

Introduced 09.05.2023
Public Hearing 09.18.2023
Council Action 10.02.2023
Executive Action 10.05.2023
Effective Date 12.05.2023

County Council of Howard County, Maryland

2023 Legislative Session

Legislative Day No. ____

Bill No. 35 -2023

Introduced by: The Chairperson at the request of the County Executive

AN ACT authorizing step adjustments for purposes of pay equity, under certain conditions; requiring certain approvals by the Personnel Officer following an assessment and recommendation by the Human Resources Administrator; and generally relating to the rates of pay for County employees.

Introduced and read first time Sept 5, 2023. Ordered posted and hearing scheduled.
By order Michelle Harrod
Michelle Harrod, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on Sept 18, 2023.
By order Michelle Harrod
Michelle Harrod, Administrator

This Bill was read the third time on Oct 2, 2023 and Passed , Passed with amendments _____, Failed _____.
By order Michelle Harrod
Michelle Harrod, Administrator

Sealed with the County Seal and presented to the County Executive for approval this 3 day of October, 2023 at 2⁰⁰ a.m./p.m.
By order Michelle Harrod
Michelle Harrod, Administrator

Approved by the County Executive October 5, 2023
Calvin Ball
Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **Section 1. Be It Enacted by the County Council of Howard County, Maryland, that the**
2 *following provision of the Howard County Code is amended:*

3

4 *Title 1. Human Resources Administration.*

5 *Section 1.302 "Starting rate of pay; promotion, demotion, and reclassification*
6 *rates."*

7

8 **Title 1. Human Resources Administration.**

9

Subtitle 3. Pay Plan.

10

11 **Section 1.302. Starting rate of pay; promotion, demotion, and reclassification**
12 **rates[.]; PAY ADJUSTMENTS FOR PURPOSES OF PAY EQUITY.**

13 (a) *Starting Rate of Pay.*

14

15 (1) Except as provided in paragraphs (2) and (3) of this subsection, upon initial
16 appointment to the classified service, an employee shall receive the minimum rate
17 of pay for the position classification to which the employee is appointed.

18 (2) Upon appointment to the classified service, a new employee may receive a rate of
19 pay at step 2, 3, or 4, if such pay is recommended and justified in writing by the
20 appointing authority and approved in writing by the Human Resources

21 Administrator.

22 (3) Upon appointment to the classified service, a new employee may receive a rate of
23 pay at step 5 up to and including step 14, if such pay is recommended and
24 justified in writing by the appointing authority and approved in writing by the

25 Personnel Officer.

26 (4) Upon appointment to the classified service, a new employee may receive a rate of
27 pay at step 15 or above (not to exceed the maximum rate for the grade), if such
28 pay is recommended and justified in writing by the appointing authority and

29 approved in writing by the Personnel Officer and the County Executive.

30 (b) *Recruiting Bonus.* The Personnel Officer may authorize the payment of a recruiting
bonus of a flat dollar amount, not to exceed 20 percent of the approved annualized rate

1 offered to a candidate, as an incentive for the candidate to accept an employment offer for
2 a position that otherwise could not be filled due to:

- 3 (1) Labor market conditions;
- 4 (2) Specialized skill requirements; or
- 5 (3) Competitor compensation offers.

6 (c) *Promotion.*

7 (1) Except as provided in paragraphs (2) and (3) of this subsection, if a position in the
8 classified service is filled by the promotion of a current employee to a different
9 position classification, the base hourly rate of pay for the employee in the new
10 position classification shall be the higher of:

- 11 (i) The minimum base hourly rate of pay of the new grade; and
- 12 (ii) The base hourly rate of a step of the new grade which most closely
13 corresponds to but is not less than the employee's current hourly rate plus two
14 steps, not to exceed the maximum base hourly rate of pay for the new grade.

15 (2) If an employee is promoted and the promotion results in a change in the number
16 of hours in the employee's standard workweek, the employee's new pay rate shall
17 be the step in the new grade that most closely corresponds to, but is not less than,
18 a two-step increase from the employee's former salary on an annual basis.

19 (3) If an employee is promoted and the promotion results in the employee being paid
20 in accordance with the FM scale or PM scale, the employee shall be slotted into
21 the rate and step in the new range which correlates to the length of the employee's
22 creditable service.

23 (4) The Personnel Officer may approve a higher rate of pay for an employee who is
24 promoted.

