COMPENSATION PHILOSOPHY

General Information
The County’s compensation strategy supports County beliefs and aims to maintain external competitiveness and internal equity. It takes into account the following:

- Compliance with County obligations as stated in the Charter and Ordinance Code
- Fair compensation to employees
- Competitive compensation to attract applicants
- Comparability to other jurisdictions and agencies
- Budget and organizational issues and projections
- Trends, cost of living and funding issues
- Union agreements and issues
- Classification versus compensation issues

The County’s compensation strategy focuses on the Bay Area labor market and include public employers both at the County and City level, and which may also include specialized private and public sectors for a few select jobs. The strategy uses a combination of market pricing and job ranking approach to pay determination.

Labor Market Comparators
San Mateo County compares salary information with:

- The four larger Bay Area Counties: San Francisco, Contra Costa County, Alameda County and Santa Clara County, and
- The two largest cities in the four comparator Bay Area Counties: Oakland and San Jose.

For medical related classes, the following jurisdictions are used for comparisons:

- Alameda County Medical Center
- Contra Costa Regional Medical Center
- Santa Clara Valley Medical Center
- San Francisco General Hospital

These agencies are used as comparators due to their geographic proximity to the County. These employers will have a significant impact on the labor market within which the County competes for talent pool.
For select classifications, the County may consider jurisdictions other than those identified above. The use of data from other agencies is done on a case-by-case basis. For example, for airport-related technical positions, the County has historically used the counties of Contra Costa, Santa Clara, Napa, Sonoma, and the cities of Hayward, Livermore, Tracy and Watsonville as these agencies have airport operations most comparable to the County's airports.

**Labor Market Position**

It is the intent of the County compensation policy to have salary rates for County positions adjusted if found to be significantly behind market, so that the new salary upon implementation is at the mean of the data for the comparator agencies. Generally, any adjustments greater than a standard annual adjustment amount are considered equity adjustments and are spread over the term of the contract period.

**Relevance of External Data**

To be considered comparable, data must be available from at least three comparable agencies. Agencies may be excluded from the data if the standard deviation for the comparator agencies salaries is greater than 10% of the County current base salary.

**Timing of Salary Adjustments**

Salaries are generally adjusted only during term bargaining for represented classes. For most management classifications, salaries are generally adjusted after completion of term bargaining with the County's major unions.

*During periods of limited financial resources*, equity adjustments are generally limited to classifications that are both significantly behind comparator data and for which the County is experiencing significant recruitment and retention problems. Where both conditions do not exist equity adjustments are generally not made.

*Salary adjustments for management positions* - Salaries for management classifications are assigned to a band. The bands are in increments of 5%. When making equity adjustments for management classifications, salaries are adjusted to the next closest band.
CLASSIFICATION PHILOSOPHY

General Information

Rule IV of the San Mateo County Civil Service Rules requires that all positions covered by the CS Rules be "classified according to the duties and responsibilities assigned." Titles, qualifications, and selection criteria of these classes should be logical, consistent and fair. This required information is presented in the form of a classification specification (herein referred to as “class spec”).

Class specs are core documents for the County's civil service system and include essential types of information as required by Civil Service Rule IV, Section 2:

SECTION 2. CONTENT: All classification specifications shall contain a title, the distinguishing characteristics of the work, illustrative examples of duties and the minimum qualifications required to perform the work. Classification specifications shall include only those educational, training, physical and experience requirements, which are essential to adequate job performance. The content is illustrative and shall not be construed to be comprehensive or to limit the authority of department heads to direct and control the work of employees. Classification specifications will be prepared so as to promote the goals of affirmative action, to encourage upward and lateral mobility of employees, and to avoid the creation of dead end jobs. The classification specifications shall constitute a guide for establishing minimum employment standards, for examinations, and for evaluating the qualifications of applicants. The title of the classification shall be the title of all positions in the classification and shall be used on all official records.

In addition to these specifications, departments should establish performance standards and may develop more detailed job descriptions to assist employees in understanding their specific positions' responsibilities and level of performance expected.

Class Concepts

- San Mateo County prefers broad class concepts. Broad class concepts describe highly similar positions in one class concept, which usually results in a lesser number of class specifications.

  Broad classes focus on broader knowledge, skills and abilities (KSAs) common to a large number of positions. There is a less exact fit of the employee to the position in this design but management flexibility is greatly expanded.
San Mateo County employs multi-level classifications. The County groups similar duties under one classification but also recognizes that duties within these classifications are performed at varying levels of responsibilities.

