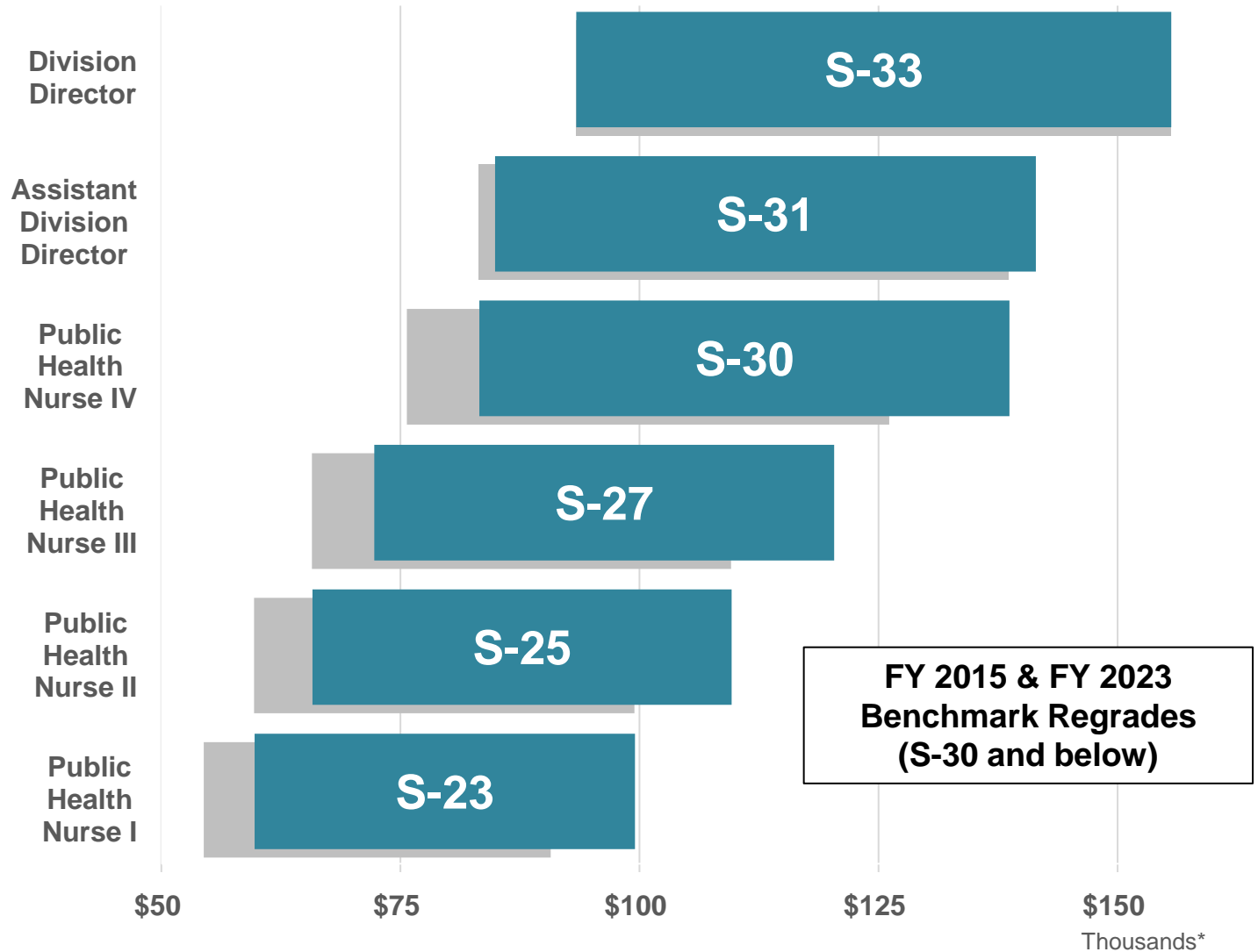
- 5 of 7 agency directors hired above 80% of the pay scale
- 5 of 6 agency deputy directors hired above 90% of the pay scale
- More than half of other S-31+ employees hired above 70% of the pay scale



Current Issues and Challenges

- Filling executive and management positions has often required hiring at or near the maximum of the existing pay ranges
- Annual benchmark study regrades have compressed job series, with some having little difference in grades between management positions and those reporting to them

Public Health Nurse Series



* Salary ranges shown using FY 2023 pay scales

Executive and Managerial Benchmark Study

Overview

- The County Executive directed a county-wide compensation and organizational review of Executive and Managerial level occupations
 - Began in 2018 as a consultant-led effort
 - Project shifted to staff, but delayed due to pandemic and other challenges
- Methodology
 - External benchmark data from comparator jurisdictions
 - Internal review of positions and organizational structure

