

Classification and Compensation Proposals

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Overview

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- Who can initiate a Classification & Compensation Proposal?
- When can a Classification & Compensation Proposal be submitted?
- How is a Classification & Compensation Proposal submitted to State HR?
- When does a Classification & Compensation Proposal get approved?

When should I contact State HR?

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Contact State HR **before** you begin developing your Classification and Compensation Proposal.

What is a Classification & Compensation Proposal?

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A Classification & Compensation Proposal is a request to change Washington General Service (WGS) job class specifications and/or compensation.

Examples of the types of proposals submitted include:

- A proposal to **change** existing job classification specifications and/or compensation, or
- A proposal to **create** a new job classification.

What criteria are used to evaluate a Compensation & Classification proposal?

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[RCW 41.06.152](#) specifies the director shall adopt only those job classification revisions, class studies and salary adjustments under [RCW 41.06.157](#) that are due to:

- Documented recruitment or retention difficulties;
- Salary compression or inversion;
- Classification Plan Maintenance;
- Higher level duties and responsibilities;
- Inequities.

A proposal must demonstrate how one or more of the criteria are met in order to be considered for implementation.

Who can initiate a Classification & Compensation Proposal?

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A Classification & Compensation Proposal can be initiated by:

- A state agency or higher education (HE) institution;
- A union (labor organization);
- State HR.

When can a Classification & Compensation Proposal be submitted?

There are two cycles for which a proposal can be submitted, the Collective Bargaining/Budget Cycle or the Interim Cycle:

- **Collective Bargaining/Budget Cycle** – this cycle is for represented and non-represented class proposals.
 - Represented positions:
 - ✓ Salaries for proposals are negotiated by State HR, Labor Relations Section.
 - ✓ Must go through collective bargaining process for funding/pay impacts.
 - Non-Represented positions:
 - ✓ Salaries for proposals are not negotiated.
 - ✓ Must go through Governor's budget process for funding.

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When can a Classification & Compensation Proposal be submitted?

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- **Interim Cycle** - for proposals submitted outside the budget cycle, a proposal must meet one of the following criteria in addition to the criteria identified in RCW 41.06.152:
 - **Bargaining Unit Proposal** - Employer must be able to absorb the cost as authorized by OFM and must meet one of the following criteria: Legislative Mandate, Governor's Initiative, New Legal Mandate.
 - **Non-Bargaining Unit Proposal** – Employer must be able to absorb the cost as authorized by OFM. There cannot be any represented positions in the class statewide.
 - **Class Plan Maintenance Proposal** – Proposal has no pay or allocation impact.

How is a Classification & Compensation Proposal submitted to State HR?

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To initiate a proposal, the agency/HE institution must complete a [Classification & Compensation Needs Assessment form](#) available on hr.ofm.wa.gov and submit it to [State HR](mailto:classandcomp@ofm.wa.gov) at classandcomp@ofm.wa.gov.

Union initiated compensation proposals must be submitted through the appropriate State HR labor negotiator for consideration during collective bargaining.

What happens to a Proposal once State HR receives it?

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After the submittal of the needs assessment(s) Agency/HE institution may be contacted by State HR to provide additional information and documentation in order to further define the request.

