



# **CLASSIFICATION & COMPENSATION PLAN**

**Policies & Procedures**

## TABLE OF CONTENTS

8.00	CLASSIFICATION PLAN.....	3
8.01	PLAN OBJECTIVES.....	3
8.02	PLAN APPLICATION.....	3
8.03	DISCRETIONARY STEPS.....	4
8.04	WITHIN GRADE STEP INCREASE.....	4
8.05	COST OF LIVING ADJUSTMENTS (COLA).....	5
8.06	LATERAL TRANSFERS.....	6
8.07	PLAN ADMINISTRATION.....	6
8.08	CLASSIFIED POSITIONS LIST.....	6
8.09	PLAN EXCEPTIONS.....	7
8.10	DEFINITIONS.....	7

# CLASSIFICATION AND COMPENSATION PLAN

## 8.00 CLASSIFICATION PLAN

The employee Classification and Compensation Plan (Grade and Step) provides the salary structure for classified employees in Hidalgo County Drainage District No. 1 (hereinafter “District”). The Classified Position List organizes the District positions by title and grade according to level of responsibility. Positions are placed in job classifications that best depict the nature of the work performed. Each job classification has a corresponding salary group assignment that determines the minimum (Step 1) salary rate for each position.

## 8.01 PLAN OBJECTIVES

The Classification and Compensation Plan accomplishes the following objectives:

- 8.011 Groups positions with similar duties and pay while providing a high degree of flexibility to the District.
- 8.012 Compensates employees with salaries that are internally equitable and compare favorably with the County of Hidalgo, the private sector, other counties, and Texas state agencies.
- 8.013 Provides for within grade step increases (Section 8.04).
- 8.014 Provides for Career Ladder promotions at the District level.

## 8.02 PLAN APPLICATION

The Classification and Compensation Plan, and the related salary schedule applies to all regular, full-time salaried positions (classified) as authorized by the District Board of Directors.

- 8.021 The Classification and Compensation Plan consists of 21 pay grades and 11 steps. The District established the grade for each position based on the level of difficulty, level of responsibility, and the qualifications (education and experience) required for the position.
- 8.022 Each grade has 11 steps that are set at 3.5% intervals. Step 2 is 3.5% higher in salary than Step 1 and Step 3 is 3.5% higher in salary than Step 2 and so on.
- 8.023 All newly hired employees of the District must begin their employment at Step 1 and remain at Step 1 during the required six months initial probationary period.

- 8.024 An employee who is promoted is guaranteed at least a 3.5% (one-step) salary increase. The employee will be placed at Step 1 of the new grade, or at the next step of the new grade that provides the employee at least a 3.5% salary increase if Step 1 is less than a 3.5% increase.
- 8.025 An employee who is demoted (voluntarily or involuntarily) to a position in a lower grade, will be placed at the same step as the employee occupied in the higher grade.

### **8.03 DISCRETIONARY STEPS**

- 8.031 New employees are hired at Step 1 of the applicable grade. However, in special circumstances, the District General Manager may request a higher step for a newly hired employee based on certain criteria related to a special need or superior qualifications.
- 8.032 Discretionary Step 2 - All newly hired employees are usually hired at Step 1 of the applicable Classification and Compensation Plan grade. However, in special circumstances, the District General Manager may request to hire at Step 2 based on a special need of the District or superior qualifications of the prospective employee. The Step 2 discretionary step will be awarded after criteria certification by the General Manager and approval of the step adjustment by the District Board of Directors.
- 8.033 Discretionary Step Professional – the District General Manager may request to hire above the minimum criteria not to exceed 4 steps when there is an insufficient number of qualified candidates for certain professional positions (Engineers, Attorneys, and Classified/Non-Classified positions requiring a post graduate degree) that require specialized education, significant experience, significant training, and significant skills. The discretionary step will be awarded after criteria certification by the District General Manager and approval of the step adjustment by the District Board of Directors.
- 8.034 The District General Manager must complete and submit Form 8.0301, Request for Discretionary Step(s). Requests are subject to District Board of Director’s approval.

