

Position Authorization and Compensation

Summary

The Position Authorization and Compensation Policy ensures that the non-represented compensation program is internally equitable, externally competitive, in alignment with the five-year strategic plan, flexible to adopt to a changing work environment, affordable and in compliance with all Federal and State employment laws. It formalizes the philosophy and provides a higher level of control and oversight over annual salary and benefit costs, the creation of new positions through all employee groups, non-represented reclassification upgrades of existing positions, and special benefit arrangements.

In order to support the vision, mission, core values and strategic goals, the organization must attract and retain high quality employees whose experience, knowledge, and skills are valued and rewarded through an effective compensation program.

The policy requires that the Board of Directors approve the following:

- on an annual basis, the budgeted number of positions and salary-range midpoint plus 10% for summary classifications by Strategic Business Unit. Any salary offers that exceed the midpoint of the range plus 10% must be brought to the Board for approval;
- on an annual basis, the total budgeted salaries and benefits for each union/non-contract group;
- any increases to the number of positions occurring during the fiscal year that exceed budgeted authority;
- on an annual basis, the non-represented employee salary schedule, including inflationary increases;
- all salary offers in excess of \$175,000 and/or any special benefit

arrangements that deviate from existing policies

Historical Perspective

As a result of legislation, the Los Angeles County Transportation Commission and the Southern California Rapid Transit District merged in 1993. As part of the merger process, a steering committee was formed to discuss and recommend policies required in order to conduct day-to-day business. The steering committee determined that neither predecessor agencies compensation program would be appropriate for the new organization without extensive modifications. As a result the committee recommended that a new classification and compensation program be developed.

In November 1994, the Board adopted a uniform classification and compensation program for non-represented employees to be effective January 1995. The Board also delegated to the Chief Executive Officer (CEO) the authority for implementing and controlling the administration of the program.

The new classification and compensation program was designed to support the pay philosophy to attract and retain quality employees whose experience, knowledge and skills are valued and rewarded through an effective compensation program. It contained a salary structure with fewer grades and a broader range span from minimum to maximum than the previous organizations. The program establishes pay ranges at approximately the 60th percentile of the market.

In December 1996, the CEO at that time announced that beginning January 1, 1997 the organization would be implementing a new job classification and compensation system to replace the previous program. The new system creates a more fair and

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equitable structure that focuses on the value of the job. Essentially, the objectives were to make this system internally equitable, flexible, and externally competitive.

Under this system, the number of classification titles was decreased and the number of pay bands increased. In addition, the new system proposed salary ranges at the 65th percentile. Salary ranges were adjusted based upon an assessment of competitiveness with market and affordability. The most recent adjustment was made when the Board adopted the fiscal year 2003 Budget increasing the salary range by 4.4 percent, effective July 1, 2002.

In September 2003, Director Yaroslavsky introduced a motion regarding the salary and compensation program stating that the salary structure, pay equity among employees, and even the creation and budgeting of new positions, has never been adequately addressed. Further, in most governmental agencies, departments must seek permission from their governing board to create new positions and set new salary levels. And, in light of diminishing federal and state resources, it is appropriate to re-examine the salary structure to ensure that our salaries are in-line with other government agencies, institute new policies that require budget authorization for positions and Board approval for the creation of new positions to ensure greater accountability by the departments and equalize salaries among staff.

The Board adopted Director Yaroslavsky's motion at the December 4, 2003 meeting, requesting that the CEO work with Human Resources and County Counsel to prepare a salary structure that provides equity among positions, to develop a policy that would require budget authorization for positions and Board

approval for the creation of new positions. He further requested that the CEO develop comprehensive job descriptions for all non-represented positions in the agency, salary scales commensurate with those positions, and a policy governing other benefits such as housing and car allowances.

At the February 2004 meeting, the Board adopted the Position Authorization and Compensation Policy. While the adopted policy has provided staff with general guidance for managing employee's salaries and classifications, it has created some time constraints when trying to move ahead with routine salary offers.

At the May 2005 meeting, the Board approved a revised Position Authorization and Compensation policy. By modifying the policy, the Board will retain overall control of the salary schedule, annual budget approval of wages and benefits, and individual approval for all salary offers in excess of salary midpoints plus 10%, or in excess of \$125,000 per year. It will also ensure that the non-represented compensation program is internally equitable, externally competitive, in alignment with the agency's five year strategic plan, flexible to adapt to changing work environment, affordable, and in compliance with all federal and state employment laws.

At the December 2006 meeting, the Board approved a motion that authorizes the Chief Executive Officer to approve the following:

- A. all non-contract position reclassifications that result in a higher level position and a salary under \$125,000;
- B. creation of new non-contract classifications within the adopted

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- fiscal year budget and FTE's with a salary under \$125,000;
- C. salary adjustments that result in salaries that are within the salary range for the position classification and under \$125,000; and
 - D. salary adjustments that result in a salary in excess of the salary range for the position classification if necessary to allow an employee to receive the full benefit of a Board approved LACMTA-wide non-contract salary adjustment such as a cost of living increase.

Last Board Action

May 22, 2008 – Adopt the Fiscal Year 2009 Budget and Amend the Position Authorization and Compensation Policy

Board adopted the Fiscal Year 2009 Budget and amended the Position Authorization and Compensation Policy authorizing the Chief Executive Officer to approve all non-contract salaries up to \$175,000, for new hires, reclassifications, salary equities and adjustments and the creation of new non-contract classifications.

See Related

HR 10 Human Resources Compensation Policy