

Committee of the Whole

Johnson County Salary & Benefits Study

Excludes Civil Service (CS) and Med-Act (ES) Pay Tables
2/23/23

Presented by

Penny Postoak Ferguson – County Manager

Will Coy – Director of Human Resources

Mitchell Walker – HR Manager of Talent Acquisition & Development

DeeAnn Assmann – HR Manager of Compensation & HRIS

Brent Christensen – Director of Financial Management & Administration



Agenda

- Labor Market Pressures
- Johnson County Government Recruitment and Retention Data
- Salary and Benefits Study Results
- Recommendations and Next Steps

No BOCC Action Requested Today



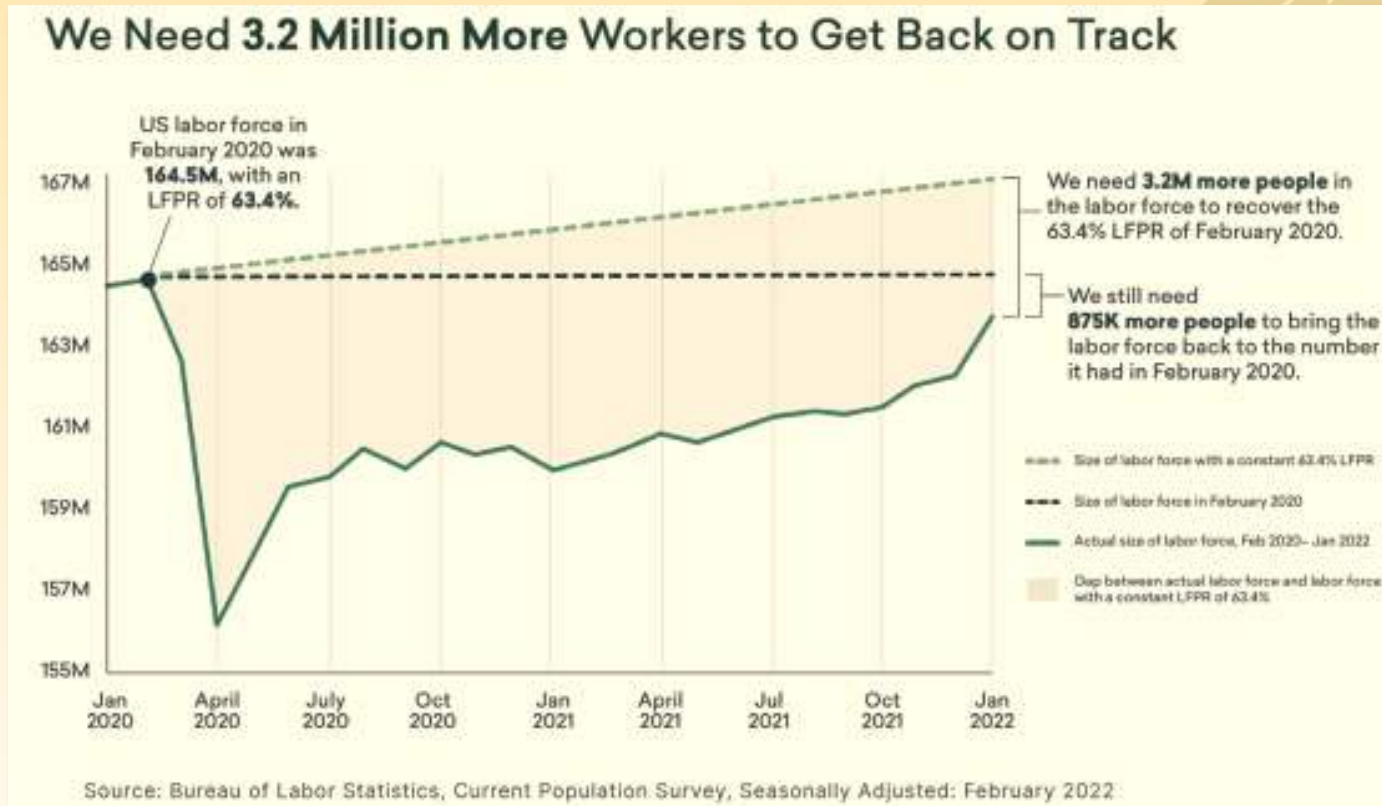


Labor Market Pressures



Labor Market Pressures

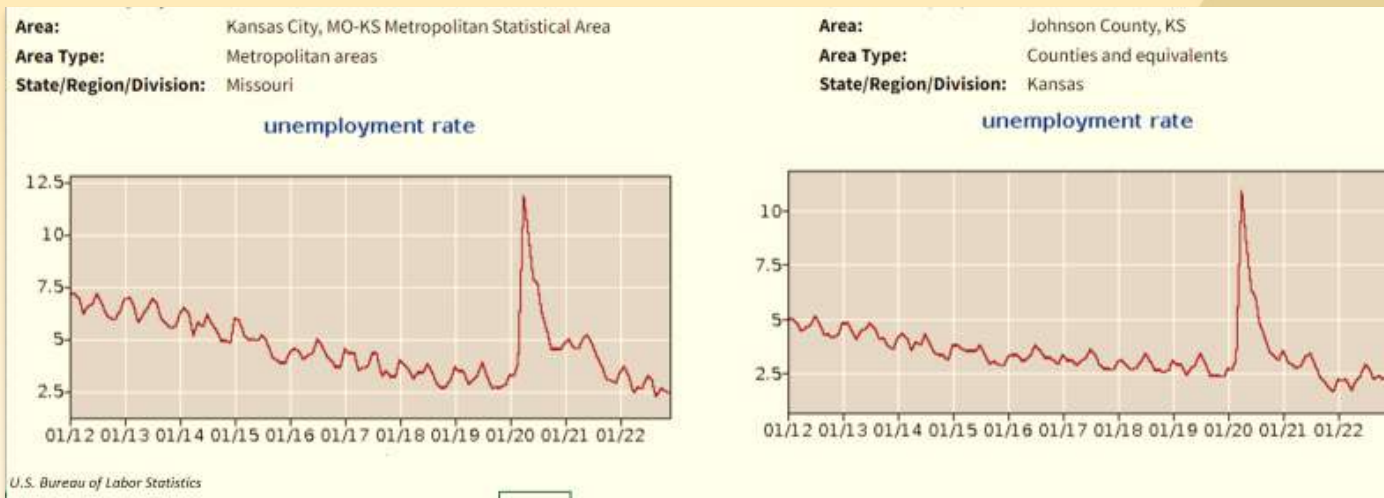
- Since the pandemic, there has been an extensive and pervasive change in the labor force.



The labor force participation rate (LFP) is the proportion of the working-age population that is either working or actively looking for work

Labor Market Pressures

- The unemployment rate for both the KC Metro and Johnson County has been declining since 2012 and is lower than the U.S. national rate



- “The Kansas City metro saw a year-over-year job growth of 14% in 2022, outpacing the national average and giving the area the 15th-highest growth among the 50-plus largest metros.”

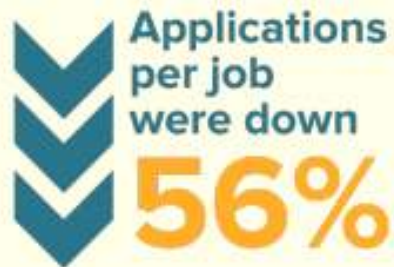
(Kansas City Business Journal - Jan. 2023)

Labor Market Pressures

Overview

Key Takeaway: *Competition for qualified candidates is only increasing. In addition to finding innovative ways to compete for top talent, public sector HR professionals need to promote work-life balance at their agency – a growing concern for candidates.*

Recruiting over the last year has been challenging, with the public sector facing a record breaking **hiring crisis**. In 2022 compared to 2021, applications per job were down 56%.



Source: NEOGOV 2023 HR Trends Report

Labor Market Pressures

- According to a recent report from NEOGOV, the top two recruiting challenges are finding qualified candidates and competitive compensation.