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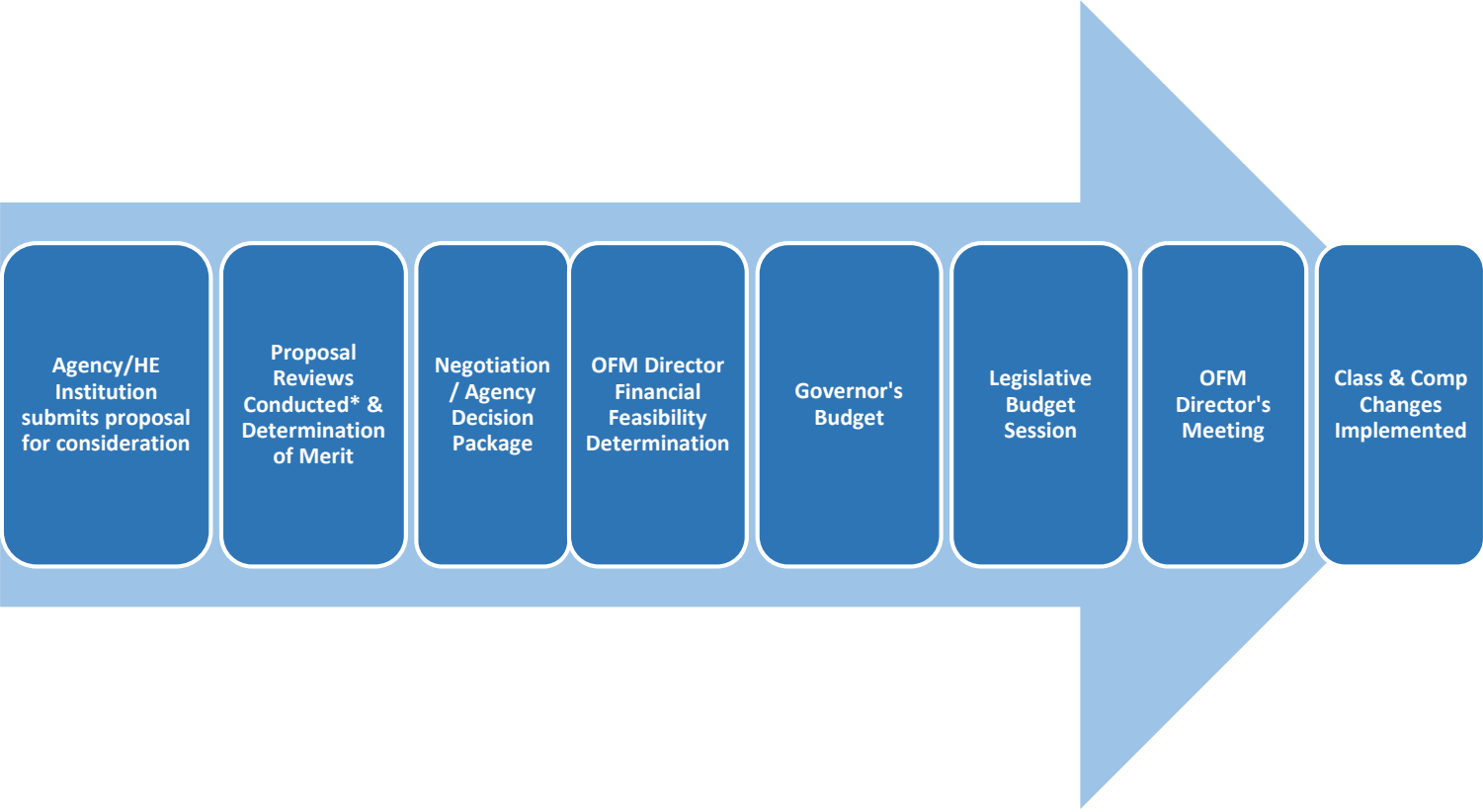
References

Collective Bargaining/Budget Cycle—

This cycle is for represented and non-represented class proposals that may or may not need funding.

Interim Cycle— This cycle is for proposals submitted outside the budget cycle, a proposal must meet specific criteria in addition to RCW 41.06.152 to be submitted.

Collective Bargaining/Budget Cycle



Collective Bargaining/Budget Cycle

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Has an extensive timeline with multiple, set deadlines.

- State HR will communicate the established deadlines for each biennial budget cycle.
 - If agency/HE institution is unable to meet established deadlines, proposals may not be considered.
 - Specific reviews must occur in preparation for bargaining. If the information and data is incomplete:
 - ✓ analysis and costing cannot be completed, and
 - ✓ the proposal will not move forward in the process to be considered for bargaining.

Collective Bargaining/Budget Cycle

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Agencies/Institutions must make staff resources available to assist in the proposal review process in order to meet the deadlines.

- These are the HR Contact and Subject Matter Expert which you have identified on the Needs Assessment form you submitted.

