



LAKE COUNTY, ILLINOIS

Compensation and Classification Study

August 2024
Final Report



Project Methodology

Baker Tilly approached the classification and compensation study for Lake County by completing each of the following phases or milestones:

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Phase 1: Project Initiation

- **Data Collection** - Baker Tilly initiated the study by conducting a planning meeting with Lake County’s project team to discuss the current classification and compensation system, goals for conducting the study, and to walk through each phase of the process. Next, Baker Tilly collected documentation from Lake County, to include job descriptions, organization charts, pay structures, personnel policies, and any other documentation describing how work is performed or compensated.
- **Communication Meetings** - Baker Tilly presented to Lake County’s department directors and employees to let them know about the study, to answer questions, and to introduce the Position Analysis Questionnaire (PAQ) they would be asked to complete. These presentations were conducted virtually in February 2024.
- **Position Analysis Questionnaires (PAQs)** - Each employee was given the opportunity to complete a PAQ describing the work that is currently performed in their position. PAQs were reviewed by supervisors to ensure complete and accurate responses were provided.

Phase 2: Position Review

- **Title review** – Compiled PAQs were the basis for a classification review in which Baker Tilly first reviewed position titles and made recommendations, as necessary, to ensure titles appropriately reflected the nature and level of work performed.
- **Job Evaluation** – Baker Tilly conducted job evaluation using our point factor evaluation tool, called SAFE®, resulting in a hierarchy of jobs reflective of Lake County’s internal equity.
- **Fair Labor Standards Act (FLSA) Review** – Baker Tilly conducted a review of exempt and non-exempt status as outlined by the Fair Labor Standards Act. Employee-completed PAQ’s were utilized to complete this review.
- **Career Ladders** – Baker Tilly developed career ladders for entry level up to supervisor level positions for defined career progressions in each department.

Phase 3: Market Review

- **Labor Market** - Baker Tilly assisted Lake County in identifying comparative and competitive public peers reflective of its defined labor market.
- **Market Assessment** - Baker Tilly compiled base pay ranges from identified public peers for benchmark positions. Results were analyzed and reviewed with Lake County's project team to determine the organization's desired position within the market.
- **Benefits Analysis** – Baker Tilly collected pay plan, pay policies, paid time off, health insurance, retirement, and other pay and benefits program information from peer organizations selected by the County. The information collected from peer organizations was analyzed and put into a report, comparing the Lake County's benefits and pay practices to its peer organizations. The full report can be found in [Attachment 1](#).

Phase 4: Pay Plan Development

- **Pay Plan Design** – Baker Tilly developed one, new pay plan and established grade assignments for positions based on internal and external equity. Preliminary results were reviewed with Lake County's project team and Department Directors.
- **Implementation Cost Analysis** – After grade assignments were finalized, implementation costs were calculated and reviewed with Lake County's project team.
- **Pay Policy Review** – Baker Tilly will work with the County to review, and update pay policies such that they reference the new pay plans and the County's compensation philosophy for administration.

Phase 5: Project Completion

- **Final Report** - At the conclusion of the study, Baker Tilly prepared this final report documenting the methodology used throughout the classification and compensation study, findings and results of the study, as well as our recommendations based on those results.
- **Training** - Baker Tilly provided training to Lake County's human resources team responsible for the maintenance and administration of the new classification and compensation system. This included instructions for utilizing our SAFE® Job Evaluation system than can be utilized by HR to maintain the new classification and compensation plan going forward.

Position Review

Title Review

Over time, position titles may become inconsistent, inaccurate or even inflated. An appropriate title should reflect the nature and level of work performed in that job. Baker Tilly reviewed Lake County’s position titles and provided recommendations for adjustments, consolidations and reclassifications, as necessary. Additionally, some proposed titles were recommended by Lake County and were incorporated into the results of the study. Title recommendations were also made for the purpose of standardizing formatting, spelling and use of abbreviations which can significantly impact the administration of a classification system. A comparative list of current titles to proposed titles can be found in [Attachment 2](#).