Source: NEOGOV 2023 HR Trends Report

Labor Market Pressures

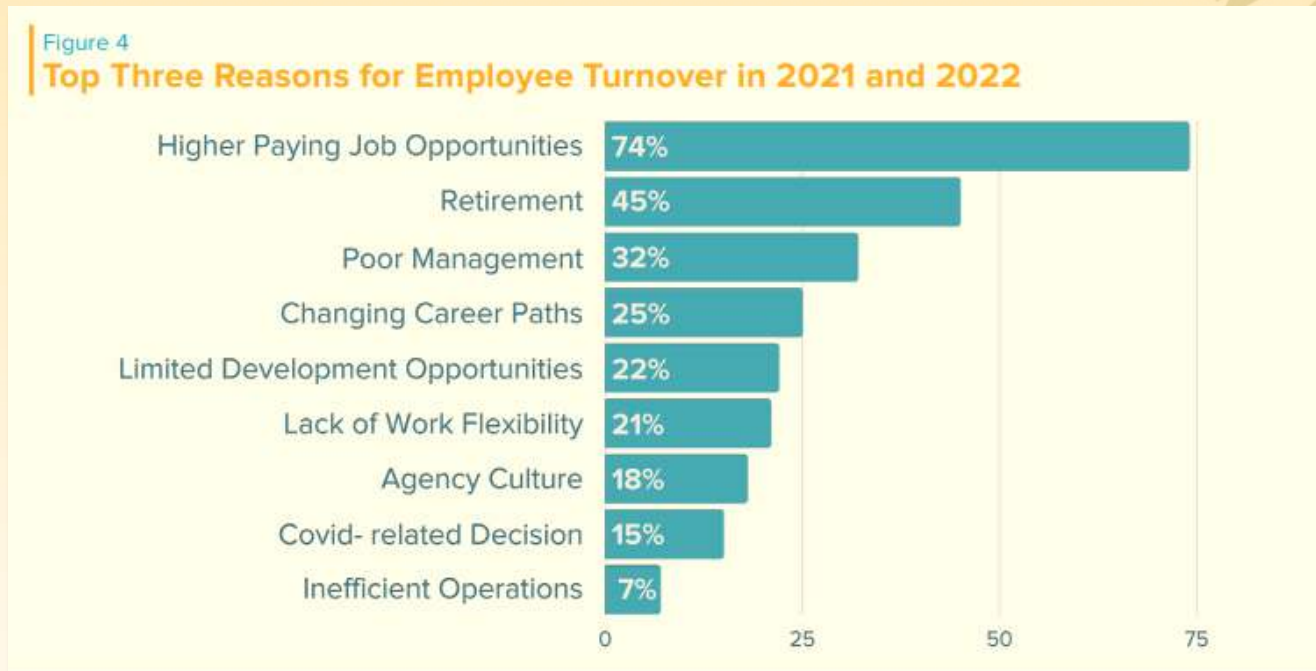
- Competitive compensation was identified as the top concern of candidates.



Source: NEOGOV 2023 HR Trends Report

Labor Market Pressures

- Compensation was identified as the number one reason workers are leaving.