Needs Assessment Form Components

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- General information.
- Class Title(s).
- Identify the Issue(s).
- Agency/HE Institution Proposal.
- How Does the Proposal Resolve the Issue?
- What Hasn't Worked?
- Impacts on Services.
- How Will the Proposal be Funded?
- Other Affected Agencies/HE Institutions.
- List Other Considerations.
- Director or Designated Approving Authority Signature.

General Information

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Agency/Higher Ed (HE) Institution Enter text. 1	HR Contact Name Enter text. Phone Enter text. 2 Email Enter text.
Date Submitted Enter a date. 3	Subject Matter Expert Name Enter text. Phone Enter text. 4 Email Enter text.
Priority in Ranking Order (1 represents highest priority and 40 is the lowest) 5 Select Priority.	

1. The agency/HE institution is the name of the employer submitting the Classification and Compensation Proposal.
2. The HR Contact who has knowledge of the proposal and can speak on behalf of the agency.
3. The date the proposal is submitted to State HR.
4. The Subject Matter Expert who can provide detailed information specific to the proposal.
5. The priority the agency/HE institution has given this proposal in relation to all the proposals they are submitting.

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Class Title(s)

Class Title(s) – Complete a separate assessment for each Class Series

List the affected Class Title(s) and Class Code(s) *Enter text.*

Positions represented by a Master Agreement. Yes No If **yes**, list Master Agreement(s):

Choose Agreement.

Choose Agreement.

- The affected Class Titles and Class Codes are the official WGS job classification titles and assigned codes that can be found on the hr.ofm.wa.gov website, [Job Classes and Salaries](#) page.

Example: Administrative Assistant 1,
105E

- Agency/HE institution should not use working titles or alternate system codes on this form.

Identify the issue(s)

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Identify the Issue(s)
Select choice(s) below.
<input type="checkbox"/> Recruitment <input type="checkbox"/> Retention <input type="checkbox"/> Compression <input type="checkbox"/> Inversion <input type="checkbox"/> Class Plan Maintenance <input type="checkbox"/> Higher Level Duties <input type="checkbox"/> Inequities
Describe the issue(s) you are trying to resolve or business need(s) you are trying to meet. Be specific and descriptive. What services are provided (or you wish to provide) and how they are being adversely affected.
Enter text.

Before you request a classification change or salary adjustment, you need to clearly identify the issue you are trying to solve. You will want to:

- Work with your senior leadership to clearly identify the issue you are trying to resolve,
- Work with your State HR Analyst to determine potential impacts,
- Use your internal resources to help you in gathering necessary information and data.

You will be asked to demonstrate how the proposed change will resolve the problem you identify.

Agency/HE Institution Proposal

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Agency/HE Institution Issue - Link to Goals and Priorities

Describe the proposed classification(s) and salary changes. Explain how this proposal will resolve the issue(s). How will this proposal link to the agency/HE institution goals and priorities? Provide specific examples.

Enter text.

This is a narrative description of how the issue is adversely impacting the business of the agency/HE institution. You will want to explain :

- What you want to do?
- What is the outcome you want?

Explain how this classification change aligns with the employer strategic priorities.

Indicate if an increase in compensation is requested. Do not identify an amount or percentage increase.

Addressing specific compensation will come later in the process.

How Does the Proposal Resolve the Issue?

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How Does the Proposal Resolve the Issue

How does solving this issue contribute to meeting agency/HE institution priorities and goals (link resolution to specific established goals)? Describe the service improvements you expect to see if this proposal is implemented.

Enter text.

Describe how the proposed solution would resolve or mitigate the issue.

Example: Due to federal rule changes and states implementation of the changes this job series has taken on higher level duties with additional complexity. The salary adjustment is requested to accurately compensate for the level of work performed which will mitigate the retention issue.

What Hasn't Worked

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What Hasn't Worked

Explain what you have tried so far and the results achieved (e.g. revised agency/HE institution work processes, organizational structures, or enhanced recruitment efforts).

Enter text.

Describe any remedies you have tried to resolve or mitigate the issue and how you were unable to achieve the results you were seeking.