Job Evaluation

Job evaluation is the process of comparing a job against other jobs within the organization as a means for determining the relative value of each job. In other words, job evaluation is a tool for identifying the internal value within the organization. The Systematic Analysis and Factor Evaluation (SAFE®) is a point factor evaluation process developed specifically for the measurement of local government positions. Job evaluation is often the preferred method for reviewing jobs internally because, as an approach, it tends to be systematic, objective, and – therefore - defensible. For that reason, job evaluation is often a tool used to comply with federal, state, and local regulations related to the Equal Pay Act. SAFE is comprised of nine (9) compensable factors listed in **Table 1**.

Table 1: SAFE Compensable Factors

Compensable Factors	Descriptions / Measurements
Education	Minimum education level required by the position
Experience	Minimum years of experience required by the position
Level of Work	Degree of difficulty of work performed by the position
Human Relations	Type and level of human interactions
Working Conditions	Environmental conditions experienced by the position
Physical Demands	Physical exertion regularly performed by the position
Independence to Act	Degree of independence to make decisions and act
Impact of Actions	Severity of consequences as a result of decisions
Supervision Exercised	Type and level of supervision exercised

The following factors were not considered when evaluating positions with the SAFE methodology: employee performance, length of service with the organization, amount of time in the position, education or experience greater than what is required by the position, current salary, or market rates.

In using a point factor job evaluation system, the end result is a total score for each position which represents the internal value of that position. Collectively, these total scores establish a hierarchy across the organization. It's important to emphasize that job evaluation is a measurement of the position and not the person in the position. Baker Tilly evaluated positions based on employee completed PAQs. Lake County’s project team reviewed and revised SAFE designations, as necessary, and worked with Baker Tilly to establish final scores for each position included in the study.

Market Review

Public Peer Organizations

Understanding your labor market is key to selecting relevant peer organizations for a market study. Factors to consider include industry, organization size, geographic location, competition for talent, and published data available. Baker Tilly partnered with Lake County to identify public peer organizations that represent Lake County’s competitive and comparative labor market.

Baker Tilly contacted each organization to request base pay information for benchmark positions. Data was collected and compiled from 15 of the 16 peer organizations listed in bold below.

Published Sources

Published salary data was incorporated into the study’s results to reflect the private sector. The following sources were included:

- Bureau of Labor Statistics (BLS). The Occupational Employment Statistics (OES) survey is a semiannual survey measuring wage rates by industry and is displayed nationally, by state, and/or metropolitan area. BLS data used in this survey was pulled at the 10th and 90th percentile to represent the minimum and maximum thresholds of a salary range.
- Comp Analyst is a salary data resource from Salary.com that is comprised of HR-reported pay data comprised of 800 million market data points from more than 25,000 organizations resulting in data across 15,000 unique job title, 225 industry breakouts, 27,000+ compensable factors, in 42,000+ geographies.
- Economic Research Institute (ERI) is a salary data resource reporting market data for more than 11,000 jobs in more than 9,000 different locations across more than 1,100 industry sectors. ERI data is updated quarterly. ERI data used in this survey was pulled at the 10th and 90th percentile to represent the minimum and maximum thresholds of a salary range.
- PayFactors is a robust compensation platform that helps organizations develop competitive, fair, and transparent pay strategies. It integrates multiple data sources, including employer-reported, peer, and employee data, providing a comprehensive view of market trends. PayFactors allows organizations to customize salary structures based on factors such as industry, location, company size, and specific job skills or certifications.