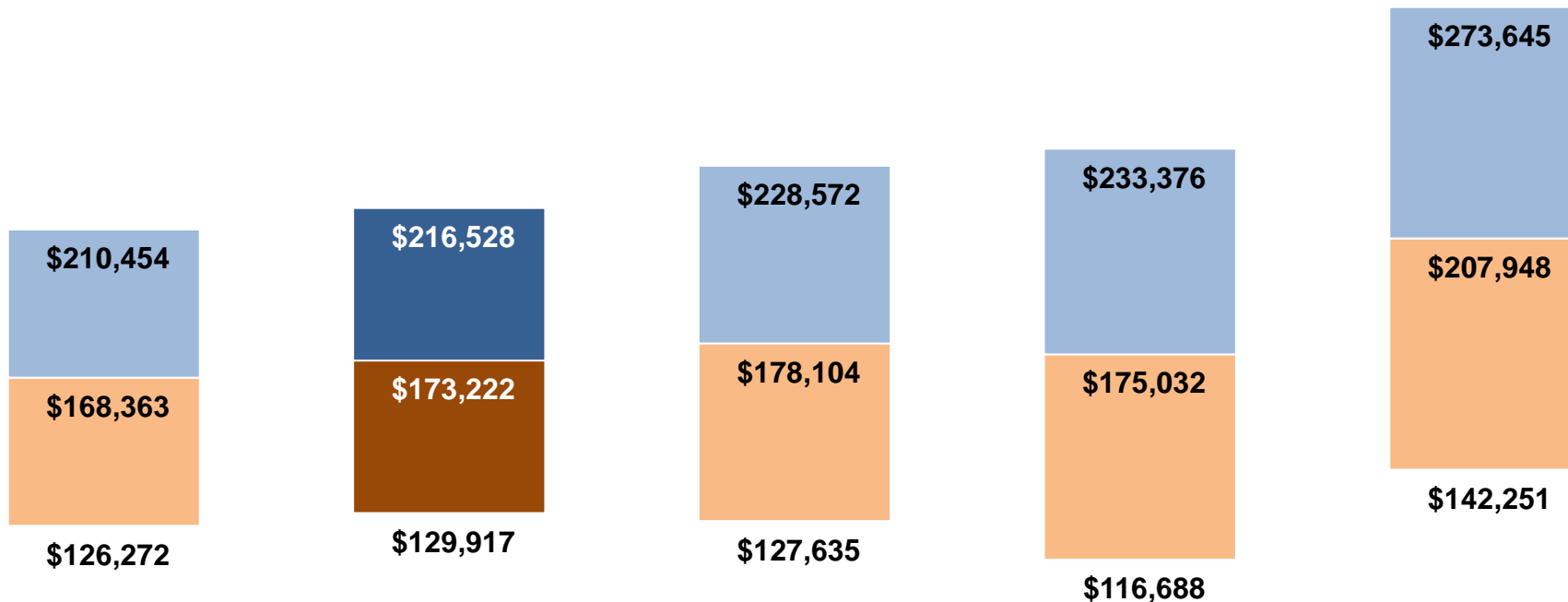
Benchmark Data

- Benchmark data for director positions indicates that Fairfax is generally below market
- Benchmark data for S scale positions graded S-31 and above demonstrates many job classes below market
- Accurate comparisons are difficult as jurisdictions are organized differently
- These comparisons do not take into account differences in scope, span of control and complexity of these types of positions as compared to our surrounding jurisdictions
- These classes were not adjusted as part of the FY 2023 annual benchmark study

Job Title	Market Position
Assistant Director of Public Safety Communications	80%
Assistant Director of Vehicle Services	92%
Assistant Real Estate Director	89%
Engineer VI	93%
Finance Director	92%
Human Resources Director	91%
Information Technology Director	95%
Park Authority Director	95%
Planning and Development Director	95%
Public Safety Communications Director	88%
Public Works and Environmental Services Director	96%