What alternative remedies have you considered? Some examples of remedies could be:

- Extensive recruitment efforts,
- Reorganization for workload balance,
- Updated staffing models,
- Additional staffing or FTE's.

What Hasn't Worked

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What Hasn't Worked

Explain what you have tried so far and the results achieved (e.g. revised agency/HE institution work processes, organizational structures, or enhanced recruitment efforts).

Enter text.

Why is this proposal the most effective solution?

Example: This new lead level within the existing Widget Audit Specialist series will result in increased efficiencies and improved management of personnel as well as increased employee and public safety.

Impacts on Agency Services

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Impacts on Agency/HE Institution Services

Describe the consequences if the issue(s) is not resolved (e.g. impact on agency/HE institution priorities, service delivery, risk, or liability). Provide examples of specific consequences if the issue is not resolved.

Enter text.

Describe existing and potential negative consequences to the business if the issue is not resolved.

Example 1: Instead of responding within the hour, responses will take 24 hours.

Example 2: The constant turnover is negatively affecting customer service within an office that serves the largest metropolitan area in the state impacting the ability of staff to respond to emergency situations in a timely manner.

How Will the Proposal be Funded

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How Will the Proposal be Funded

Is the proposal cost neutral? Yes No If **yes**, provide reason why. Enter text.

Can your agency/HE institution absorb any costs associated with this proposal? Yes No

Are you willing to allocate existing funds to help solve the issue including spending funds differently? Yes No

- Agency/HE institution staff are expected to consult with internal budget analysts/officers to assess the financial implication of any proposal.
- Agency/HE institution staff should have a clear understanding of whether the issue is critical.
- If it is determined the proposal has merit, it will follow OFM's collective bargaining and funding request process or non-represented funding request process.

Other Impacted Agencies/HE Institutions

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Other Impacted Agencies/HE Institutions
Yes <input type="checkbox"/> No <input type="checkbox"/> If yes , list agencies/HE institutions. Enter text.

If known or able to identify, list other agency/HE institutions who use the class or class series.

List Other Considerations

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List Other Considerations

Identify other considerations or challenges that will contribute to understanding the issue(s).

Enter text.

Description of any special conditions or other factors that provide context to the identified issue such as:

- legislation,
- accreditations,
- loss of funding.

Agency/HE Institution Director or Designated Approving Authority Signature

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Agency/HE Institution Director or Designated Approving Authority Signature	
Date Enter a date.	Name/Title Enter text. Signature Enter text.

The agency/HE institution head or designee is required to sign all submitted proposals. A Designated Approving Authority is signing on behalf of the Director for the agency/HE institution. Signatures of lower level managers will not be accepted.

Criteria and Definitions for a Proposal

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- Classification Plan Maintenance
- Compression
- Higher-level duties and responsibilities
- Inequities
- Inversion
- Recruitment difficulties
- Retention difficulties

Classification Plan Maintenance

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Classification Plan Maintenance provides an opportunity to make updates to WGS job classification specification language. These are changes that do not typically affect compensation or result in any allocation changes or actions.

Requests that meet this criterion generally:

- identify outdated language,
- provide clarifying language to ensure proper interpretation,
- correct errors, such as punctuation.

Requestors will be expected to provide a draft classification specification with the proposed language.

Compression

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Compression occurs when there is an insufficient salary differential between the subordinate and the supervisor, causing pressure to increase the salary of the supervisory class. Compression may also occur between class levels within a series where classes do not necessarily report to each other, but there is insufficient differential between levels.

Although the differential between the supervisor and subordinate may vary, there is generally a 4 range (approximately 10%) salary differential between the highest subordinate and the supervisor. In some instances a lesser differential is appropriate and does not cause compression issues.

Compression

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For example: The differential between a lead worker and supervisor is typically only 2 ranges (approximately 5%) since the difference in the level of responsibility is less than a full promotional level (i.e. journey to supervisor).