The most common example of multiple-level classification is the entry/journey combination (e.g., Park Ranger I-II) in which employees are performing exactly the same types of duties though the I-level is learning and performing them as a trainee. Another common pattern is entry through advanced journey (e.g., Biologist Standards Specialist series). In these cases, the class spec makes clear the difference in duties and KSAs between each level.

Role of HR and the County Manager’s Office in Classification

The Human Resources Department works very closely with the County Manager's Office (CMO) on classification issues that impact organization structure, budgeted positions, compensation, and all changes to the annual salary ordinance (i.e., periodic salary ordinance amendments).

On classification issues, the HR Director serves as the HR Director and the Executive Officer to the Civil Service Commission and is the final decision-maker on class issues affecting classified employees. When a classification action in any way impacts on the salary ordinance/budgeted positions, however, (e.g., a reclassification, a reorganization, or a salary range change), this requires review and approval by the County Manager prior to any action on the part of HR to evaluate the request.

Due to the potential fiscal impact of classification requests and the CMO’s in-depth knowledge of current and potential organization/budget issues, all reclass requests are reviewed and approved for review by the CMO prior to HR undertaking a study.

In all cases, departments should be encouraged to discuss proposed classification actions with HR prior to submittal to the CMO so that various alternatives and solutions to perceived issues or problems could be explored in depth.
Definition and Purpose of a Class Study

A classification study is the process of thoroughly researching, analyzing, determining, and documenting the responsibilities, duties, knowledge, skills, and abilities related to a position (not a person) for classification, organizational or related purposes.

Classification studies are conducted to insure that a classification system is equitable and consistent within an organization, and that employees are fairly classified. Common types of classification studies are:

- Reclassification
- Reorganization
- Classification of newly budgeted positions
- Compensation review
- Establishment of new classifications

Who Can Initiate a Class Study?

- Department Managers
- Unions and Management (through contract negotiations)
- Human Resources (typically countywide studies or as a result of a reorganization or implementation of new technology or system)
- Board of Supervisors (as part of approving funding for new positions)

Employees may request classification studies through department managers. If denied, they may contact their representation group for further action.

Reclassification Studies

Reclassification is the process of reviewing the classification of a position for possible reallocation to another classification. Reclassification studies could result to the any of the following:

- Reclassification upward to a class with a higher salary and/or level.
- Reclassification downward to a class with a lower salary and/or level.
- Lateral reclassification to a class in the same salary range/level.

Reclassification should only be considered when there is substantial change in job duties over a period of time.
Factors Considered in Reclassification Studies

The following factors are considered when reviewing requests for reclassification studies and when conducting analysis in the course of reclassification study:

1. Nature, variety and scope of work
2. Complexity of work
3. Supervision or guidance received and exercised
4. Consequence of errors
5. Nature and finality of decisions

Factors NOT Considered in Reclassification Studies

The following factors are not considered when reviewing requests for reclassification studies and when conducting analysis in the course of reclassification study.

1. Person’s length of service in the position or in the department and his/her loyalty to the department
2. Quality of incumbent’s performance
3. Volume of work or changes to the volume of work
4. Person’s current salary step
5. Person’s dependability
6. Personal qualifications and experience (if not directly related to or required of the position)

Reclassification study is not to be used as a method for rewarding good performers or addressing poor performance.

Steps – Reclassification of a Filled Position to Existing Class

1. Department sends Reclassification Request Form to CMO with a copy to HR.
2. CMO and HR review requests during monthly Class/Comp Meetings.
3. If request is approved, Class/Comp Manager (CC Mgr) notifies department head, direct manager and union (if represented class).
4. If denied, CMO returns denied request to the manager requesting the study.
5. CC Mgr assigns study to an HR Analyst.
6. HR Analyst contacts incumbent(s) and respective manager(s) and sends out a Job Description Questionnaire (JDQ). Incumbent, his/her direct manager/supervisor and the department head must complete the JDQ.

7. JDQ is sent to HR Analyst who will prepare a reclassification study workplan. Workplan is sent to the incumbent, his/her direct manager/supervisor, manager requesting the study (if different from direct manager/supervisor), and CC Mgr.