Table 2: Peer Organizations

City of Evanston	McHenry County
City of Lake Forest	Milwaukee County, WI
City of Waukegan	Village of Buffalo Grove
DuPage County	Village of Gurnee
Johnson County, KS	Will County
Kane County	DuPage Public Health
Kenosha County, WI	Cook County
Madison County	Howard Brown Health



Data Adjustments

The base pay information compiled was adjusted, as necessary, to account for the following:

- Differences in work week. For example, reported salaries for a 37.5-hour work week were adjusted to reflect that wage for a 40-hour work week.
- If the market data obtained did not reflect the year in which this study was conducted, the data was aged using based on guidance from World at Work's Annual Salary Budget Survey results. For Lake County's project, incorporated data from the Bureau of Labor Statistics was aged to bring the data forward to 2024.
- Geographic adjustments were applied to account for cost-of-labor differences between Lake County and peer organizations. Baker Tilly uses cost-of-labor differentials reported by the ERI's Geographic Assessor tool.

Where cost of living is a measurement of goods and services in each area, the cost of labor is a measurement of changes to compensation over time. Cost of labor can be impacted by the cost of living, but also relates to the supply and demand of labor in each area (rate of unemployment and number of qualified laborers). Geographic differentials applied for each peer and published source can be found in **Table 2**.

Table 2: Peer Organizations and Geographic Adjustments

Date Pulled	Client Name	Location	Geo Adjust	Client Avg Base
5/17/2024	Lake County, IL	Lake County, IL	107.6	
Peer #	Peer Organization	Locality Used	ERI Indicator	GeoDiff %
1	City of Evanston	City of Evanston	110.9	-3.3%
2	City of Lake Forest	City of Lake Forest	106.5	1.1%
3	City of Waukegan	City of Waukegan	107.1	0.5%
4	DuPage County	DuPage County	108.0	-0.4%
5	Johnson County, KS	Johnson County, KS	98.4	9.2%
6	Kane County	Kane County	104.5	3.1%
7	Kenosha County, WI	Kenosha County, WI	106.6	1.0%
8	Madison County	Madison County	102.2	5.4%
9	McHenry County	McHenry County	107.7	-0.1%
10	Milwaukee County, WI	Milwaukee County, WI	100.2	7.4%
11	Village of Buffalo Grove	Village of Buffalo Grove	107.7	-0.1%
12	Village of Gurnee	Village of Gurnee	106.5	1.1%
13	Will County	Will County	107.9	-0.3%
14	DuPage Public Health	DuPage County	108.0	-0.4%
15	Cook County	Cook County	110.5	-2.9%
16	Howard Brown Health	City of Chicago	110.5	-2.9%
17	Comp Analyst	Illinois State Average	106.0	1.6%
18	ERI	Illinois State Average	106.0	1.6%
19	Bureau of Labor Statistics (BLS)	Illinois State Average	106.0	1.6%
20	Payfactors	Illinois State Average	106.0	1.6%

In **Table 2**, the GeoDiff% column reflects the adjustment that was applied to that peer's data. A negative adjustment means the cost of labor in that peer's location is higher than Lake County's.

For example, compiled data for Cook County was adjusted down by 2.9% while data for Johnson County was adjusted up by 9.2% to meet the cost of labor in Lake County.

Quality Control

Baker Tilly matched peer positions to Lake County's benchmark positions based on a 75% overlap in duties and responsibilities. Further, Baker Tilly required at least three matches per benchmark position to calculate a market value. Positions that had insufficient data (less than three matches) are identified as such in the market results. Because market results are established by a calculation (such as an average of all midpoints), a bigger sample size tends to yield greater confidence in those results.

- Benchmark positions with sufficient data had 5.7 market matches each, on average.

Market Results

In total, 488 of Lake County's positions were included in the survey as benchmark positions. Baker Tilly requested base pay ranges (minimum to maximum) and calculated for the midpoint of each collected range. Of the 488 benchmark positions, 97 positions received insufficient data and a market value was not calculated. Overall, market values were established for 391 of the benchmark positions (80.1%). Results were shared with Lake County in June of 2024.

