

Memorandum



Date: May 18, 2015

Agenda Item No. 2(B)4
June 2, 2015

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

A handwritten signature in black ink, appearing to read "Carlos A. Gimenez". The signature is written in a cursive style and is positioned over the printed name of the sender.

Subject: Pay Equality Report Pursuant to Resolution No. R-998-14

Pursuant to Resolution No. R-998-14, which was adopted by the Board of County Commissioners (Board) on November 5, 2014, staff was directed to (a) conduct a complete and thorough analysis of payroll data for all Miami-Dade County government employee classifications, including those of Jackson Health System, to identify all salary disparities, if any, in every such employee classification for which no explanation exists other than differences in employee gender, and (b) report the results of the analysis, specifically including an estimate of the cost, if any, to achieve a gender-neutral payroll for Miami-Dade County government.

Research indicates that the preferred methodology of pay equality analysis involves the use of complex statistical analysis, which requires the collection and study of large quantities of data. Statistical analysis provides employers with the information necessary to determine if any observable pay differences between employees are a result of legitimate, non-discriminatory factors. However, pay equality studies of federal sector employers show that in cases where pay differences are not explained by the statistical analysis, it does not necessarily mean that the "unexplained" pay difference is a result of discrimination. Further assessment of pay differences often reveals that the differences are more likely attributable to certain factors, which cannot be effectively measured, such as education level, prior work experience or work performance.

As a result of the complex combination of factors that impact compensation, it will be exceedingly difficult for County staff to determine whether any portion of an observed pay difference can confidently be attributed to overt discrimination based on a protected characteristic, such as gender. If the Board would like to pursue a thorough analysis on pay equality, the Human Resources Department would need to identify funding to solicit an outside consultant to conduct a comprehensive statistical analysis. Based on preliminary research, it is estimated that it will cost a minimum of \$50,000 to \$60,000 to hire a consultant to perform a comprehensive Countywide (including Jackson Health System) pay equality analysis, including the collection of employee data, the development of a reliable statistical model, data analysis and the preparation of a report containing findings, conclusions and recommendations.

The use of complex statistical models is well established by the judicial system and federal enforcement agencies, such as the Equal Employment Opportunity Commission and the Office of Federal Contract Compliance Programs. A consultant can complete an analysis that provides the County with details that can account for the effects of multiple pay factors on salary differences.

In order to treat all employees fairly, the County's longstanding policy is to compensate all employees equally, based upon job classification, experience, and ability. Opportunities for career advancement, training, performing overtime work or otherwise increasing compensation are afforded to all qualified employees without discrimination based on protected characteristics, such as gender, pursuant to Administrative Order 7-6 (Attachment A). An employee or applicant who believes that they have been discriminated against can file a complaint with the Office of Human Rights and Fair Employment Practices, a section of the Human Resources Department.

The County's compensation system is designed with standardized rules and criteria for setting pay for employees entering County service for the first time, returning to County employment, and upon promotion and other position changes within the County government. These standardized rules help to promote equitable treatment among employees.

There are a wide variety of factors that affect the compensation of County employees and may result in pay differences other than for gender. A summary of the most common factors, which impact employee compensation are as follows:

- **Hire Date (Two Tier Pay Plan)**

Employees hired *prior* to November 1, 1991 into pay step classifications were hired at pay step 5 (midpoint). Employees hired prior to November 1, 1991 are also guaranteed to be placed at pay step 5 or at midpoint of the pay range if promoted.

Employees hired or promoted *after* November 1, 1991 into pay step classifications are hired on pay step 1. That means those employees hired or promoted into classifications, which are defined as range classifications, are hired at the minimum of the range.

It is important to note that the difference between step 1 (minimum of the range) and step 5 (midpoint of the range) can be up to *approximately* 20 percent (amounts vary).

- **Pay-Setting Flexibility for External New Hires**

Department directors have the authority to hire external applicants into County service at an intermediary salary rate (at any level within the range of the classification). The pay-setting flexibility associated with external applicants as new hires *does not* extend to internal promotions for current County employees (see Attachment B – Intermediate Hiring Memorandum). As noted in Attachment B, "an offer of employment at an intermediate rate should be based upon some advanced credentials or a demonstrated recruitment difficulty." In other words, a department director only has the authority to give an internal employee the standard five (5) percent promotion as opposed to an external hire that can be hired at any rate within the pay range for their classification.

- **Bargaining Unit Employees and Mayoral vs. Non-Mayoral Reporting Relationship**

Currently, all employees in bargaining unit classifications, both non-Mayoral and under the Mayor's purview, may be eligible for merit increases, flex dollars, premium pay and longevity bonus awards.

Beginning in 2010, employees in non-bargaining unit classifications (Bargaining Unit L), including executive positions, were subject to various pay and benefit suspensions. However, departments or agencies that are not under the Mayor's purview have the authority to grant employees in non-bargaining unit classifications merit increases, flex dollars, premium pay, longevity bonus awards, one-time bonuses and executive benefits.