Compression

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Example of an appropriate supervisory salary differential within a job classification series:

Class Code	Class Title	Salary Range	Range Difference in Steps (each step = approx. 2.5%)	Approximate % Differential Between Class
102A	CUSTOMER SERVICE SPECIALIST 1	32	3	7.5%
102B	CUSTOMER SERVICE SPECIALIST 2	35	4	10%
102C	CUSTOMER SERVICE SPECIALIST 3	39	4	10%
102D	CUSTOMER SERVICE SPECIALIST 4	43	4 range (approx. 10%) differential between supervisor & senior/specialist level job class	

Higher-level duties and responsibilities

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Higher-level duties and responsibilities are changes that are readily identifiable as being at a higher-level and, therefore, have the potential for affecting the compensation of the job classification.

Identified duties and responsibilities should reflect an overall increase beyond what is currently identified in the scope of the job classification specification(s).

Higher-level duties and responsibilities

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Changes should be substantive, rather than incidental, and reflect a higher-level of responsibility in terms of compensable classification factors such as:

- scope of control,
- impact of job,
- task complexity,
- degree of technical skills,
- significant increases in staffing and/or budget levels.

An increase in workload (same level of work, increased volume) does not equate to higher-level duties or responsibilities.

Higher-level duties and responsibilities

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Some new duties may appear to increase the level of responsibility when compared with other job classes performing similar work. But after a thorough review they may still fall within the existing scope of the job classification. This may result in job classification specification revisions, but may not support a salary increase.

A resource document has been created to assist agencies/HE institutions in gathering the necessary data and information.

This document includes general questions that need to be addressed and a comparison chart to assist you in identifying higher-level duties.

Inequities

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Inequities occur when there are salary variances between different **job classes** performing substantially similar work. It does not apply to different levels within the same series.

Similar work not only means similar duties and responsibilities, but also similar levels of decision making, problem solving and results, as well as other components of the job class (e.g. similar licensing requirements, working conditions, etc.)

The goal is to remedy situations where separate classes, at different ranges of pay, are performing, not only substantially similar duties and responsibilities, but also at similar levels of decision making, problem solving and with the same or similar level of expected results, that warrant being paid the same. If inequities exist, consolidation of the job classes may be considered.

Inequities - Example

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Department X and Department Z each has a unique job classification of analysts to provide services. The salary range for the Department X Widget Analysts is 4 ranges (approx. 10%) higher than that of the Department Z Doohickey Analysts. After a review, it becomes clear that both job classifications are performing substantially similar work a majority of the time.

Inequities - Example

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Both job classifications are responsible for collecting and analyzing data, developing resource management plans, designing improvements, report to the same level within the agency/HE institution and are accountable for similar programs. The impact of error is similar for both job classifications. The knowledge and skills required could easily be transferred from one job classification to the other.

The Department Z Doohickey Analyst job classification meets the criterion for a compensation adjustment based on inequity.

Inversion

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Inversion is when the salary range of the subordinate is higher than the supervisor.

In some cases, an inversion may be appropriate. If it isn't, then a comprehensive review of the circumstances that led to the current inversion will be reviewed. Additionally, all options to resolve the inversion will be explored and may not result in a compensation increase.

Inversion - Examples

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There are cases where salary inversion may be appropriate, such as a physician reporting to a non-licensed administrator, or a high-level technical computer specialist reporting to a general manager.

In these cases, the technical skills of the subordinate are valued at a higher salary range than the management duties of the supervisor.

Inversion - Examples

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Example 1: The salary range of the subordinate may be higher than the supervisor if the subordinate is at a higher step in a lower salary range. This would not be considered inversion since the supervisor will continue to advance to the top step of the higher-level salary range, eliminating the disparity.

Example 2: There is sufficient differential between the subordinate job classification and the supervisory level, but because the employee in the lower level job classification is overtime eligible and routinely receives overtime, the total compensation received by the subordinate may be higher than the supervisor, who may not receive additional compensation beyond their salary.

Recruitment difficulties

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Recruitment difficulties are when recruitment efforts are unsuccessful or failing as a direct result of compensation. Data needs to show ongoing unsuccessful and/or failed recruitment efforts.