25 (d) *Demotion.* If an employee in the classified service is demoted, the employee's base
26 hourly rate of pay in the new position shall:

- 27 (1) Be set by the appointing authority with the approval of the Personnel Officer; and
- 28 (2) Not exceed the maximum base hourly rate for the grade to which the new position
29 classification is assigned.

30 (e) *Reclassification.* If an occupied position is reclassified under subsection 1.202(c) of
31 this title, the position incumbent shall be paid at the rate of pay as follows:

1 (1) If the employee's position is reclassified to a higher grade, the employee's new
2 base hourly rate of pay shall:

3 (i) Be the base hourly rate of the step within the new grade which most closely
4 corresponds to, but is not less than, the employee's former base hourly rate,
5 plus two steps; and

6 (ii) Not exceed the maximum base hourly rate of pay for the new grade.

7 (2) If the employee's position is reclassified to a lower grade for non-disciplinary
8 reasons:

9 (i) The employee's base hourly rate shall be at a level within the new grade that is
10 closest to, but not less than, the employee's base hourly rate in the employee's
11 former grade; and

12 (ii) If the base hourly rate at which the employee was paid in the former grade is
13 more than the maximum base hourly rate for the new grade, the employee's
14 new base hourly rate shall remain the same as the employee's base hourly rate
15 in the employee's former grade; and

16 (3) The personnel officer may approve a rate of pay for an employee whose position
17 is reclassified that is higher than the rate otherwise provided for by this
18 subsection.

19 (F) *PAY ADJUSTMENTS FOR PURPOSES OF PAY EQUITY.*

20 (1) THIS SUBSECTION SHALL APPLY TO EMPLOYEES IN THE CLASSIFIED SERVICE.

21 (2) TO ENSURE PAY EQUITY WHILE UPHOLDING THE COUNTY'S COMPENSATION SYSTEM,
22 THE PERSONNEL OFFICER MAY AUTHORIZE AN ADJUSTMENT TO A CLASSIFIED
23 EMPLOYEE'S BASE HOURLY RATE OF PAY AS FOLLOWS:

24 (I) AN ADJUSTMENT UNDER THIS SUBSECTION MAY BE CONSIDERED WHEN THERE
25 IS PAY INEQUITY RESULTING FROM AN EMPLOYEE WITH COMPARABLE
26 RELEVANT SKILLS, KNOWLEDGE, EXPERIENCE, BEING PAID SIGNIFICANTLY
27 LOWER THAN OTHER EMPLOYEES WITHIN THE SAME POSITION CLASSIFICATION.
28 IF THE CLASSIFICATION IS SPECIALIZED OR TECHNICAL, THE PERSONNEL
29 OFFICER MAY AUTHORIZE A BROADER REVIEW OF RELEVANT RELATED
30 POSITIONS FOR PURPOSES OF CONDUCTING AN ASSESSMENT.

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(ii) PAY EQUITY ADJUSTMENTS REQUIRE APPROVAL BY THE COUNTY’S PERSONNEL OFFICER FOLLOWING AN ASSESSMENT AND SUPPORTING RECOMMENDATION BY THE HUMAN RESOURCES ADMINISTRATOR. PAY EQUITY ADJUSTMENTS MAY ONLY BE MADE THROUGH THE ADJUSTMENT OF ESTABLISHED PAY STEPS. THE RESULTING BASE HOURLY RATE OF PAY, AFTER THE PAY EQUITY ADJUSTMENT, MUST REMAIN WITHIN THE SALARY RANGE OF THE EMPLOYEE’S CURRENT POSITION GRADE AND ANY ADJUSTMENT IS SUBJECT TO FUNDING AVAILABILITY. PAY EQUITY ADJUSTMENTS ARE MADE THROUGH THE ADJUSTMENT OF THE EMPLOYEE’S PAY STEP WITHIN THE GRADE. IN NO INSTANCES SHALL THE PAY EQUITY ADJUSTMENT BE USED TO MOVE THE EMPLOYEE TO A HIGHER CLASSIFICATION.

(3) THE PERSONNEL OFFICER SHALL ESTABLISH A PROGRAM GOVERNING THE REVIEW OF PAY EQUITY ISSUES.

Section 2. And Be It Further Enacted by the County Council of Howard County, Maryland, that this Act shall become effective 61 days after its enactment.