With respect to non-bargaining unit classifications under the Mayor's purview, employees are currently still not eligible for merit increases, flex dollars, premium pay, or longevity bonus awards. In addition, executive benefits for employees under the Mayor's purview were discontinued.

- **Cost of Living Adjustments**

In July 2011, a three (3) percent Cost of Living Adjustment (COLA) was applied to all employees in bargaining unit classifications as well as many employees in non-bargaining unit classifications who were not under the Mayor's purview. Non-bargaining unit employees under the Mayor's purview were not granted the three (3) percent COLA in July 2011.

- **Merit Increases**

County employees who occupy bargaining unit classifications and are not at the maximum of the range are eligible for merit increases on a yearly basis, if they achieve an overall rating of "Satisfactory" or above on their performance evaluation. Those employees who do not achieve a "Satisfactory" rating may have their scheduled merit increase delayed or altogether forfeited.

- **Pay supplements**

Pay supplements (additional compensation added to base pay) are granted to employees possessing specialized skills, certification(s) or training. Pay supplements are also provided in instances where employees are required to perform specific duties that are outside the standard work assigned to a given classification. The value of the pay supplements vary, pay supplements may be flat dollar values, percentages or additional pay step(s).

- **Longevity Bonus Awards**

Based on the length of County service, full-time bargaining unit employees who complete 15 or more years of continuous County service are eligible to receive an annual longevity bonus award (between 1.5 and up to three (3) percent of base salary depending on years of service).

In summary, the Human Resources Department is dedicated to supporting the mission and goals of the County by ensuring fair employment practices and equal employment opportunities. As a resource to county departments for guidance related to equality in the workplace, staff from the Human Resources Department will continually evaluate and improve fair employment and diversity management programs and services. For instance, the Human Resources Department is currently working to enhance the County's "Diversity Matters" program – an existing countywide outreach and training program that celebrates diversity, and educates employees on equal opportunity and fair employment issues.

However, to perform the thorough statistically valid analysis directed under Resolution R-998-14, the County would need to engage an outside entity to determine if pay differences are a result of discriminatory factors.

Per Ordinance 14-65, this memorandum will be placed on the next available Board of County Commissioners meeting agenda.

Should you have any questions, please contact Deputy Mayor Edward Marquez at 305-375-1451.

Attachments

c: R.A. Cuevas, Jr., County Attorney
Office of the Mayor Senior Staff
Department Directors
Charles Anderson, Commission Auditor
Eugene Love, Agenda Coordinator

Administrative Order

MIAMI-DADE

Administrative Order No.: 7-6**Title:** Personnel Policy on Equal Employment Opportunity**Ordered:** 2/15/1972**Effective:** 3/1/1972**AUTHORITY:**

Section 4.02 of the Metropolitan Dade County Charter

SUPERSEDES:

This administrative order supersedes previous Administrative Order No. 7-6, dated August 1, 1963.

STATEMENT OF POLICY:

The policy of Dade County is to foster, maintain, and promote equal employment opportunity. The County will select candidates for employment on the basis of candidates' qualifications for the job and treat them with respect to compensation and opportunity for training and advancement, including upgrading and promotion, without regard to sex, race, color, religion, or national origin. Equality in such opportunities continues to be the basic policy of the County.

IMPLEMENTATION OF POLICY:

All personnel whose duties encompass recruiting and employment will continue to review, regularly, the implementation of these personnel policies and the relevant practices to assure that equal employment opportunity based on valid job requirements is being actively observed to the end that no employee or applicant for employment shall suffer discrimination because of sex, race, color, religion or national origin.

RECRUITMENT AND HIRING OF MINORITY APPLICANTS:

The County will continue to expand its efforts to attract minority group applicants. This policy applies to all County departments and locations. All executives and supervisory personnel, especially those whose duties encompass recruiting and

employment, have been made aware of this policy. The County expects all management personnel to aid in these efforts.

RECRUITMENT SOURCES:

The recruitment sources shall be advised periodically of the County's Equal Employment Opportunity Policy. The County includes among its recruitment sources organizations and media which are utilized by and are available to minority group candidates. Detailed information about the County job openings, as well as County hiring processes, will be provided to these recruitment sources. Employees, including minority group employees, are encouraged to refer friends and family for employment with the County.

JOB ADVERTISEMENTS:

Employment advertisements shall continue to contain assurances of equal employment opportunity and shall comply with Federal and State Statutes regarding expression of sex, and other qualifications.

APPLICATIONS FOR EMPLOYMENT:

All applicants are given the opportunity to file an application for employment. Comfort, convenience, and all due dispatch will be assured all applicants.

APPLICATION RESERVE FILE:

All applicants are informed as to the possibility or probability of current or later job openings. Applications of all job applicants are kept in a reserve file for a reasonable period.

To the extent that it is practical, reference to these files shall be made periodically in connection with the County's employment requirements. This program is designed to insure equal consideration to both minority and non-minority applicants.