Unsuccessful recruitments are where:

- there are no applicants,
- applicants do not meet the qualifications of the position, or
- the preferred candidates consistently turn down an offer of employment because of the compensation.

Recruitment difficulties

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Agency/HE Institutions must provide a summary to include comprehensive information detailing recruitment efforts.

Examples of some of the data that will be required are

- advertising efforts
- length of recruitment
- number of applicants
- candidate quality
- length of position vacancy

A resource document has been created to assist in gathering the necessary data and information.

This document includes a data spreadsheet, a tracking spreadsheet and a sample summary document to assist Agencies/HE Institutions when compiling the necessary recruitment data.

Retention difficulties

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Retention difficulties are when employees are leaving as a result of compensation.

Analysis should show significant numbers of applicants leaving to accept positions paying higher compensation for similar/same work (as opposed to higher-level).

You need to establish that employee loss is a direct result of receiving higher compensation for the same work elsewhere. You also need to show the hardship this is causing.

Retention difficulties

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This does not mean simply that employees performing similar work elsewhere (e.g. private sector) are paid more, but that employees are actually leaving because they are being offered these jobs, and in such numbers as to adversely affect the program.

To support a salary increase, analysis must clearly show retention difficulties are due to compensation. Other factors not affected by compensation may be the cause of staff leaving, related to management or work life balance.

Retention difficulties

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State HR generally uses a 10% turnover threshold based on the aggregated statewide turnover trend. This percentage is not an absolute, but is used as an initial indicator of where there could be turnover issues.

Retention standards require demonstrable retention difficulties. Turnover percentages are calculated over a 12-month period. State HR typically looks at annual retention data for a two-year period.

Retention difficulties

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The class turnover rate is one primary factor considered, but is not the only deciding factor.

For example, some job classes, such as clerical, traditionally have turnover well above 10%, but a higher turnover rate is expected due to the nature of the work.

Retention difficulties

Classification Turnover

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For the purposes of analyzing a proposed change to the classification and/or compensation plan, the Classification Turnover data standard is to identify voluntary turnover. This is an indicator that employees are willingly making the decision to leave the employer.

Several factors can contribute to voluntary turnover, such as career path change, more compensation for same work elsewhere, staff conflict and lack of opportunities in career advancement.

Classification Turnover Criteria

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Included Actions:

- Abandonment
- Conditions not met
- Dismissal
- Resignation
- Reversion
- End of Appointment

Excluded Actions:

- Death
- Disability Separation
- Layoff
- Non-Permanent
- Promotion
- Retirement
- Seasonal Employment
- Transfer
- Voluntary Incentive Separation

NOTE: The classification turnover data standard is more restrictive than the [aggregated general turnover data](#) posted on the hr.ofm.wa.gov website or in the annual executive branch [Human Resources Management \(HRM\) Report](#).

Key Points to Remember

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- Contact State HR – Enterprise Classification, Compensation & HR Analytics for guidance when developing a proposal.
- Clearly identify the issue(s) and gather supporting information.
- Discuss with your agency/HE institution executive management to gain support and determine agency priority.

Available Data Resources

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For agencies that use the central Human Resources Management System (HRMS), there are standard (canned) reports available that will support agencies in developing their proposals, such as:

- Classification Turnover Report,
- Movement/Turnover Report,
- Position/Personnel Master Listing,
- *And several more!*

Additionally, agencies have designated staff that are members of the statewide HRMS Data Stewards and Reporting workgroups. These internal resources can assist in compiling the data needed.

HE Institutions have unique systems. HE staff developing proposals should work within their organization to identify available data resources.

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- [Classification & Compensation Needs Assessment](#)
- [Glossary - Classification](#)
- [State HR Classification and Compensation Web Site](#)
- [List of assigned State HR Consultants](#)
- [List of Data Resources](#)
- [HRMS Data Definitions](#)
- [HRMS Reports](#)
- [Chapter 41.06 RCW](#)
 - [41.06.157](#)
 - [41.06.152](#)
- [Title 357 WAC](#)
 - [WAC 357-13-010](#)
 - [WAC 357-28-015](#)

Questions?