- Aggregate data showing market average minimum, midpoint, and maximum results were prepared for the 391 benchmarks with sufficient data and can be found in [Attachment 3](#).
- A comparison of current midpoints against market average midpoints was prepared for Lake County with thresholds demonstrating 5% above and 5% below market for conversations about Lake County's compensation philosophy and desired position within its defined labor market. This report can be found in [Attachment 4](#).
- Finally, a comparison of current midpoints against market average midpoints was prepared for Lake County with thresholds demonstrating 5% above and 5% below market for conversations about Lake County's compensation philosophy and desired position within its defined labor market. This report can be found in [Attachment 5](#).

Based on market values for the 391 benchmark positions:

- Lake County's minimums are [7.8% below](#) market minimums on average.
- Lake County's midpoints are [1.4% below](#) market midpoints on average.
- Lake County's maximums are [0.5% above](#) market maximums on average.

Pay Plan Development

Upon reviewing the market survey results with Lake County, Baker Tilly led a discussion with the organization regarding desired position within market, design preference for the new pay plan, and an approach for classifying positions to the pay plan. Lake County currently utilizes two pay structures for non-bargained positions.

Current Non-Bargained Pay Plans

Lake County's current pay plans for non-bargained positions have a combined 25 grades (numbered 1 to 15 and 2* to 13*), open from minimum to maximum (no defined steps), with varying range spreads and varying midpoint differentials (distance between grades at the midpoint), shown in **Table 3** and **Table 4**. The positions assigned to the pay plan in **Table 4** have higher technical job requirements.

Range Spreads: As a best practice, the range spread should be tailored to the size of the job or the learning curve of the job. With the midpoint as the anchor to the market, therefore, the minimums and maximums would expand or retract around that anchor depending on the range spread.

The distance between minimum to midpoint should be correlated with the time it takes a new person to become proficient in the job.

In the **Table 3** pay plan, it would take an average of 9.42 years for a new employee to move from the starting minimum to the midpoint of their pay range (assuming a consistent 3% increase each year or 28.26% total). In the **Table 4** pay plan, it would take an average of 13.03 years for a new employee to move from the starting minimum to the midpoint of their range (assuming a consistent 3% increase each year or 39.1% total). Therefore, the current range spreads may prevent Lake County from providing market competitive starting salaries that would attract necessary talent.

Table 3: Current Non-Bargained Pay Plan

Grade	Minimum	25th Percentile	Midpoint	Maximum	Range Spread	Mid Diff
1	29,120.00	33,662.34	38,204.68	47,289.36	62.4%	
2	33,987.20	38,781.60	43,576.00	53,164.80	56.4%	14.1%
3	37,731.20	43,082.00	48,432.80	59,134.40	56.7%	11.1%
4	42,681.60	48,718.80	54,756.00	66,830.40	56.6%	13.1%
5	48,193.60	55,036.80	61,880.00	75,566.40	56.8%	13.0%
6	54,454.40	62,171.20	69,888.00	85,321.60	56.7%	12.9%
7	61,609.60	70,319.60	79,029.60	96,449.60	56.5%	13.1%
8	70,200.00	80,152.80	90,105.60	110,011.20	56.7%	14.0%
9	80,100.80	91,426.40	102,752.00	125,403.20	56.6%	14.0%
10	91,312.00	104,197.60	117,083.20	142,854.40	56.4%	13.9%
11	104,956.80	119,828.80	134,700.80	164,444.80	56.7%	15.0%
12	120,806.40	137,857.20	154,908.00	189,009.60	56.5%	15.0%
13	138,840.00	158,501.20	178,162.40	217,484.80	56.6%	15.0%
14	159,744.00	180,954.80	202,165.60	244,587.20	53.1%	13.5%
15	183,726.40	208,098.80	232,471.20	281,216.00	53.1%	15.0%

