


Classification

MODERNIZING A 40-YEAR-OLD SYSTEM



Why do we need to update the Classification and Compensation system now?

- ❖ Classification evaluation tool is outdated and unsupported
 - ❖ Stakeholders generally dislike current system/process (confirmed by stakeholder meetings)
 - ❖ Unpredictable budgetary implications
 - ❖ Decisions appear subjective
 - ❖ Over 1800 job classes to manage
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Project Goals

Seek the expertise of a consultant in the classification and compensation field in state government and public sector to provide the State with options for implementation of a modern approach to classification and job evaluation

Set out a path for transition to and implementation of the preferred option, including a cost/benefit analysis, staffing requirements, enablers for success, barriers to overcome, changes required in legislation and CBAs, and the education and training required.


What's been done to date

Kenning Consulting hired July 2019.

Review & Recommendations of Current system

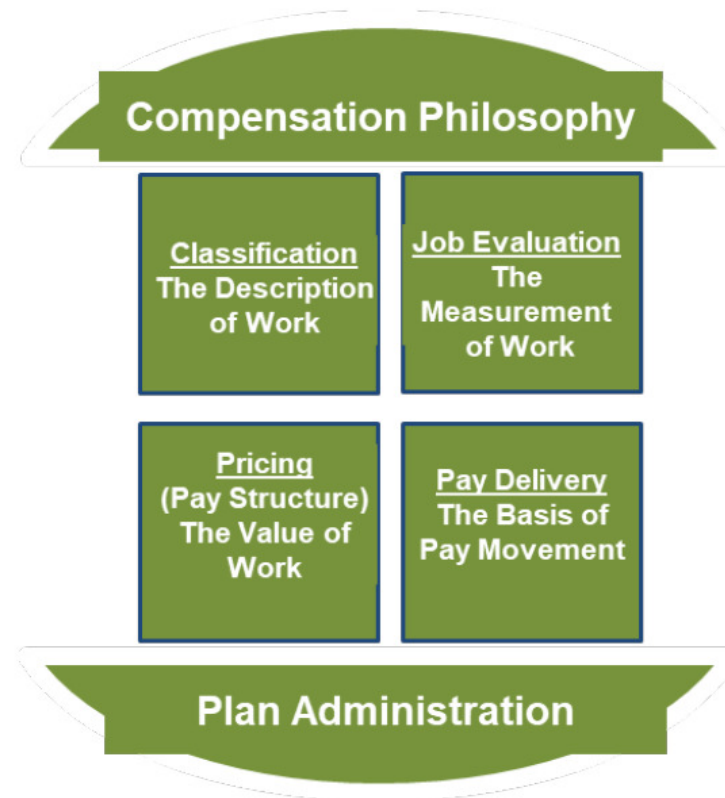
- Interview with stakeholders
- Analysis of policy, CBA regarding changes in order to move forward
- Expert analysis and documentation of our current system.
- Three Classification Options
- Cost estimate

Report completed in December '19 to include options for:

- Compensation Philosophy
 - Job Documentation & Classification
 - Job Evaluation Methodology & Process
 - Grade Structure
 - Salary Structure
 - Pay Movement
 - Plan Administration
 - Project & Change Management
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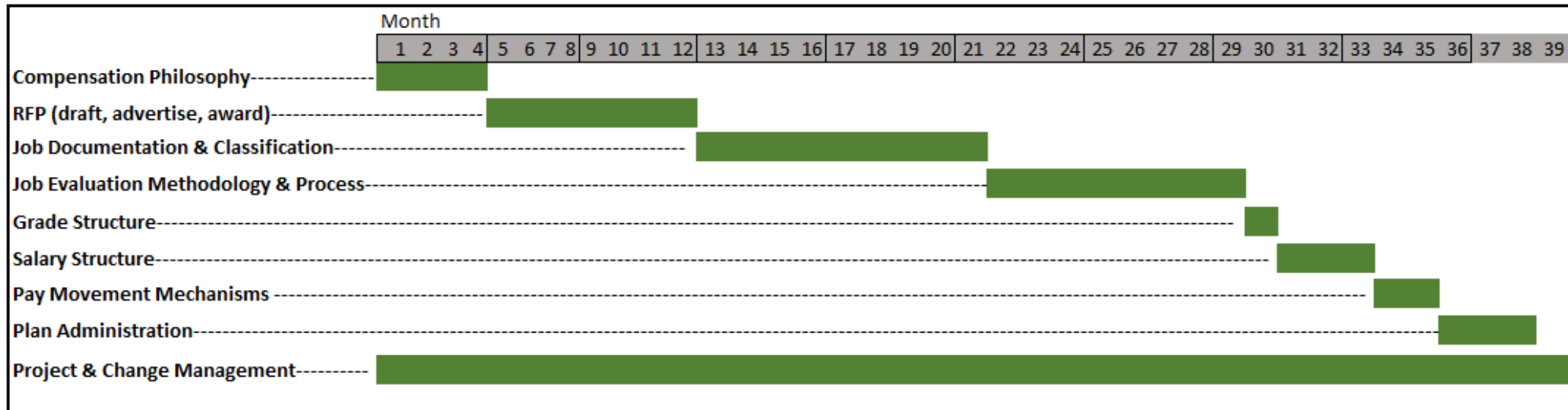
COMPONENTS OF A MODERN CLASSIFICATION AND COMPENSATION PLAN

Set out below is a model of the components of a modern and effective classification and compensation plan. While the focus of the scope of the project was intended to be on the Job Evaluation component, it is vital that there be an understanding of how each of the components are inter-related.



The components as shown above can be further broken out into 8 components as set out in the following pages, with a description of each component and commentary on the current State of Vermont practice.

Timeline



Next steps

MEET WITH STAKEHOLDERS TO DISCUSS:

COST ESTIMATE

Results of the study

Barriers to and enablers for success

Gather information and identify work that needs to be done

	Low	High
Compensation Philosophy	-	15,000
Job Documentation and Classification	100,000	125,000
work Measurement, Methodology and Process	145,000	565,000
Grade Structure	10,000	12,000
Salary Structure	35,000	50,000
Pay movement mechanisms	25,000	25,000
Plan Administration	25,000	35,000
	340,000	827,000

Next steps – Create a Compensation Philosophy

Provide foundation for design and administration of compensation plans.

Defines what you pay for and why.

Written in general terms to provide lasting basis for future compensation design and administration.