### **8.04 WITHIN GRADE STEP INCREASE**

The Classification and Compensation Plan provides a process for employees to earn salary step increases within their assigned pay grade. The Within Grade Step Increase process is intended to provide employees the opportunity for progression through his or her assigned pay grade.

- 8.041 Step salary increases will be approved during the annual budget preparation

process for all employees meeting the eligibility criteria.

- 8.042 All step salary increases will be certified by the District General Manager and the District's Accounting Department.
- 8.043 Awarded step increases will be effective on the first full pay period after adoption of the annual budget.
- 8.044 Step increases will be subject to the availability of funds projected during the budget process.
- 8.045 To be eligible for the Within Grade Step Increase salary adjustment, employees must meet the following criteria:
- a) The employee must be a regular full-time employee and must have completed at least twelve (12) consecutive months of service.
  - b) The employee must have a performance rating of "Exceeds Requirements" or better as documented by the employee's immediate supervisor and certified by the District's General Manager.
  - c) The employee must not have received any serious personnel actions, such as suspension without pay, demotion, or disciplinary probation within the last twelve (12) months from the approval date of the Within Grade Step Increase process during the annual budget process.
  - d) The employee must not have received any negative personnel actions, such as a reprimand, within the last six (6) months from the approval date of the Within Grade Step Increase process during the annual budget process.
  - e) The employee's salary is below the maximum salary step (Step 11) of the employee's position grade.
- 8.046 Look Back Period – The eligibility criteria for the Within Grade Step Increase policy will be measured by using a twelve (12) month "Look Back Period" ending July 31<sup>st</sup> of each calendar year. (The first look back period under the CCP will be August 01, 2018 to July 31, 2019)

## **8.05 COST OF LIVING ADJUSTMENTS (COLA)**

Employees will be eligible to receive Cost of Living Adjustments (COLA) when the District Board of Directors authorizes a COLA increase to all employees to offset the employees' eroding purchasing power due to inflation. A COLA adjustment is normally considered during the annual budget process, and if approved it is included in the adopted annual budget. COLA adjustments are normally across the board and normally track the

change in the cost of consumer goods, as measured by the Department of Labor Consumer Price Index.

## **8.06 LATERAL TRANSFERS**

A lateral transfer occurs when an employee moves to another position in the District within the same pay grade (whether in the same department or another). The lateral transfer of an employee may involve a change in title. An employee who laterally transfers will remain at the same pay grade and at the same step.

## **8.07 PLAN ADMINISTRATION**

The District's Human Resources Specialist is responsible for administering the Classification and Compensation Plan to include the following:

- 8.071 Develop and implement procedures and forms as necessary to administer the plan.
- 8.072 Maintain the Classified Positions List and add or delete positions as necessary to meet the needs of the District.
- 8.073 Revise and update job descriptions as necessary so that they reflect appropriate minimum qualifications related to education and experience, and appropriate skill sets with regard to knowledge, skills and abilities for the job classification.
- 8.074 Conduct salary surveys and other studies as appropriate to ensure classified salaries are competitive with external markets, both private and public sector.
- 8.075 Revise and update the plan policies and procedures as necessary to improve the administration and operation of the Classification and Compensation Plan.
- 8.076 Assist managers and supervisors in complying with policies and procedures relating to discretionary steps for new hires, career ladder promotions, departmental promotions, and Within Grade Step Increase procedures.
- 8.077 Ensure the District complies with plan policies and procedures to include completion of all required documents and forms.
- 8.078 Train managers, and supervisors on the Classification and Compensation Plan policies and procedures.

## **8.08 CLASSIFIED POSITIONS LIST**

- 8.081 The Classified Position List includes 70 classified position titles.

- 8.082 The job descriptions in the Classified Positions List outline the general duties and responsibilities for each position, define levels of responsibility and supervision, and give examples of work performed.
- 8.083 The job descriptions are intended to cover a broad range of positions. However, upon the direction of the District General Manager the District's Human Resources Specialist may develop supplemental functional job descriptions or performance plans that are more specific to the assigned responsibilities.