Table 4: Current Non-Bargained Pay Plan, Technical Skills

Grade	Minimum	25th Percentile	Midpoint	Maximum	Range Spread	Mid Diff
2*	33,987.20	40,664.00	47,340.80	60,694.40	78.6%	
3*	37,731.20	45,115.20	52,499.20	67,267.20	78.3%	10.9%
4*	42,681.60	51,017.20	59,352.80	76,024.00	78.1%	13.1%
5*	48,193.60	57,631.60	67,069.60	85,945.60	78.3%	13.0%
6*	54,454.40	65,104.00	75,753.60	97,052.80	78.2%	12.9%
7*	61,609.60	73,637.20	85,664.80	109,720.00	78.1%	13.1%
8*	70,200.00	83,933.20	97,666.40	125,132.80	78.3%	14.0%
9*	80,100.80	95,737.20	111,373.60	142,646.40	78.1%	14.0%
10*	91,312.00	109,106.40	126,900.80	162,489.60	77.9%	13.9%
11*	104,956.80	125,481.20	146,005.60	187,054.40	78.2%	15.1%
12*	120,806.40	144,357.20	167,908.00	215,009.60	78.0%	15.0%
13*	138,840.00	165,984.00	193,128.00	247,416.00	78.2%	15.0%

Proposed Pay Plan

The proposed pay plan has 25 grades (numbered 1 - 25), open from minimum to maximum (no defined steps), shown in **Table 4**. This plan is aligned to 100% of the market at the midpoint, with a starting midpoint of \$45,500 (which is an increase from \$38,204.68 in the current plan). This is a match-market compensation philosophy.

Midpoint differentials range between 4% to 13% and are tailored throughout to accommodate varying levels of work and career progressions.

Range spreads are narrowed to 40% for grades 1 – 5; 45% for grades 6 – 9; 50% for grades 10 – 15; 55% for grades 16 – 19; and 60% for grades 20 to 25. New employees hired into positions assigned to grades 1 - 5 could move from minimum to midpoint within 6.67 years as opposed to 9.63 years currently (assuming a 3% annual adjustment).

Proposed Grade Assignments

In total, 712 positions were classified to a grade in the new pay plan with consideration to internal and external results. More specifically, results from the SAFE job evaluation process along with market average midpoints were used in part or in whole to establish internally equitable and externally competitive grade assignments. A regression analysis was used to test the relationship between these two data sets and help frame the new pay structure.

Table 4: Proposed Pay Plan

Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Differential
1	\$37,917	\$45,500	\$53,084	40%	
2	\$40,382	\$48,458	\$56,535	40%	7%
3	\$43,007	\$51,608	\$60,210	40%	7%
4	\$46,663	\$55,995	\$65,328	40%	9%
5	\$51,795	\$62,154	\$72,513	40%	11%
6	\$57,080	\$69,923	\$82,766	45%	13%
7	\$62,074	\$76,041	\$90,007	45%	9%
8	\$65,488	\$80,223	\$94,958	45%	6%
9	\$70,400	\$86,240	\$102,080	45%	8%
10	\$73,131	\$91,414	\$109,697	50%	6%
11	\$78,250	\$97,813	\$117,375	50%	7%
12	\$83,728	\$104,660	\$125,592	50%	7%
13	\$89,589	\$111,986	\$134,384	50%	7%
14	\$93,172	\$116,465	\$139,758	50%	4%
15	\$96,899	\$121,124	\$145,349	50%	4%
16	\$99,749	\$127,180	\$154,611	55%	5%
17	\$106,233	\$135,447	\$164,661	55%	7%
18	\$114,732	\$146,283	\$177,835	55%	8%
19	\$122,763	\$156,523	\$190,283	55%	7%
20	\$128,228	\$166,697	\$205,165	60%	7%
21	\$137,845	\$179,199	\$220,552	60%	8%
22	\$147,495	\$191,743	\$235,992	60%	7%
23	\$159,294	\$207,082	\$254,870	60%	8%
24	\$165,665	\$215,365	\$265,064	60%	4%
25	\$175,605	\$228,287	\$280,968	60%	6%

Job evaluation results were used to initially assign positions to a grade in the new pay plan. From there, grade assignments were adjusted, as necessary, to account for external equity (market average midpoints), existing equity (current midpoints and grade groupings), career progressions, supervisor-subordinate separation, and grade compression, etc.