HOWARD COUNTY DEPARTMENT OF COUNTY ADMINISTRATION

3430 Courthouse Drive ■ Ellicott City, Maryland 21043 ■ 410-313-2033
Brandee Ganz, Chief Administrative Officer Voice/Relay

Anju A. Bennett, Administrator, Office of Human Resources

FAX 410-313-3470

August 22, 2023

TO: Brandee Ganz
Chief Administrative Officer

FROM: Anju A. Bennett, Administrator *Anju A. Bennett*
Office of Human Resources

SUBJECT: Proposed Amendments to Title 1.302 to permit In-Grade Pay Adjustments for Purposes of Salary Equity

Requested Action

The Administration is seeking approval for updates to the County Code, section 1.302, to reinforce the County's commitment to fair compensation decisions that uphold the principles of federal/State compensation standards including equal pay for equal work. The amendments authorize the Personnel Officer/CAO to address concerns of pay inequity through in-grade pay adjustments following consideration of needed assessments and recommendations by the Human Resources Administrator.

Background

The proposed amendments stem from recommendations arising from the County's Classification and Compensation Study being carried out with Consultant Evergreen Solutions. This Study is evaluating the County's system of position classifications, compensation, and the County's ability to ensure internal pay equity is aligned with federal/State standards governing pay. The Study has identified some immediate steps that should be implemented to proactively address internal pay equity and ensure our policies align with best practices widely used by public employers.

With respect to pay equity, employers utilize salary equity reviews to ensure fairness in compensation decisions across employees in similarly situated positions. Reviews are generally used at several points, to establish appropriate salaries of selected candidates for hire/promotion, and through "post-hire" or "in-grade" reviews to assess ongoing internal pay equity. Salary equity concerns can arise for a number of reasons including inconsistent historical decisions related to hiring/promotion of employees with significantly higher relevant qualifications/duties (e.g., experience, credentials, skills, education, etc.). When pay inequity concerns are identified, organizations utilize in-grade pay adjustment as a corrective measure.

Existing County policies permit equity-based salary determinations at hiring and promotion decisions. They allow the Personnel Officer to approve exceptions in standard compensation decisions when candidates possess critical or higher skills/qualifications/experience. In recent years, the County has implemented salary equity reviews during both of these processes to ensure compensation aligns with relevant qualifications of candidates and assigned position duties.

Howard County's current policies lack the ability to address pay equity concerns that may have inadvertently arisen when salary reviews were not uniformly used to assess appropriate hiring or promotional salaries.

During the current Classification and Compensation Study, Evergreen Solutions is performing research of policies and best practices within competing jurisdictions. A survey of surrounding public entities including Anne Arundel, Baltimore, Montgomery, Prince George's, Prince William, Frederick, Arlington, and Fairfax counties, along with the City of Alexandria, the Office of Personnel Management (OPM) in the federal government, the Maryland-National Capital Park and Planning Commission and the Washington Suburban Sanitary Commission (WSSC), revealed that all of these organizations have adopted policies to permit post-hire/in-grade adjustments to address pay equity concerns. Howard County is an outlier in its market, as it does not have a mechanism to address and correct post-hire internal pay inequities.

The Consultant recommends that the County move forward in adopting this mechanism in the immediate future to rectify concerns as they arise and demonstrate a commitment to ongoing compensation fairness. In the midst of an intensely competitive labor market, it is imperative for the County to implement a salary equity policy as soon as possible. The County's ability to attract and retain top talent is intrinsically linked to its commitment to fair compensation. Addressing salary disparities not only safeguards the County from compliance related concerns, but it also results in cost savings. Inability to address instances of critical pay inequity impacts turnover, recruitment, retention, and results in the inevitable loss of productivity as team member's transition.

For these reasons, this bill provides the Personnel Officer the ability to make salary adjustments following appropriate analysis by the Human Resources Administrator. With the adoption of this much needed policy, Human Resources will establish procedures to implement an internal process for review of salary equity concerns.

Fiscal Impact

No additional funding is being sought. If concerns are identified in the current fiscal year, the County Administration will work with the Budget Office and the impacted County department to identify any potential budgetary savings from areas such as staff turnover/transition that may be used to implement in-grade pay adjustment.

Office of the County Auditor
Auditor's Analysis

Council Bill No. 35-2023

Introduced: September 5, 2023

Auditor: Lori Buchman

Fiscal Impact:

The fiscal impact of the proposed legislation is indeterminable and will be realized as increased salary costs to the extent that pay adjustments are granted to classified employees for purposes of salary equity. The Human Resources Administrator (HR Administrator) stated that development of the procedures, which must be in place prior to initiating salary equity reviews, will take approximately 90 days to complete.