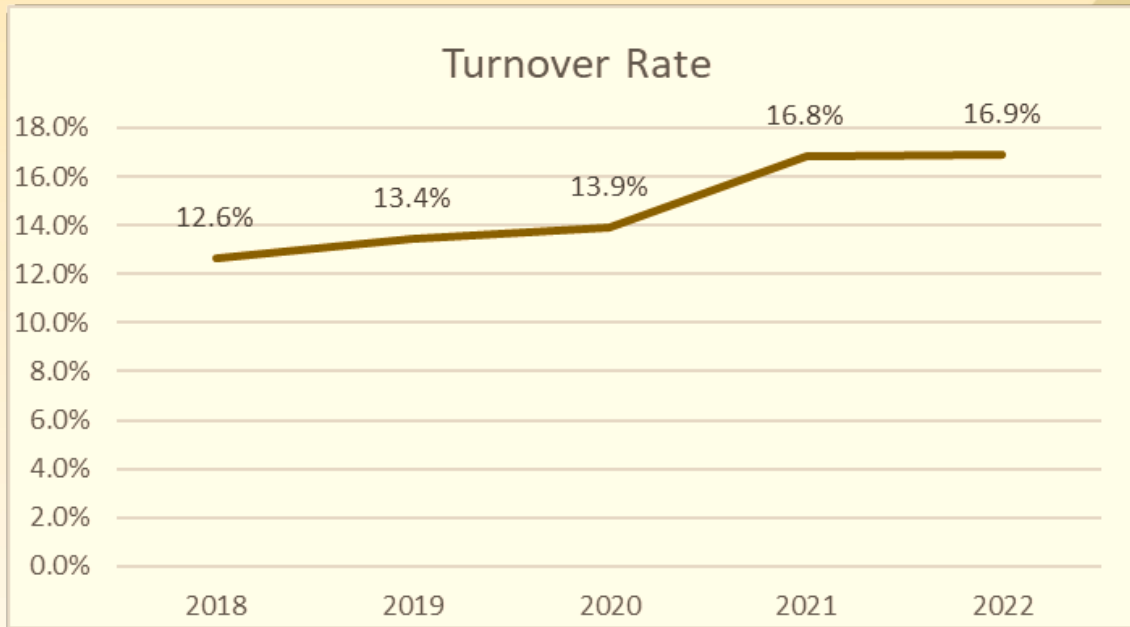
Source: NEOGOV 2023 HR Trends Report

Johnson County Government Recruitment and Retention



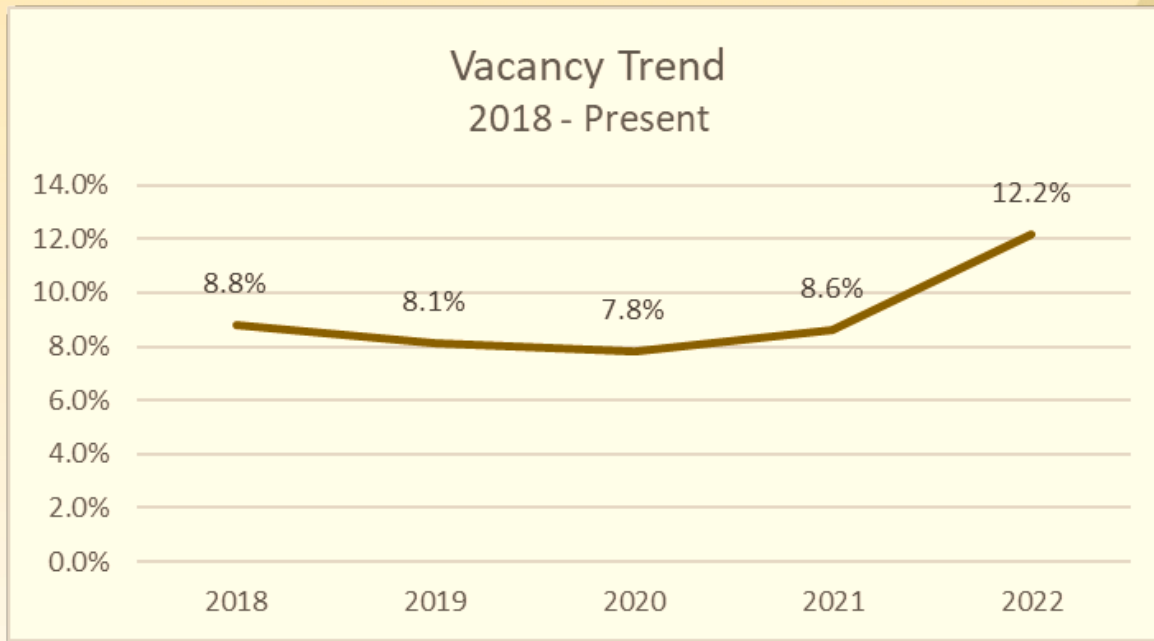
Johnson County Government - Turnover

- The annual turnover rate has steadily climbed since 2018 and remains at the highest level in nearly a decade.