The following information was NOT considered when assigning positions to a grade:

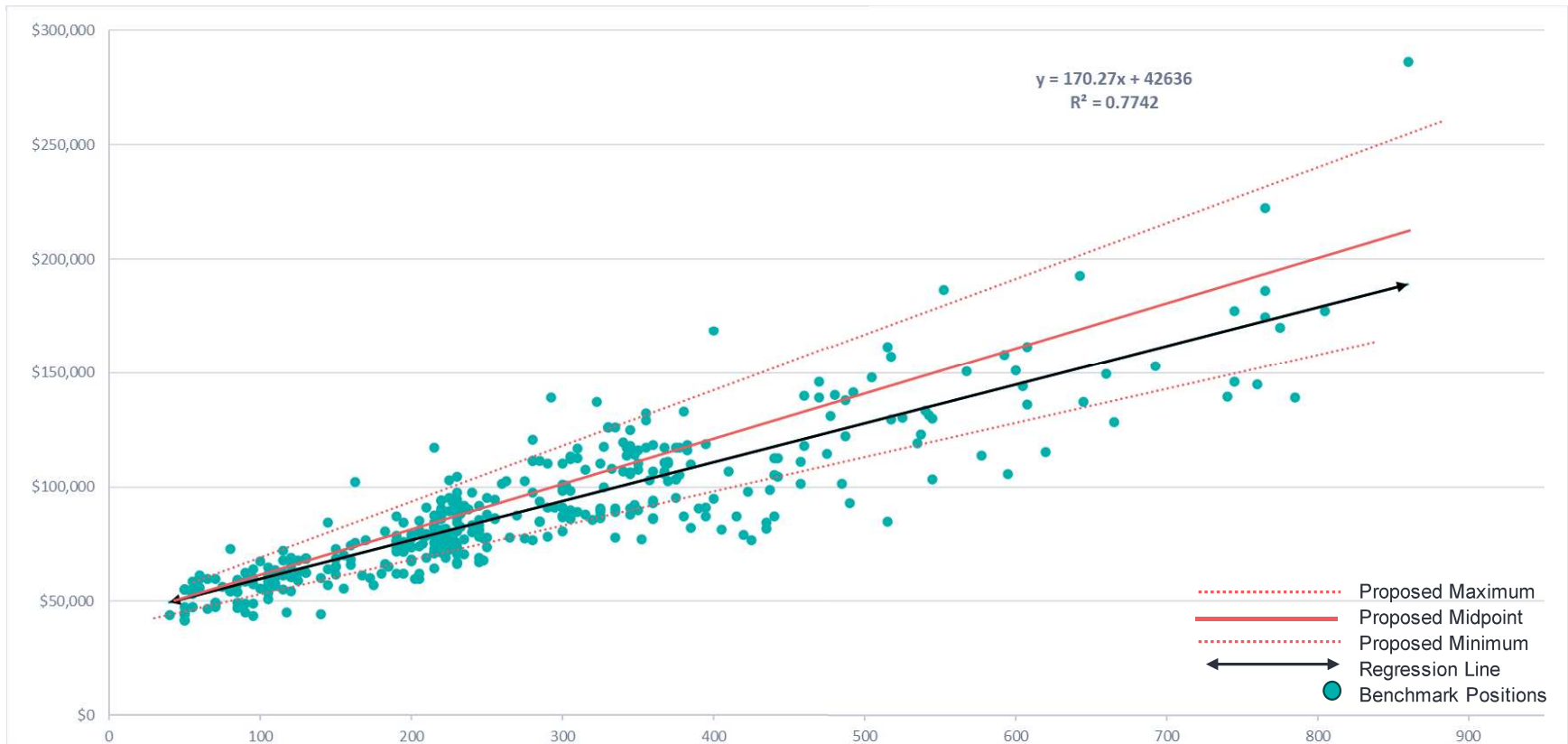
- The person in the position
- Performance
- Length of service
- Employee existing salary

Preliminary grade assignments were reviewed with Lake County’s project team to address any outliers. Next, Baker Tilly facilitated a review of the grade assignments with Lake County’s Department Directors and Offices and collected feedback. Some follow up information was needed to reevaluate positions or consider relevant data to finalize grade assignments. The title and grade assignments for the proposed pay plan can be found in [Attachment 6](#).

