



Howard County

Internal Memorandum

Subject: Council Testimony and Fiscal Impact Statement

To: Lonnie Robbins
Chief Administrative Officer

From: 
Wanda Hutchinson
Human Resources Administrator

Date: March 1, 2016

The Administration is seeking Council approval for a bill amending Howard County Code and the Employee Manual in regards to the rate of pay for reclassifications.

The Office of Human Resources has proposed changes to the Howard County Code, Sec. 1.302 (e) *Reclassification* and the Employee Manual regarding the pay increase given to current employees for a position reclassification. Currently, when an employee moves to a higher grade through the reclassification process, the employee is placed at a step within the new grade that is closest to, but not lower than, their current salary. Many times this results in a very minimal pay increase for what is, in essence, a promotion. The Office of Human Resources is seeking approval to change the policy to allow employees to receive a pay increase that is on par with the promotion pay policy: the base hourly rate of pay for the employee shall be the higher of (i) the minimum base hourly rate of pay of the new grade; or (ii) the base hourly rate of a step of the new grade which most closely corresponds to but is not less than the employee's current hourly rate plus two steps, not to exceed the maximum base hourly rate of pay for the new grade.

This new policy is a way to maintain internal equity among employees and a way to more fairly compensate a current employee for performing duties at a higher level.

The fiscal impact of this new policy would be based on the number of reclassifications and the new pay rates in given year. Based on a cost estimate for reclassifications from 1/1/2015-1/1/2016, the fiscal impact would have been approximately \$52,000.

cc: Jennifer Sager