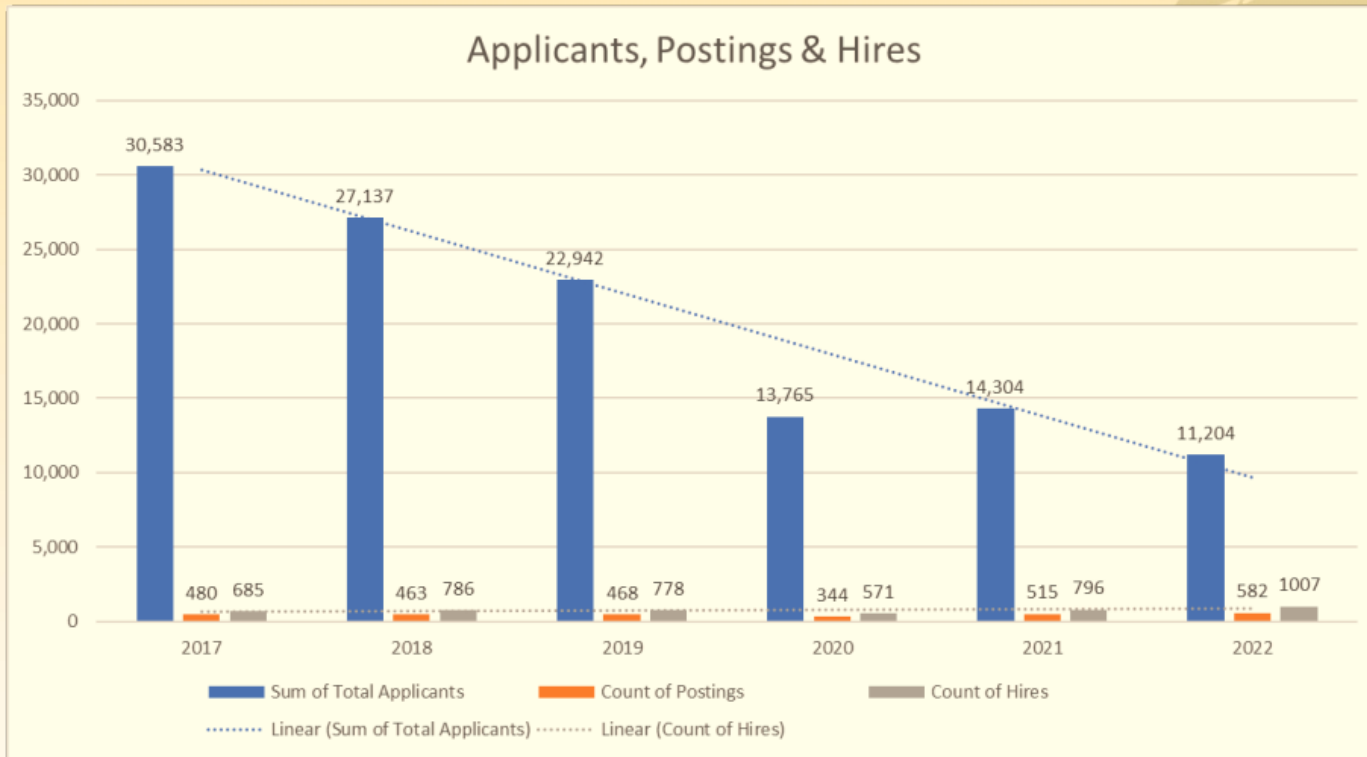
Johnson County Government - Vacancy Rate

- Johnson County Government has seen climbing vacancy rates since the pandemic.