QUALIFICATIONS AND TESTING:

(a) The County's policy includes the responsibility for ensuring that hiring qualifications for both entry and experience-level jobs are fair and shall continue to be fairly administered. These qualifications are subject to regular review to assure that they conform to the actual job performance requirements and to changing and novel situations. The County has continuing responsibility to perform its services and functions efficiently. In keeping with these responsibilities, the County will make use of special programs to test job performance, and develop orientation and training

programs aimed at the elimination of deficiencies of minority groups. Use of aide, intern or enrollee classifications to test job performance is an example of the special programs that will be developed.

(b) Tests which may be administered by the County shall be only those that will measure the skills actually required for the job. Tests are tools employed solely to aid in the selection of the right person for the right job. Tests shall conform to applicable legal regulations and shall be appropriately validated.

(c) All tests given to applicants shall be administered and evaluated by qualified employees who are fully acquainted with County policy as to equal employment opportunity.

COMPENSATION:

The policy of the County is to pay compensation which is, to every extent possible, competitive with local rates for the work performed so that compensation does not create a barrier to the recruitment of minority-group personnel. Opportunities for performing overtime work or otherwise increasing compensation will be afforded to all qualified employees without discrimination based on sex, race, color, religion, or national origin. It is the policy of the County to compensate all employees equally, based upon job classification, experience, and ability.

EQUAL EMPLOYMENT NOTICES:

Notices with regard to equal employment shall be posted in conspicuous places on County premises, where notices are customarily posted.

PROMOTION AND TRAINING:

1. The policy of the County is to provide every reasonable means to see that employees succeed on their jobs and are given opportunities to prepare themselves for full use of their talents and potential. On-the-job training will be provided to prepare employees to meet the full requirements of their new jobs, and special programs developed to meet specialized training needs.

2. Candidates for promotion are chosen on the basis of existing or forecasted job openings and on their qualifications and work record - without regard to sex, race, color, religion, or national origin. Performance appraisals and work records for all personnel, including minority groups, will be carefully examined when openings for higher-level positions occur.

RECORD KEEPING:

1. The County's data processing and other systems will maintain up-to-date records. These records reflect the County's efforts in maintaining its equal opportunity policies. These records include:

- (a) Statistics on current employment in the County by:
 - (1) Dictionary of Occupational Title: job categories code
 - (2) Racial and ethnic group code classification
 - (3) Sex code
 - (4) Job location code
 - (b) Schedules of job classifications and salary ranges.
 - (c) Records of all employees hired, including job classifications and salary. These records will identify minority group employees.
 - (d) Job and salary records of employees promoted, including old and new job classification and salaries.
 - (e) Records of employees resigned or terminated with the reasons thereof, when known.
- (2) An Equal Employment Opportunity Report will be produced semi-annually - thus providing for an analysis of the status of actual equal opportunity within the County system and for an evaluation of progress made in this regard.

This administrative Order is hereby submitted to the board of County Commissioners of Dade County, Florida.

R. Ray Goode
County Manager

- Intermediate pay authorization for the protective service classes in Miami-Dade Police and Corrections and Rehabilitation Departments will continue to be administered in accordance with established past practice however such actions now may be effectuated at the departmental level.
- The Compensation Section will issue a monthly report to each department reflecting all work in progress. To address your operational requirements, it is requested that you assist us in identifying priority items. In addition, I have directed staff to conduct periodic meetings with your departmental personnel representative in order to address any concerns or service issues that you wish to bring to our attention.
- Classification issues that require immediate action should be brought to the attention of Ms. Rizzo so that appropriate reordering of work priorities may be implemented.
- As a result of the recommendation of the Personnel Policy Committee, some departments have assumed the responsibility of classifying their own department specific positions. This process has been successful and we would like to expand this practice wherever feasible. I invite all departments to consider this option and recommend that you contact Ms. Rizzo to explore the implementation of this practice within your department. We are prepared to customize this process to your specific requirements and partner with you to develop a classification solution that is tailored to your environment.

The Employee Relations Department is in the final stages of procuring the services of a Human Resources consultant to conduct a comprehensive review of our job analysis methodology, pay plan format, classification structure and pay recognition procedures. This is an ambitious project in which all of us will have an opportunity to participate and contribute. This endeavor notwithstanding, it is anticipated that the aforementioned measures will provide some immediate benefit to the County's compensation process.

I would welcome any comments that you may have regarding the operation of this and other service areas of the Employee Relations Department (ERD). I look forward to meeting with each of you to obtain your perspective regarding the type of services you wish to receive from ERD. Please be assured that we are fully cognizant of the operational challenges that you encounter on a daily basis. It is our desire to contribute to the success of your organizational mission and to be instrumental in your achieving the objectives of our County Manager's strategic goals.

Cc: Tom David, Assistant County Manager
County Manager's Assistants
Susanne M. Torriente, Deputy Director
Employee Relations Department
Departmental Personnel Representatives