Park Authority Director

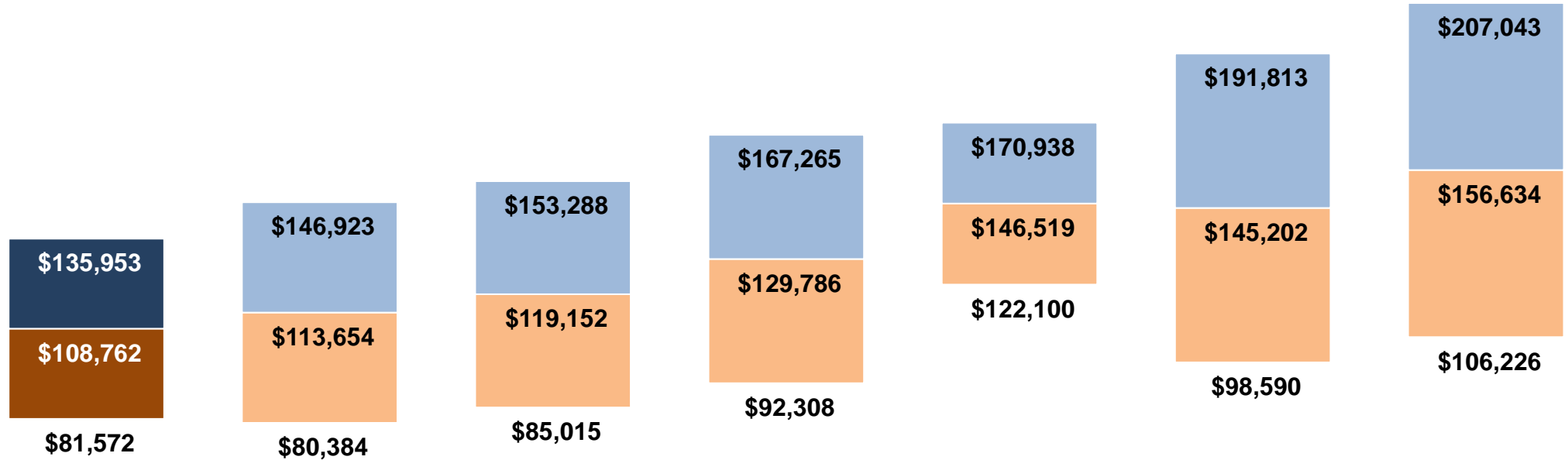
Benchmark Data



	Prince William	Fairfax	Alexandria	Loudoun	Arlington
Population	482,204	1,150,309	159,467	420,659	238,643
Number of Parks	87	420	233	39	149
Park Land (in acres)	5,337	23,632	566	3,141	922

Public Safety Communications Assistant Director

Benchmark Data



	Fairfax	Montgomery	Prince William	Alexandria	District of Columbia	Prince George's	Arlington
Employees	189	142	123	52	318	60	59
Call Volume	1,181,522	734,791	392,000	309,524	1,235,955	782,786	246,440
Population	1,150,309	1,062,061	482,204	159,467	689,545	967,201	238,643

Internal Position Review

- Comparisons of scope, responsibilities, and complexity to align similar jobs within and across departments
- Review of previous annual benchmark study results to identify areas where compression issues have been created

	Community Services Board	Family Services	Health*	Housing and Community Development	Neighborhood and Community Services
Director	E-13	E-13		E-12	E-13
Deputy Director	S-36			S-37	
Next Level of Manager	S-35	S-35	S-35		
		S-34	S-33	S-33	S-34
					S-33