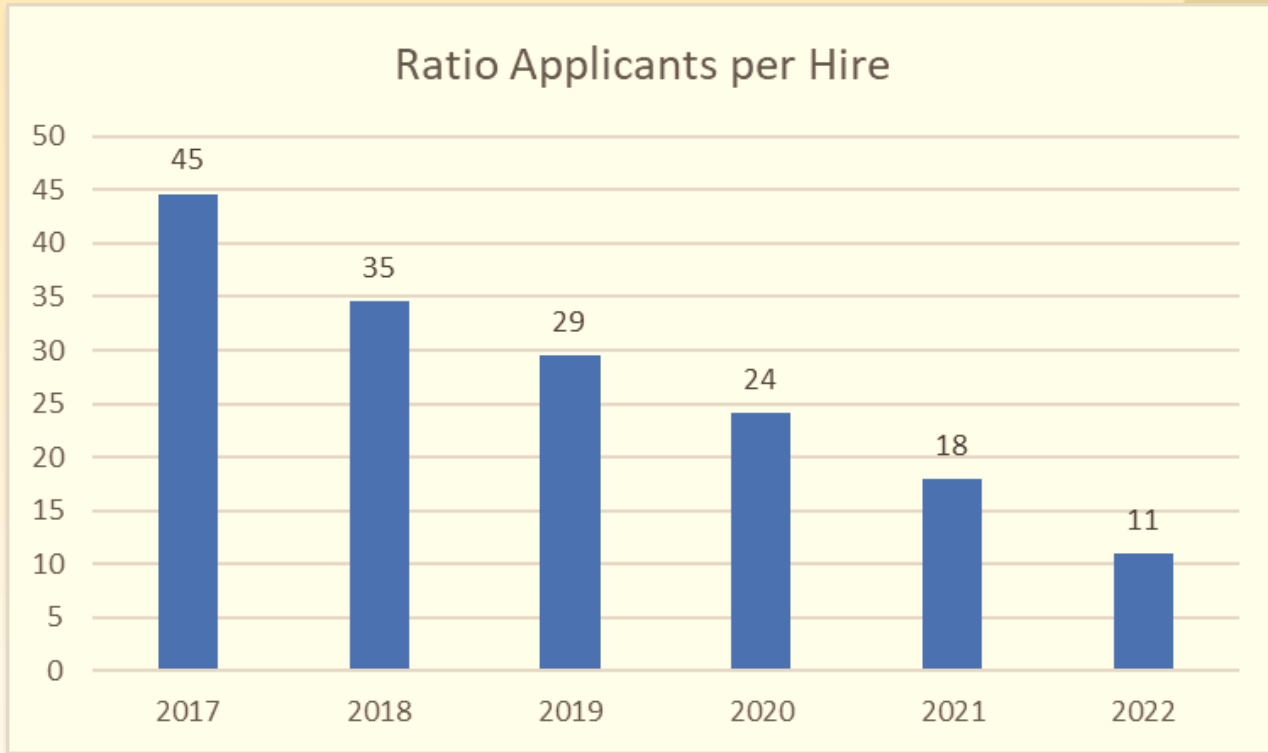
Johnson County Government – Applicant Flow

- In 2022, the number of applicants was the lowest in six years while the number of job postings was the highest.



Johnson County Government - Applicant Ratio

- The ratio of applicants per hire has been steadily decreasing since 2017 meaning fewer applicants for every open position.



Labor Market Summary

- Historically low unemployment rates, high job growth and a labor shortage has led to a fiercely competitive labor market exacerbated further by a pandemic.
- This coupled with our high vacancy and turnover rates has presented a critical talent management issue for Johnson County Government.
- Recruiting and retaining quality candidates has become extremely challenging.
- In addition, our market pay position is less than competitive which has worsened recruitment and retention efforts.

Johnson County Government Salary & Benefits Survey



Actions Taken to Address Market Climate

- Implemented modest adjustments to pay tables periodically, but did not increase employee pay more than annual merit
- Implemented compression adjustments to ensure employees are properly positioned in the salary range
- For FY23, implemented 2% range movement pay adjustment for the first time since 1/2/2011
- Implemented policy changes to allow for additional compensation incentives
- Conducted comprehensive salary/benefits study

Non-Monetary Approaches to Assist with Recruitment and Retention

- Focus on High Performance Organization and employee engagement
- Improve work-life balance – remote and flexible work schedules
- Apply best practices and continuous improvement principles
- Emphasize a welcoming environment
- Training and development opportunities



Investment in Our Employees

- Serving our community is paramount to the mission of Johnson County Government.
- This is not possible without the contributions of our dedicated employees who are committed to the community and our organization.
- Investment in our workforce is essential to sustain high resident satisfaction with Johnson County services.
- This survey provides us critical data to ensure our employees are paid competitively and fairly.
- In addition, this information is crucial in our recruiting, retention and employee engagement efforts.