8. HR Analyst reviews JDQ and schedules a desk audit, if necessary.

9. HR Analyst conducts desk audit and additional interviews as needed.

10. HR Analyst confers with CC Mgr on findings and possible recommendations.

11. HR Analyst prepares a report of findings and recommendations (Reclass Study Report) and submits to CC Mgr.

12. CC Mgr reviews the study and makes changes as necessary.

13. If report and recommendation is approved, CC Mgr forwards the report to the manager requesting the study.

14. Manager, HR Analyst and CC Mgr discusses recommendations and modifies report and/or recommendation as necessary.

15. HR Analyst prepares letter to Union(s) and gives union two weeks notice to request a meet-and-discuss regarding the matter.

16. Union representative and/or department manager discusses findings and recommendations with the incumbent(s).

17. After meeting all union obligations, HR Analyst prepares and submits to the CC Mgr a Salary Ordinance Amendment (SOA) entry.

18. CC Mgr incorporates SOA entry to the monthly SOA submitted to the Board of Supervisors.

19. SOA goes through 2 readings by the Board.

20. Upon adoption, reclassifications are effective 30 days after receipt of JDQ by HR for positions represented by SEIU and AFSCME. For all other positions,
reclassifications are effective at the start of the pay period, 30 days following Board adoption.

**Steps – Reclassification of a Filled Position to a New Class**

1. Follow steps 1 through 10 of Reclassification to Existing Classification.

2. HR Analyst conducts survey of comparable agencies, reviews similar internal classifications, interviews subject matter experts, and researches other sources for information regarding the new classification.

3. HR Analyst and CC Mgr discuss the new classification and determine appropriate salary range to propose to department.

4. Department reviews draft class spec and proposed salary and offers comments and suggestions.

5. Upon department agreement to classification and compensation, HR Analyst completes report of findings and recommendations (Reclass Study Report) and submits to CC Mgr.

6. CC Mgr reviews the study and makes changes as necessary.

7. If report and recommendation is approved, CC Mgr forwards the report to the manager requesting the study. Report includes information regarding the new classification. A cover letter from the CC Mgr accompanies the report with details regarding the proposed salary.

8. Manager, HR Analyst and CC Mgr discusses recommendations and modifies report and/or recommendation as necessary.

9. HR Analyst prepares letter to Union(s) and gives union two weeks notice to request a meet-and-discuss regarding the matter.

10. Union representative and/or department manager discusses findings and recommendations with the incumbent(s).

11. After meeting all union obligations, CC Mgr prepares and submits a Civil Service Commission Agenda item. Item includes a brief description of the classification, rationale behind its creation, proposed bargaining unit allocation and probationary period.
12. Civil Service Commission rules on the classification and CC Mgr notices appropriate department of its ruling.

13. Upon approval of the Civil Service Commission, HR Analyst prepares and submits to the CC Mgr a Salary Ordinance Amendment (SOA) entry.

14. CC Mgr incorporates SOA entry to the monthly SOA submitted to the Board of Supervisors.

15. SOA goes through 2 readings by the Board.

16. Upon adoption, reclassifications are effective 30 days after receipt of JDQ by HR for positions represented by SEIU and AFSCME. For all other positions, reclassifications are effective at the start of the pay period, 30 days following Board adoption.

Steps – Reclassification of a Vacant Position

1. Department prepares a description of the duties and responsibilities of the position.

2. CC Mgr reviews the duties and proposes appropriate classification.

3. Once appropriate classification is determined (and established, in the case of new classifications), CC Mgr prepares and submits an SOA to the Board.

If above action requires creation of a new classification, steps 2-12 of Reclassification to a New Classification.

Y Rating for Downward Reclassifications

Y Rating is the practice of continuing an employee’s salary at a higher rate when the position has been reclassified to a classification that has a lower rate of compensation through a reclassification study. This is also referred to as “red lining.”

The County’s policy with respect to Y Rating is to provide an employee with the salary increases, if any, that the old classification would have received for a two-year period; and then freeze the salary until the salary for the new classification equals or exceeds the salary that the employee is receiving. At that point, the employee would again receive salary increases.
Definitions of Commonly Used Terms

Listed below are terms and phrases commonly used in connection with classification studies:

**Classification**: A collection of related duties and responsibilities that are grouped into a single body of work.

**Classification Family**: A group of classification series that are related by the similarity of functions performed. Examples include Management, Office Support, Paraprofessional, Technical, Skilled Crafts, and Professional.

**Classification Plan**: A document that generically defines levels of related classifications, forms a basis on which to classify future positions, and maps out their relationships to one another. Classification Plans are developed for classification families and when all of the classification plans are grouped together, they form the comprehensive listing of all County classifications. Classification plans assist in determining classifications and their levels within the County system.