## 8.09 PLAN EXCEPTIONS

This Classification and Compensation Plan does not apply to the District General Manager since the position is exempt and the salary is set by the District Board of Directors.

## 8.10 DEFINITIONS

For purposes of this plan and related policies, the following definitions apply.

- 8.101 **Career Ladder** – A series of positions with responsibilities and duties related to each other and requiring greater responsibilities, knowledge, skills, and abilities to function with less supervision as the classification level increases. A similar term is “career path”.
- 8.102 **Career Ladder Position** – A classified position included in a specified career ladder.
- 8.103 **Career Ladder Promotion** – The movement of an employee from one classification to a higher classification in a job classification series with a higher pay grade within the same department. *Example:* the promotion of an Accountant I to a vacant Accountant II position.
- 8.104 **Change of Status** – The form required to process any change that affects the title, table, grade, salary, or fund of a position and an employee.
- 8.105 **Classification** – The designation of job classes on the basis of job function and responsibility and assignment to the appropriate category (job), title (position), and pay grade (level). *Example* the classification of the Accountant I position to Grade 8.
- 8.106 **Classification Plan Step Increase** – A raise in pay, normally a one-step increase of 3.5% based on a set of criteria set by the District Board of Directors to recognize employees for good performance and for adhering to District policies and procedures.

- 8.107 **Classified Position List** – The inventory of classified positions in the Classification and Compensation Plan that have been approved by the District Board of Directors. Each classified position has been assigned to the appropriate grade, and a job description has been developed with the required relevant qualifications.
- 8.108 **Compensation** – Pay given for service based on job function and responsibility.
- 8.109 **Demotion** – A change from one classified position to another classified position in a lower salary grade. A demotion can be voluntary or non-voluntary. The change in grade does not change the employee’s step.
- 8.1010 **Departmental Promotion** – The movement of an employee from their current classified position to a higher classified position that is vacant and has been posted internally within the employee’s department.
- 8.1011 **Discretionary Step** – All newly created positions are budgeted at Step 1. All current positions are reset to Step 1 when they become vacant, and all positions are posted at a Step 1 budgeted salary. However, the District General Manager has some discretion to hire at other than Step 1 under certain compelling conditions as outlined in the policy. However, the selected applicant must be initially hired at Step 1 and the discretionary step requires approval by the District Board of Directors.
- 8.1012 **Grade** – The level of classification based on job function and level of responsibility and defined by a specific salary range. There are 21 grades in the Classification and Compensation Plan Salary Schedule.
- 8.1013 **Initial Probation** – The six-month period during which a new hire to the county is evaluated to assess the mutual benefits of the employment.
- 8.1014 **Lateral Transfer** – The movement of an employee from their current department to a new department within the District, from a position in one pay grade to a different position within the same pay grade.
- 8.1015 **Position Audit** – The review of the functions and responsibilities of a position for the purpose of determining the correct classification (grade).
- 8.1016 **Promotion** – The movement of an employee from one classification to another classification with a higher pay grade. Employees may be promoted through the Selection and Promotion Process or the Career Ladder Process.
- 8.1017 **Reclassification** – A change in the classification (grade) of a position that is required due to new and fundamental changes in the duties assigned to the position.



- 8.1018 **Re-grade** – A change in the grade of a position. This is rarely required and is based on market analysis. *Example* the grading of the Accountant I position from a Grade 8 to a Grade 9.
- 8.1019 **Selection and Promotion Process**– The voluntary (employee applies for a vacant posted position and is selected by the selecting authority) movement of an employee from their current position to a vacant position within the District, which may or may not have a change in classification or pay grade. An employee can also voluntarily apply for a position at a lower grade under this procedure.
- 8.1020 **Step** – The specific rate of pay within a grade. There are 11 steps in the Classification and Compensation Plan Salary Schedule.
- 8.1021 **Step Date** – Step Waiting Period – the initial step date for all classified employees will be the date the Classification and Compensation Plan is implemented. Every classified employee will be assigned to the appropriate grade for their position title and the appropriate step (or between steps) based on their current salary. Thereafter, any personnel action that requires a change in step resets the step date for the step waiting period.