Johnson County Salary & Benefits Survey

- Best practice is to review market every 2-3 years at least
- Last countywide salary & benefits survey was conducted in 2015
- Contracted with Salary.com (formerly CompData) who conducted our prior surveys
- Over 20 years of experience in compensation data, software, consulting and education services



Johnson County Government - Key Contributors

Cross-functional, collaborative effort involving:

- Penny Postoak Ferguson - CMO
- Joe Waters - CMO
- Joe Connor - CMO
- Brent Christensen – FMA
- Cameron Ahrens - FMA
- Shawna Sinn - FMA
- Scott Neufeld - BFP
- Robin Symes – BFP
- Will Coy - HRD
- Tiffany Hentschel - HRD
- DeeAnn Assmann –HRD
- Jason Burnett - HRD

Survey Key Themes

- The majority of our jobs are below market.
- The current salary grade structure is below market by an average of 6.1%.
- A select number of jobs are significantly below market contributing to recruitment and retention concerns.
- The benefits gap is narrowing between Johnson County Government and the KC Metro market.

Johnson County Market Pricing Methodology

- Market analysis based on market median (50th%)
 - Midpoints are set based on market median
- Market comparison group is based on grade level

Grades	Group	Market Area
11 - 15	Individual Contributors	KC Metro Area
16 - 20	Manager/Professional	Peer & KC Metro Area
21 - 28	Senior Leaders	Peer

KC Metro Area - Includes data for KC organizations (both public and for-profit)

Peer - Includes data for the eleven (11) participating peer organizations (government only)

Peers include: Austin TX, Douglas Co NE, Henrico Co VA, Mecklenburg Co NC, Nashville TN, Oklahoma City OK, Olathe KS, Raleigh NC, Sedgwick Co KS, St. Louis Co MO, Washington Co OR



Market Adjustment Individual Impact

Pay Grade Changes

Grades	# EES	# EES w Pay Grade Change
11-15	1,999	568
16-20	897	196
21-28	70	3
	2,966	767

- In addition to the average 6.1% increase in the overall salary grade structure, the individual **pay grade** for some jobs is also moving due to the market.
- This compounds the increase amount for employees in these jobs; The overall salary grade structure is increasing AND their individual pay grade is also increasing.

Data effective 12/7/22; Data will be updated periodically and will change due to hires, terms and job changes

Johnson County Recommended Salary Structure

2023 Recommended New Structure

Grade	Min	Mdpt	Max
11	\$29,576.01	\$34,751.81	\$39,927.61
12	\$34,360.89	\$40,374.05	\$46,387.20
13	\$41,655.58	\$48,945.31	\$56,235.04
14	\$45,957.45	\$54,000.00	\$62,042.55
15	\$51,914.89	\$61,000.00	\$70,085.11
16	\$56,400.00	\$70,500.00	\$84,600.00
17	\$65,200.00	\$81,500.00	\$97,800.00
18	\$76,000.00	\$95,000.00	\$114,000.00
19	\$88,000.00	\$110,000.00	\$132,000.00
20	\$102,200.00	\$127,750.00	\$153,300.00
21	\$116,212.76	\$145,265.95	\$174,319.14
22	\$120,785.47	\$150,981.84	\$181,178.21
23	\$128,184.00	\$160,230.00	\$192,276.00
24	\$135,828.00	\$169,785.00	\$203,742.00
25	\$146,608.00	\$183,260.00	\$219,912.00
26	\$159,740.00	\$199,675.00	\$239,610.00
27	\$176,400.00	\$220,500.00	\$264,600.00
28	\$215,782.53	\$269,728.16	\$323,673.79

- Salary.com recommended new 2023 salary grade structure
- The salary grade structure is increasing an average of 6.1%