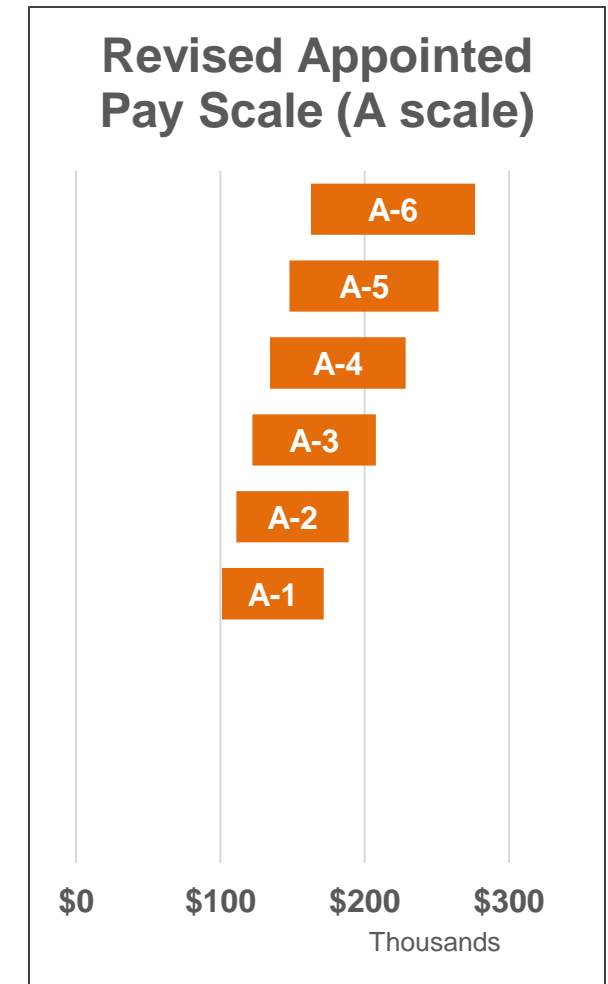
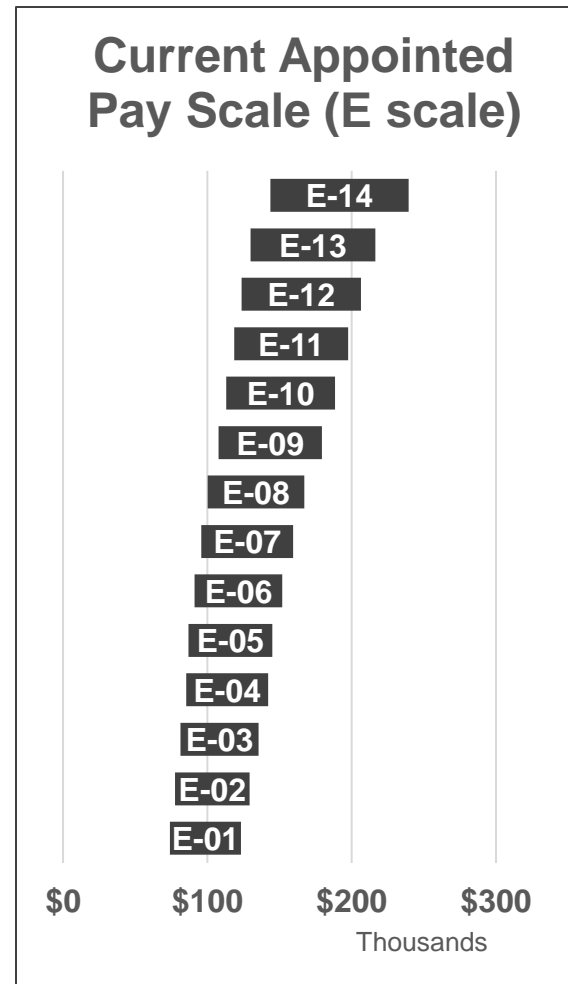
* Health Department Director is on the X pay scale and is not shown.