The Budget Office will help to identify available appropriation authority when a pay equity situation is identified. Employee turnover will be the most likely source of funding to adjust salaries.

According to the HR Administrator, no additional staff will be required to review and assess pay equity concerns at this time.

Purpose:

The proposed legislation authorizes the Personnel Officer to consider and approve post-hire internal step adjustments to correct pay inequities for classified employees following the recommendation of the Human Resources Administrator and determination of available appropriation. In addition, the Personnel Officer shall establish a program governing the review of pay equity issues.

Other Comments:

The County's consultant, Evergreen Solutions, LLC, provided recommendations for the Salary Adjustment Policy for Howard County, which are available upon request.

Council Bill 35-2023

Introduced: September 5, 2023

LA: Lynne Blume Rosen

Legislative Intent: To ensure pay equity, this Bill would permit the Personnel Officer to authorize an adjustment to a classified employee's base hourly rate of pay in response to recommendations by the Human Resources Administrator.

ANALYSIS

Specifics:

If a pay inequity results from an employee with comparable relevant skills, knowledge, and experience being paid significantly lower than another employee with the same position classification, the Personnel Officer may consider a pay adjustment. If the classification is specialized or technical, the Personnel Officer may authorize a broader review of relevant related positions to conduct the assessment.

The bill requires the County's Personnel Officer to approve a pay equity adjustment after an assessment and a supporting recommendation by the Human Resources Administrator. A pay equity adjustment may only be made through the adjustment of established pay steps. The resulting base hourly rate of pay, after the pay equity adjustment, must remain within the salary range of the employee's current position grade and any adjustment is subject to funding availability. Pay equity adjustments are made through the adjustment of the employee's pay step within the grade. The bill prohibits the pay equity adjustment from moving the employee to a higher classification.

The Personnel Officer is required to establish a program governing the review of pay equity issues. According to Human Resources Administrator Bennet, any pay adjustments would be prospective.

Policy Implications:

Due to the competitive job market and the importance of compliance with State and federal laws relating to pay equity, Evergreen Solutions recommended that the County should address pay inequity in the current County classification system as soon as possible. Establishing a program to review requests for pay adjustment would demonstrate the County's commitment to fair compensation and legal compliance with federal and State law. In addition, the program would ensure that County policy complies with best practices currently used by public employers in surrounding jurisdictions. The overall commitment of the County to pay equity will bolster the County's ability to employ well-qualified candidates, improve the retention of employees, and accordingly, enhance employee productivity.

Issues/Questions:

What is the timeline for the establishment of the program governing the review of pay equity issues? Human Resources Administrator Bennett indicates that a draft of the program governing the review of pay equity issues that conforms with best practices will be available within 90 days after the passage of the bill.

Special Notes:

The bill is a result of a recommendation from Consultant Evergreen Solutions, that is currently conducting a Classification and Compensatory Study for the County. The purpose of the study is to evaluate the County system of position classifications, compensation, and alignment with federal and State law relating to pay equity.

Other Jurisdictions

As part of its study, Evergreen Solutions researched policies and best practices in the surrounding jurisdictions. Anne Arundel, Baltimore, Montgomery, Prince George's, Prince William, Frederick, Arlington, and Fairfax counties, in addition to the City of Alexandria, the federal Office of Personnel Management, the Maryland-National Park and Planning Commission, and the Washington Suburban Sanitary Commission have adopted policies to allow post-hire/in-grade adjustments to resolve post-hire internal pay inequities.

BY THE COUNCIL

This Bill, having been approved by the Executive and returned to the Council, stands enacted on October 5, 2023.

Michelle Harrod
Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having been passed by the yeas and nays of two-thirds of the members of the Council notwithstanding the objections of the Executive, stands enacted on _____, 2023.

Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having received neither the approval nor the disapproval of the Executive within ten days of its presentation, stands enacted on _____, 2023.

Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, not having been considered on final reading within the time required by Charter, stands failed for want of consideration on _____, 2023.

Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, having been disapproved by the Executive and having failed on passage upon consideration by the Council stands failed on _____, 2023.

Michelle Harrod, Administrator to the County Council

BY THE COUNCIL

This Bill, the withdrawal of which received a vote of two-thirds (2/3) of the members of the Council, is withdrawn from further consideration on _____, 2023.

Michelle Harrod, Administrator to the County Council