

Response to Questions on the FY 2007 Advertised Budget Plan

Request By: Chairman Connolly

Question: Respond to the testimony provided by the Employees Advisory Council (EAC) concerning the status of non-public safety employee compensation.

Response:

The increases that non-public safety employees have received over the last six years have not been insignificant. For example, from a citizen's perspective, a 4.3 percent increase, or almost 30 percent over a six-year period, is substantial.

While increases for public safety employees have been different than for non-public safety employees it should be noted that it has been a long-standing Board policy that the pay philosophy for public safety employees, and teachers, be different from that of non-public safety employees, and School non-teachers, as a result of the danger inherent in public safety workers' responsibilities, as well as the specialized nature of teachers' work.

The County uses all of the jurisdictions noted by the EAC as benchmarks for the comparative pay studies performed each year, however isolating the single year increases does not recognize there are a number of issues associated with providing the same level of increase due to the different pay philosophies and different bases involved. For example, among these jurisdictions are jurisdictions, which for a number of years, have had objectives to "catch up" their pay up to that of Fairfax County. Naturally as a result, their percentage pay increases have been larger due to the impact of this "catch up" effort.

In order to ensure that pay scales remain competitive with the market, County non-public safety pay scales are increased in accordance with the annual market index, which is calculated based on data from the Consumer Price Index; the Employment Cost Index, which includes private sector, state and local government salaries; and the Federal Wage Adjustment. This is designed to keep County pay scales from falling below the marketplace, requiring a large-scale catch-up every few years. In FY 2007, the non-public safety pay scales will be adjusted 4.25 percent based on the current market index. Since non-public safety employees do not receive this adjustment to their pay as they did in the past through a cost-of-living increase, employees hired between the minimum and midpoint are losing relative ground when compared to newer hires who do benefit from increased minimums.

It should also be noted that in recent correspondence sent throughout the County, the EAC attempted to provide a comparative chart to show the "dollar in pocket" difference between non-public safety employees and those on the Public Safety and FCPS pay scales. The calculations did not take into account several factors such as fringe benefits and overtime, thus overstating the "dollar in pocket" numbers for uniformed Fire and Rescue, Police, Public Safety Communications and Sheriff employees. While many Public Safety employees will receive larger increases a significant number of Police (67 percent), Sheriff (51 percent) and Public Safety Communications (40 percent) employees will actually receive slightly less than the average non-public safety employee since they are in step holds and will only receive the 4.25 percent market rate adjustment. Conversely, the vast majority of both teachers and non-teachers will receive both a step increase (equating on average to 2.6 percent) and a 3.0 percent COLA which is currently funded. Additional increases are possible for both categories of employees depending on final funding decisions.

As a result of the annual market study performed by the Department of Human Resources to address issues of employee recruitment and retention, as well as to ensure pay competitiveness, certain job classes are benchmarked against comparable positions in both the public and private sectors. This year, approximately 100 job classes were reviewed and for the first time in a number of years, a large number of non-public safety job classes will be regraded in FY 2007. In accordance with current Personnel Regulations, non-public safety employees, unlike those on public safety pay plans, move to a new pay grade but remain at their current pay rate unless their pay falls below the minimum of the pay grade, therefore resulting in no pay increase. The need to regrade a large number of classes in a single year is potentially a concern if it means that the County compensation package is falling behind those of other employers with whom it competes for qualified employees.

Finally, in response to the specific requests made by the EAC:

1. Provide a 2 percent across the board salary adjustment for general county employees:

The Board has repeatedly reaffirmed, as recently as the Board's FY 2007 Budget Guidelines, its position that the transition from an annual COLA to performance-based pay is their pay philosophy for General County employees and has indicated that no consideration will be given at this time to returning to a system of annual cost-of-living adjustments.

2. Fix Pay for Performance in FY 2008:

The County is continually reviewing its compensation system. Board Budget Guidelines to the County Executive have consistently included the directive to review pay for performance. Additionally, in the last several years, this review has included broader representation, including participation of the EAC.