Benchmark Study Results

- **Simplify** pay scales
- **Align** similar jobs
- **Compete** with the market

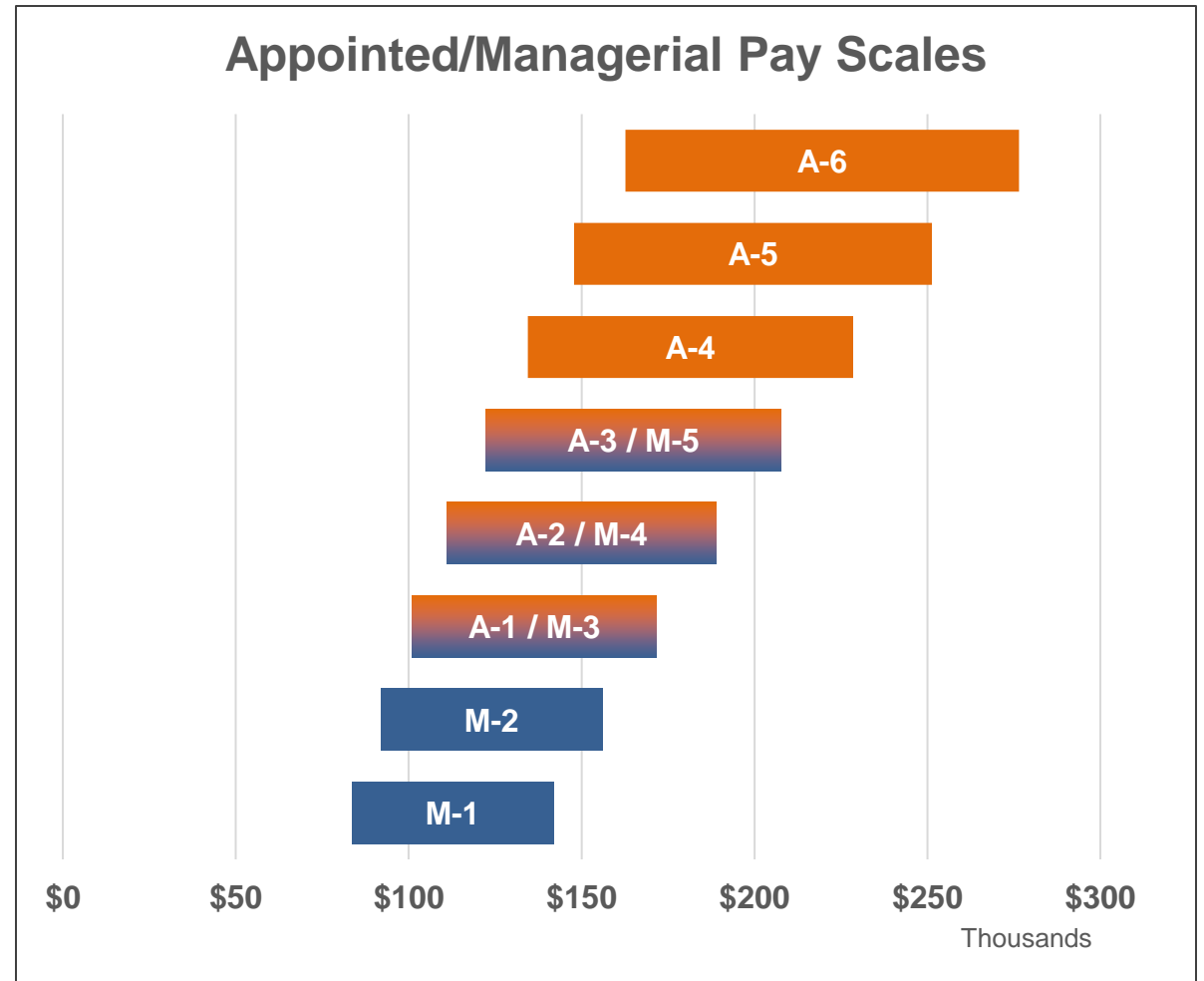
Simplify

- Reduce number of grades for appointed positions
 - Only 8 of 14 grades on E scale currently in use
- Establish consistent 10% increments
 - Create more meaningful distinctions between grades
 - Current E scale increments are approximately 5%, but vary from 2% to 10.6%



Simplify

- Create a pay scale for agency management explicitly linked to the A scale
 - Highest pay grade, M-5, equivalent to A-3 pay grade
 - Consistent 10% increments
- High level individual contributors and supervisors remain on the S scale



Align

- Ensure alignment of Appointed scale with Management scale (e.g., a Director graded at A-5 will have their Deputy Director at M-5 grade)
- In most agencies, division directors will be 2 grades below deputy directors
- Jobs of similar scope will be graded similarly across departments

	Community Services Board	Family Services	Health*	Housing and Community Development	Neighborhood and Community Services
Director	A-5	A-5		A-5	A-5
Deputy Director	M-5	M-5	M-5	M-5	M-5
Next Level of Manager	M-3	M-3	M-3	M-3	M-3

* Health Department Director is on the X pay scale and is not shown.