**Classified Position**: A position in which the incumbent is covered by the provisions of the Civil Services Rules.

**Classification Definition**: A brief statement (two to four sentences) that describes the essential nature of the classification.

**Classification Series**: A group of classifications that are related by the performance of similar duties and responsibilities requiring the same knowledge, skills and abilities, but requiring them at increasingly higher levels of command. Examples include: Office Assistant I, Office Assistant II, Office Specialist, Lead Office Assistant, and Office Services Supervisor; and Management Analyst I, Management Analyst II, Management Analyst III, and Principal Management Analyst.

**Classification Specification**: A document that broadly describes the responsibilities, duties, and qualifications related to a particular type of job or similar group of jobs. May also be known as Classification Descriptions.

In a merit system, this document is essential in that it forms a basis to ensure that employees and potential employees are being treated fairly. The list of qualifications in each specification is used both for evaluation and formal testing purposes (components in tests are related to the qualifications listed). This
protects the County from evaluating or testing individuals on what might appear to be unfair or irrelevant items.

Also known as Job Specification.

**Classification Study:** The process of thoroughly researching, analyzing, determining, and documenting the responsibilities, duties, knowledge, skills, and abilities and other requirements related to a position (not a person) for classification, organizational or related purposes. For example, a study may be conducted in response to a reclassification request, to develop/revise a classification specification, or to assist in reorganization.

**Classification Title:** A brief and descriptive designation of the type of work performed. The classification title on payrolls, budgets, personnel reports and other official forms and reports dealing with positions or personnel will provide a common reference to the position. The classification title is selected to serve this purpose and does not limit the use of working titles.

**Dictionary of Occupational Titles:** A document printed by the U.S. Department of Labor that lists thousands of commonly used classification titles. Used as a reference document in creating new classification titles.

**Distinguishing Characteristics:** A section of the classification specification that differentiates the specific classification from all other related classifications in the County structure with emphasis on the differentiation between classifications in the same classification family and series. This is used when the Definition section cannot make an adequate differentiation between classifications. This section includes statements that clarify the essential nature of the work and the level of difficulty and responsibility involved. Distinctions as to level are expressed through statements about the difficulty and complexity of the work, the nature and extent of specific non-supervisory, supervisory or administrative duties and responsibilities, special hazards and the nature and method of supervision received.

**EEOC Category:** The occupational category defined by the Equal Employment Opportunity Commission for job titles. It is used for statistical reporting.

**Established Date:** A section of the classification specification that identifies the date that the classification specification was approved by the Civil Service Commission.

**Examples of Duties:** A section of the classification specification that lists typical duties performed by incumbents in the class. Duties are written in general terms, but enable the reader to obtain a more complete concept of the actual work performed.
The list is not intended to describe all the work performed in all positions in the class, nor do all examples apply to all positions allocated to the class. In the more populated classes only one portion of one work example may apply to a given position. The content is illustrative and is not comprehensive or meant to limit the authority of department heads to direct and control the work of employees. This section is not a substitution for the Distinguishing Characteristics section.

**Fair Labor Standards Act (FLSA) Status:** The status that identifies whether or not the classification is covered by the Fair Labor Standards Act. The FLSA status is exempt or non-exempt, or FLSA may not apply.

**Job Class Code:** The four-digit code that identifies the payroll code for the classification.

**Knowledge and Skills/Abilities:** A section of the classification specification that identifies the attributes that an applicant must have in order to be successful in performing the tasks and responsibilities of a particular classification. A statement is considered knowledge if it describes the command of facts, rules, standards, practices, principles, etc. (what is to be known). A statement is a skill/ability if it describes the application of knowledge or understanding to the required activity (what is to be done).

**Qualifications:** A section of the classification specification that lists the typical or required education and experience for the job; the licenses, certificates and registrations required by law; the knowledge, skills, abilities and physical attributes needed to do the work; and the special requirements that may apply to specific positions.

**Revised Date:** A section of the classification specification that identifies the date that the most recent classification specification revision was approved by the EPS Director.

**Supervision Received and Exercised:** A section of the classification specification that describes the level of supervision received and exercised by positions in the class. This is usually provided only in management classifications.

**Unclassified Position:** A position in which the incumbent is not covered by the provisions of the Civil Services Rules.

**Union Agreement:** An agreement reached between a union/association with the County through formal contract negotiations/meet and confer processes. May also
be known as a union contract, memorandum of understanding, or memorandum of agreement.