
MEMORANDUM

TO: Board of Directors
FROM: Tom Scaglione, Chief Administrative Officer
SUBJECT: Compensation and Classification Policy Update
DATE: April 28, 2026

Recommendation

Consider adoption of changes to the Compensation and Classification Policy that align with the newly adopted Employee Handbook.

Background

On October 16, the Board of Directors adopted a revised Employee Handbook to become effective on January 1, 2026. Changes adopted in the revised Employee Handbook need to align with EMP1 Compensation and Classification Policy, which was last updated in May of 2025. The Compensation and Classification Policy was also reviewed at the April 23, 2026, Policies and Procedures Committee meeting.

Discussion

Among the changes needed to align the Handbook with policy:

1. New employees are typically hired at the minimum of the salary range, rather than a rate of pay that does not exceed the midpoint.
2. Cost of living adjustment based on annual calendar increase rate rather than the January-to-January percent change.
3. Adding a goals component to performance reviews

Other changes are less substantive and include clarifications and more concise, definitive, and unambiguous wording. This revision also includes changes to COLA provisions suggested at the committee meeting.

Fiscal Impact

The is no fiscal impact from these policy revisions.

EMP-01

COMPENSATION AND CLASSIFICATION POLICY

Last Revised/Adopted: May 23, 2024

A. JOB DESCRIPTIONS

A job (or class) description is a generalized, but not specifically detailed, description of work performed by one or more employees. They are in writing and contain the definition or purpose of a job, essential functions, qualifications, physical demands and working conditions. Not every task an employee is expected to perform is included in a job description. They are used for numerous purposes such as recruiting, performance evaluations, and salary surveys. Job descriptions are established for all authorized positions. The Board may increase or decrease the number of positions.

B. SALARY SCHEDULE

All job classifications except Chief Executive Officer (CEO) have established pay ranges, which are posted on the District website. ~~comprised of a minimum and maximum as established,~~ Pay ranges are reviewed and adjusted as necessary at least every three years, by a survey conducted by an independent professional human resources consultant to maintain market competitiveness for similar classifications in comparable organizations. ~~Salary ranges are determined in consideration of the duties, responsibilities, skills, education, and training required for the classification.~~ A The current public salary schedule is posted on the District's website.

~~As it is one of the goals of Grossmont Healthcare District's compensation policy to recruit highly qualified and productive individuals, n~~ New employees are typically hired at ~~a rate of pay that does not exceed the midpoint of the designated salary range for that classification.~~ The hiring rate should be the minimum ~~of the salary~~ range for ~~minimally acceptable qualified individualstheir classification.~~ Individuals ~~whose qualifications exceed the minimum~~ may be appointed at a rate above the minimum, ~~subject to with~~ the approval of the CEO, or the CEO's designee based on education, experience, skill, and knowledge.

C. COST-OF-LIVING SALARY ADJUSTMENT (COLA)

Any COLA increases in salary ~~is are~~ based on the ~~January to January 12-month percent change in the~~ San Diego-Carlsbad, all items, Consumer Price Index for all urban consumers (CPI-U), or its successor document, for the ~~current over the prior preceding calendar year's annual percentage increase over.~~ The COLA is based on the percent change in the CPI-U for the prior

year and is effective March 1 of each year. The COLA ~~shall be a minimum of 0% and shall not exceed a cap of 3.5%, subject to review on an annual basis.~~ is provided subject to meeting minimum performance standards and Board approval.

The COLA adjusts all salaries and salary ranges except for those salaries that are above the designated range. Employees with salaries above the designated range receive the COLA as a lump sum amount.

D. PERFORMANCE RATING/SALARY REVIEWSPAY RAISES

~~Salaries of individual employees are reviewed by the supervisor and the CEO, not less than annually, as part of the annual performance evaluation process.~~ Depending on financial health and other District factors, efforts will be made to give pay raises consistent with job performance and the consumer price index. The District may also make individual pay raises based on a change of job position.

Employees are eligible to receive salary adjustments or “merit” increase for favorable performance each year until they reach the maximum of the designated salary range for that classification. Reviews are to be based upon ~~two~~ three components: (1) goals set at the beginning of each budget year, (2) specific job standards or “core” competencies created in of each department by the CEO and department head employee’s position; and (23) actions or behavior in accordance with District Mission, Vision and Values. Employees may receive increases of up to 5% based upon meeting these components. Any salary changes due to a merit increase will be effective on July 1 of the next fiscal year ~~the beginning of the pay period that the review date falls in.~~

E. PROMOTION

A promotion is an appointment to a classification with a higher rate of pay. Employees who receive a promotion will receive either the starting rate in the pay range for their new position or a minimum of 5% over their current rate of pay, whichever is greater. ~~A promotion changes the employee’s annual review date to the effective date of the promotion.~~

F. OUT-OF-CLASS PAY

An out-of-class pay is an appointment by the Chief Executive Officer ~~to employee who is temporarily directed in writing by the Chief Executive Officer to~~ serve in a higher classification. Employees working an out-of-class appointment will receive the salary at the low end of the pay range for their new position, or 5% over their current rate of pay, whichever is greater will be compensated accordingly. To qualify for out-of-class pay, the employee must be assuming substantially the full range of duties and responsibilities of the higher level position. Out-of-class pay is not authorized during the temporary absence of a supervisor, manager, etc.

G. LATERAL TRANSFER

A lateral transfer is an appointment to a different classification with in the same pay range, in which ~~The~~ the employee's salary will remain the same, ~~and the annual review date does not change.~~

H. DEMOTION

~~There are two types of demotion, voluntary and involuntary.~~ A ~~voluntary~~ demotion is an appointment transfer to a position class within a lower salary range, which ~~and~~ may result in a decrease in pay. ~~Voluntary demotions usually occur when an employee has a desire to perform a different type of work. An involuntary demotion occurs as the result of a disciplinary action and may result in a loss of pay. A demotion changes the employee's annual review date to the effective date of the demotion.~~

I. RECLASSIFICATION

A reclassification is a change in job classification due to significant changes in the job duties and responsibilities of a position. The position changes should take into consideration the needs of the District and the best use of available resources. Supervisors should consult with Human Resources before making any significant changes to an employee's position. Requests for reclassification are submitted to Human Resources for review.

A position may be reclassified to an existing classification with a higher or lower pay range or to a new position, if necessary, as approved by the Board. When the position is reclassified to a class with a higher pay range, the employee will move to the minimum pay for the new pay range or receive a 5% pay increase, whichever is most beneficial to the employee. When a position is reclassified to a classification with a lower pay range, the employee's pay will remain at the current pay. If the employee's current pay exceeds the pay range of the new classification, the employee's pay will remain at their current pay. A reclassification changes the employee's annual performance review date to the effective date of the reclassification.