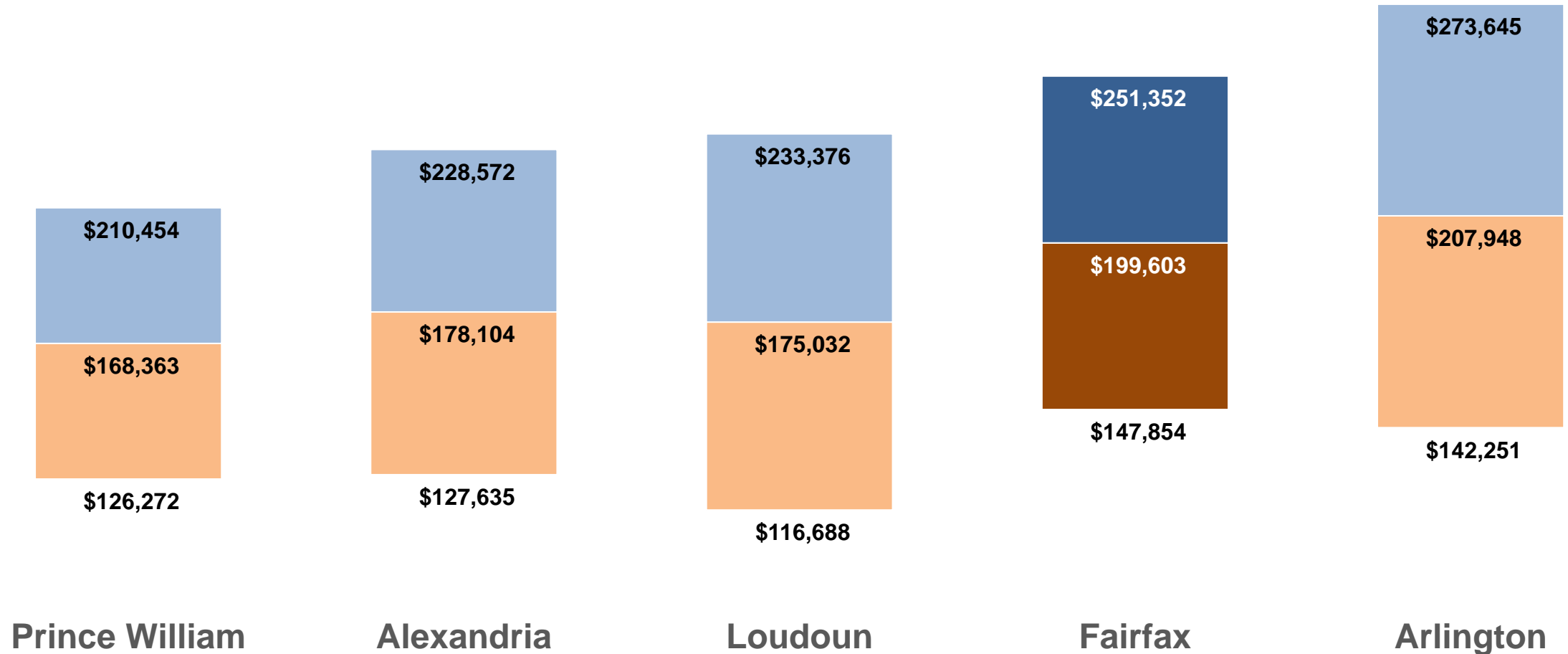
Compete

- Adjust salary ranges based on available benchmarking data
 - Recognize differences in job scope
 - Provide additional capacity for salary growth
- Establish consistent methods to maintain market competitiveness
 - Include S-31+ positions that remain on S scale in annual benchmark adjustments for job series
 - Benchmark A and M scales annually against competitor jurisdictions' executive and management pay structures

Job Title	Market Position (Before)	Market Position (After)
Assistant Director of Public Safety Communications	80%	106%
Assistant Director of Vehicle Services	92%	105%
Assistant Real Estate Director	89%	98%
Engineer VI	93%	98%
Finance Director	92%	101%
Human Resources Director	91%	110%
Information Technology Director	95%	110%
Park Authority Director	95%	109%
Planning and Development Director	95%	115%
Public Safety Communications Director	88%	106%
Public Works and Environmental Services Director	96%	110%