Market Adjustment Individual Impact

Grades	# EES	Avg Individual Increase
11-15	1,999	8.3%
16-20	897	9.6%
21-28	70	3.6%
	2,966	8.6%

- Individual increases vary widely based on the market rate of the job
- For front-line employees (grades 11-15), 38% of employees will receive between 2%-3% and 32% will receive between 3%-10%; The remaining 30% will receive between 10%-40%

Distribution of Market Adjustment Increases

Grades	0.0%	2-3%	3%-10%	10-20%	20%-30%	30%-40%	40%-50%	Total
11-15	7	752	653	237	296	54	0	1999
16-20	24	56	656	21	134	0	6	897
21-28	0	40	27	2	1	0	0	70
Total	31	848	1,336	260	431	54	6	2,966

Data effective 12/7/22; Data will be updated periodically and will change due to hires, terms and job changes

Total Cost Estimations by Funding Source

Funding Source	Fund	Total Est. Salary and Employer Costs
County Taxing District	General Fund, Developmental Supports, Mental Health, Public Works, Public Health	\$12,603,577*
Other Taxing Districts	Park and Recreation, Library	\$2,801,834
County Grant	General Fund, Developmental Supports, Mental Health, Public Health	\$912,098
County Fee	General Fund	\$26,472
Outside Funds	Wastewater, Airport, Fleet, Stormwater, Risk Mgmt.	\$1,455,393
Other Taxing Districts Fee	Parks Enterprise	\$520,130
		\$18,319,503

*County Taxing District impact is reduced to \$9,739,443 with offsetting department revenue

Data effective 12/7/22; Data will be updated periodically and will change due to hires, terms and job changes



Targeted Jobs – Recommended BOCC Action: March/April

- Based on market analysis and recruitment/retention needs, we recommend an adjustment to pay grades for select jobs based on this criteria:
 - Direct service work
 - Required staffing ratios and/or
 - Vacancy rate $\geq 20\%$
- Following are the jobs impacted:
 - Correctional Officers
 - Correctional Supervisors
 - Case Management Supervisors
 - Support Providers
- Adjust employee pay to **current** 2023 pay table
- There will be future adjustments for these employees as part of the Countywide market survey process

Expense Estimates – Annual Base Increase

Job Name/ Position Title	# EES	Total Annual Cost	Avg Incr %
Corrections	110	589,714	10.4%
Development Supports	177	1,193,019	16.8%
Mental Health	40	240,891	21.2%
District Attorney	2	23,639	15.4%
Grand Total	329	2,047,264	15.2%

NOTE:

- This cost is included in the overall Countywide market adjustment cost
- Nearly 95% of employees in these targeted jobs are in grades 11-15

Benefits Market Comparison

CY2013 - CY2022 Benefit Comparator Trend

Benefit Area	Relative Value of Benefits	Peer Survey (Local Governments)			KC Metro		
		2013	2015	2022	2013	2015	2022
Death	5%	P40	P35	P60	P25	P35	P55
Disability	10%	P65	P60	P50	P60	P60	P50
Healthcare	40%	P55	P55	P55	P75	P75	P70
Time-Off	15%	P50	P50	P45	P50	P50	P45
Retirement	30%	P50	P50	P55	P65	P65	P60
Total Benefits	100%	P53	P52	P53	P64	P65	P61

- County is staying at about 50% among Peers' benefit packages at P53
- County's competitive advantage with KC Area comparators has narrowed from P65 to P61
- No proposed changes for benefits

P = Percentile

Next Steps

- March/April BOCC action for Target Jobs
- March: Update on Med-Act pay plan
- March 30: BOCC Budget Retreat
 - Updated revenue projections
 - Proposed Market
 - Proposed Merit
 - Five-year forecast
- May 18: County Manager Proposed Budget
- May 25 - June 23: BOCC Budget Sessions
- June 29:
 - BOCC sets maximum expenditure budget to publish
 - BOCC approval of salary/benefits study – new JC pay plan
- July 9: Proposed implementation for market adjustments

