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RANGE, MARKET, AND LIVING WAGE ANALYSIS

I. INTRODUCTION

In an ongoing effort to align the value of jobs relative to the marketplace, Human Resources will survey, evaluate and administer total compensation for benchmark positions annually. The labor market area and employer size used in the evaluation process is defined by the Executive Management Team.

For all compensation changes the base pay placement must be determined by considering budget constraints, internal equity, the affected employee's performance, qualifications, experience, level of responsibility, and equal employment opportunity. Without prior authorization pay adjustments are limited to an effective date within the current pay period. Supervisors shall not notify employees of a pay change until it has been reviewed by Human Resources and the funding source has been identified and approved for such use by the department director and Finance and Administration.

II. RANGE ANALYSIS

To establish the value of the city's pay grades and ranges, comparative labor market compensation analysis will be routinely conducted according to the labor market area in the following table:

Position Type and Level	Labor Market
Exempt Senior Manager Command Staff	Comparators in Western states, public-private sector Targeting organizations between 1,000 and 3,000 employees
Non-Exempt Temporary	Boise Metro area public-private sector Targeting organizations between 1,000 and 3,000 employees

Values are established for pay grades through the use of market data for benchmark positions and for individual jobs, adjusted for the value of employer benefits and published local cost of living. Pay analysis may result in adjustment for pay grades listed on each plan at the beginning of the next fiscal year. Incumbents whose wages fall below the new minimum of the assigned pay grade will receive an adjustment to the new minimum pay rate.

Based upon available and approved citywide budget funds, eligible employees may receive a pay increase to help maintain or increase range penetration to the extent possible. Base increase amounts available in the budget for these purposes shall first be applied to incumbents whose pay falls below the new pay grade minimum; second, to correct position-based market disparities; third, to correct range penetration and compression; and last, to assist in funding job description changes.

III. MARKET ANALYSIS AND ADJUSTMENTS

As a component of workforce planning and as part of the budget build process, Human Resources and Finance and Administration request departments participate in an annual process to determine current and future staffing needs. With regard to compensation, departments are asked to identify classes of positions and specific incumbents where:

- A. Pay compression of current incumbents is problematic in maintaining internal equity or in placing new hires; or
- B. It is difficult to find qualified candidates to fill vacancies or previous job candidates have declined a job offer based upon pay; or
- C. Current pay does not reflect market conditions.

Human Resources, in collaboration with the affected department(s), will gather market data information from various sources in the defined labor market area. The data will be compiled and validated to determine the extent of the pay discrepancy and will be used to help identify potential solutions or inform any future adjustments to address compensation related concerns.

Department directors are instructed to take into consideration the business need, budget constraints, internal equity, affected employee's performance, qualifications, experience, level of responsibility, and equal employment opportunity. As part of this process, the Executive Management Team will review and prioritize the data in light of available budget and trim the list or the increase amounts as necessary.

Where evidence shows a position or class of jobs has a sustained market value substantially higher than the city's regular pay grade or incumbent pay outside of the annual budget build process, Human Resources will partner with department(s) to develop a plan to deal with the discrepancy utilizing a variety of methods.

IV. INCENTIVE PAY

The city recognizes market pay rates are volatile and labor market changes may produce temporary shortages in certain high demand positions, creating risk for the city. In instances where these situations occur, business necessitates evaluating pay for the position, taking into consideration the city's current pay philosophy, budget constraints, and current workplan.

Often labor market concerns are indicated through compensation related difficulties in attracting and retaining qualified employees for the job, or the potential loss of key personnel which would result in serious hardship to the department's operations. The following incentive options may be used to bridge the gap between the market

conditions for the position and an employee's annual base pay while controlling future base personnel budgets.

A. Hiring Incentive

Non-temporary positions that meet qualifying conditions may be eligible for a hiring incentive up to 10% of the annual base pay rate but not more than \$10,000 and is payable in two equal payments. The first payment will be paid in the pay period following the completion of 90 days of employment, the second payment will be paid in the pay period following the notification of the successful completion of the probationary period. For employees that do not serve a probationary period the second incentive payment will be made in the pay period following six-months of employment. The total incentive amount is to be determined by the department director or designee.

B. Retention Incentive

Under certain circumstances current employees may be eligible to receive a retention incentive. Non-temporary positions that meet qualifying conditions may be eligible for a retention incentive up to 10% of the annual base pay rate but not more than \$10,000 and is payable in two payments. The first payment will be 30% of the total incentive amount and will be paid in the pay period that the approved Incentive Award Authorization form is received. The second payment will be for the remaining 70% of the total incentive amount and will be paid during the pay period six-months after the first payment and is conditional to the employee remaining in the same position they were in when the first payment was provided. The total incentive amount is to be determined by the department director or designee.

Employees are only eligible for either a hiring or retention incentive award once during their career with the city.

To qualify for a hiring or retention incentive, the following conditions must be met:

- A. The city has experienced compensation related difficulties in attracting and retaining qualified employees for the job despite regular and special recruiting efforts, OR the loss of key personnel would result in serious hardship to the department's operations; and
- B. The hiring department and Human Resources agree that training/building the needed talent from among existing staff is impractical; and
- C. The hiring department and Human Resources agree that availability or cost considerations make a weak business case for securing the job's service through the use of outside contractors or consultants.

The following process outlines how departments initiate employee hiring/retention incentive awards:

- A. The supervisor/department designee shall initiate all incentives by completing the Incentive Award Authorization form (see Exhibit 3.02c).

- B. Employees currently on an improvement plan and/or employees who have received a written reprimand or suspension in the six months prior to the proposed giving of the award are not eligible for an incentive award.
- C. The award shall be authorized by the Department Director in accordance with this regulation.
- D. The department shall send a copy of the approved Incentive Award Authorization form to HR for processing.
- E. The department shall notify HR if an employee is no longer eligible for an incentive award after the form has been approved.
- F. The department initiating the award shall ensure incentives are consistently applied to eligible positions.

IV. LIVING WAGE

The city adheres to the living wage pay philosophy. A living wage is a wage that provides a household with economic self-sufficiency, allowing it to meet its basic needs without government subsidy. To determine the living wage, the city evaluates expenses for basic necessities, such as food, housing, utilities, transportation, health care, childcare, clothing and other personal items, savings, and state and federal taxes.

The city will pay an hourly rate that is the same or higher than the living wage to an employee who meets the following eligibility requirements:

- The employee holds a non-temporary position and is scheduled to work an average of 20 hours per week or more; and
- The employee is in a position that is classified as non-exempt under the Fair Labor Standards Act.

The city will determine the methodology to update the living wage amount as needed.