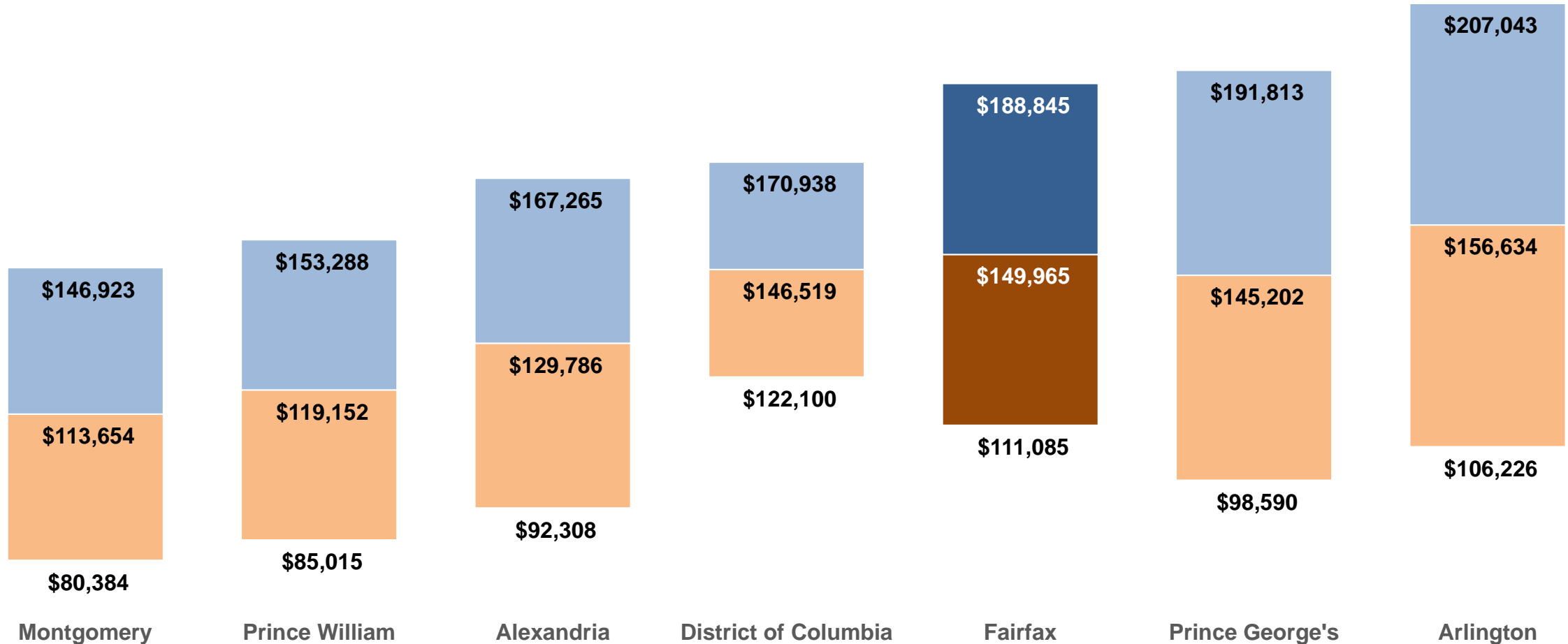
Compete

Park Authority Director



Compete

Public Safety Communications Assistant Director



New Executive and Managerial Pay Scales

Appointed (A scale)

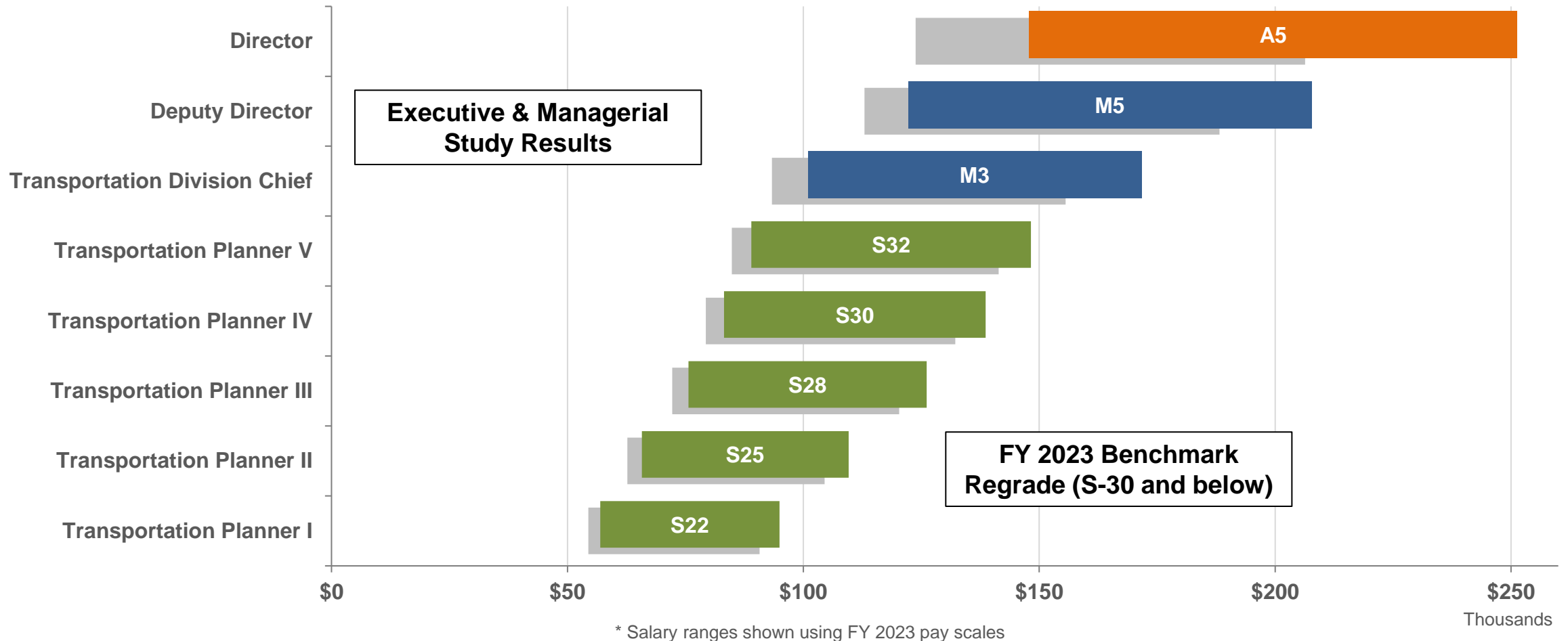
Grade	Minimum	Midpoint	Maximum
A6	\$162,640	\$219,564	\$276,488
A5	\$147,854	\$199,603	\$251,352
A4	\$134,413	\$181,458	\$228,502
A3	\$122,194	\$164,961	\$207,729
A2	\$111,085	\$149,965	\$188,845
A1	\$100,986	\$136,332	\$171,677

Managerial (M scale)

Grade	Minimum	Midpoint	Maximum
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M5	\$122,194	\$164,961	\$207,729
M4	\$111,085	\$149,965	\$188,845
M3	\$100,986	\$136,332	\$171,677
M2	\$91,806	\$123,938	\$156,070
M1	\$83,460	\$112,671	\$141,882