Regression Analysis

In statistical modeling, a regression analysis is used to measure the relationships between data sets and even predict one variable based on another. Here, Baker Tilly used a regression analysis to compare total SAFE scores against market average midpoints, shown in *Figure 1*.

Figure 1: Regression Analysis



Overall, there is a 77.42% correlation between the internal (job evaluation) and external (market) values. Due to the high correlation in internal and external values, Lake County would be able to maintain the new classification and compensation plan using our SAFE job evaluation process as a means for reclassifying positions that have changed over time, adding new positions, consolidating positions, etc. into the future.

Implementation Cost Analysis

Baker Tilly developed three implementation scenarios for Lake County to consider in its adoption of the new classification and compensation plan. Implementation calculations represent base pay in US dollars only. Overtime, fringe benefits, and any other pay differential is not included in implementation cost analysis. There were 1,672 employees and vacant positions included in the implementation calculations. In total, 467 employees have a salary that is less than their new minimum, while 1,167 have a salary that already falls within their new assigned range, and 38 had a salary above their new maximum.

Employees with a salary above the new maximum were excluded from implementation calculations. The best practice, and Baker Tilly’s recommendation, is for these salaries to be ‘red circled’ or frozen until the market catches up. *Baker Tilly does not recommend a pay decrease for any employee as a result of the study.*

	# of Staff
Totals	1,672
Employees Below Minimum	467
Employees Within Range	1,167
Employees Above Maximum	38

Implementation Scenarios for the proposed general pay plan:

Option 1: The 467 employees below the minimum would move to the minimum of their new range and all other employees would retain their existing salary. Option 1 represents the minimum action required to adopt the proposed pay plan.

Option 2: If movement to the minimum for the 467 employees results in less than a 2% adjustment, they would receive a full 2% adjustment instead. Employees within range would receive a 2% adjustment while employees above the maximum would retain their existing salary. The purpose of this scenario is that no employee receives less than a 2% adjustment.

Option 3: Employees receive a 1% adjustment for each year of service to Lake County starting at the minimum of the range. This scenario caps years of service at 10 years. For example, an employee who had been with Lake County for 6 years would receive a 6% adjustment from the minimum of their range. This scenario is meant to help alleviate compression by moving employees further into their range relative to their time with Lake County. Any employees whose current salary is greater than that calculation would retain their existing salary.

Recommendations

Lake County is a service-oriented organization. The organization delivers services through its employees who are a major investment in the organization's infrastructure.

This report contains information which has been gathered from a variety of sources, objectively analyzed, and structured in a way that will provide a fair and defensible system for Lake County to compensate its employees. It is our independent judgment that has resulted in the following recommendations.

We urge Lake County to:

- Approve the proposed title changes.
- Adopt the use of SAFE job evaluation and approve the recommended position title and classification adjustments.
- Approve the use of the new pay plan with tailored range spreads.
- Approve the proposed grade assignments which have been established with consideration of internal and external data results as well as input from Lake County's project team and department heads.
- Approve an implementation scenario that addresses Lake County's compensation philosophy, business goals, and that is fiscally attainable and sustainable.
- Continue efforts to maintain the classification and compensation system:
 - Routinely review positions, job descriptions, and market conditions.
 - Adjust the pay structure and salaries, as needed, to keep pace with market conditions.
 - Commit to advancing employees through their assigned pay ranges based on Lake County's policies.