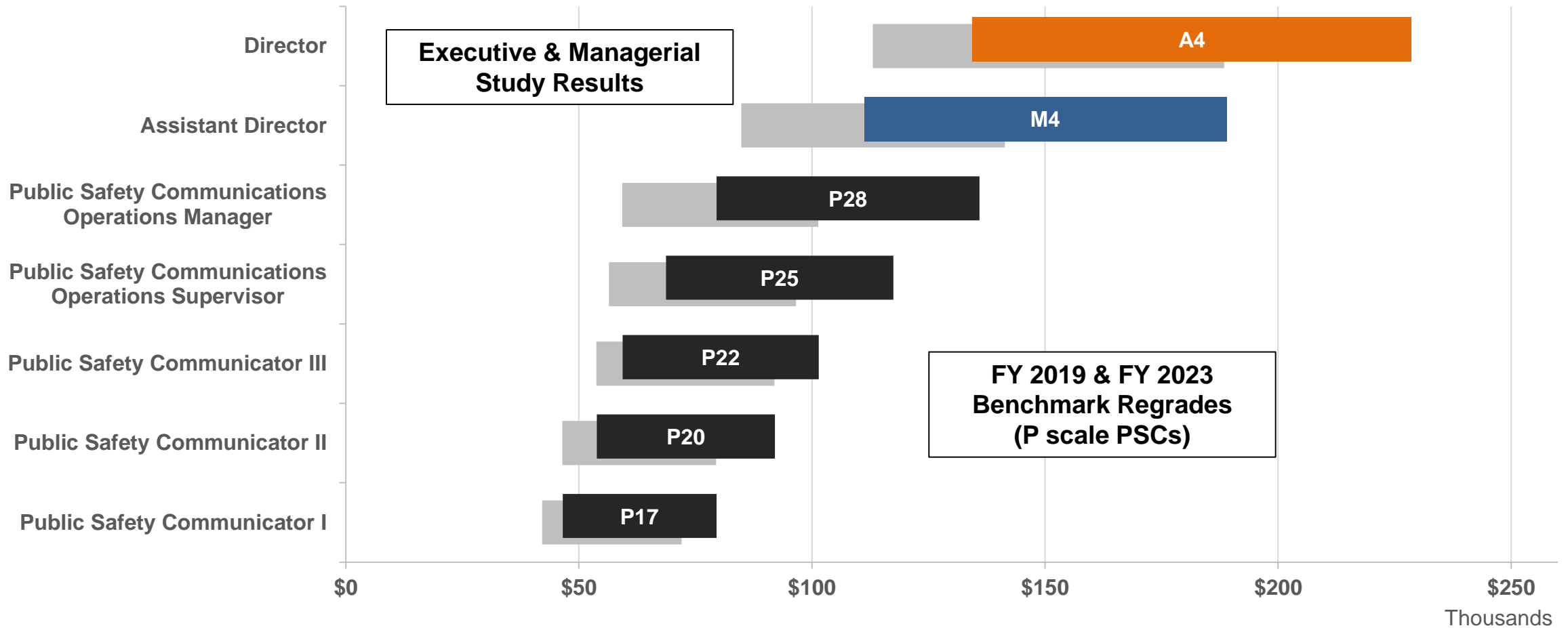
Department of Transportation

Impact of Changes



Department of Public Safety Communications

Impact of Changes



Fiscal Impact

- The average adjustment for employees impacted by this market rate adjustment is 4.3%
 - High-level individual contributors and supervisors that are currently in grades S-31 or above and found to be out of market will be moved to a higher grade on the S scale
 - The standard adjustment of 5% per grade will be applied
 - Managers that are currently in grades S-31 or above will be moved to the M scale, while appointed officials that are currently on the E scale will be moved to the A scale
 - Adjustments will use a reduced calculation (half the percentage increase in pay grade minimum).
- After accounting for agencies that can absorb the fiscal impact, the partial-year General Fund impact is estimated at \$2.0 million and will be included in the *FY 2022 Carryover Review*
 - The full-year General Fund impact of \$3.8 million will be included in the FY 2024 Advertised Budget Plan
 - The full-year cost to all funds is estimated at \$5.0 million

Implementation Steps

- Detailed information regarding benchmark study results for these positions will be posted on the DHR FairfaxNet site
- Promotional policies and policies regarding the new M scale will be updated
- Personnel regulation changes will be brought forward on October 18
- Position grade adjustments targeted to be effective October 2022
- Continued equity reviews
- Inclusion of these positions in FY 2024 annual benchmark study