
PAY CLASSIFICATION STUDY

Taylor County BOCC

2014



Cody & Associates, Inc.

MANAGEMENT CONSULTANTS

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July 31, 2014

Marcella F. Bridier, HR Director
Taylor County
201 E. Green Street
Perry, Florida 32347

Dear Ms. Bridier:

We have completed our assignment and are submitting the draft report of our **Pay Classification Study** for all full time positions in the service of the BOCC.

This report has been prepared as an accounting of our assignment and to record our approach. The recommendations and comments in the report reflect our objective appraisal based on analysis and discussion to the extent possible within the scope of the assignment.

Our objective was to develop a Compensation Plan Study that is equitable to both the employees and to the County.

We appreciate this opportunity to be of service to you and express our thanks for the cooperation and courtesy which was extended to us by all of your employees during the Study.

Respectfully submitted,



N. E. Pellegrino
Principal Partner

PAY CLASSIFICATION STUDY

Taylor County

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INTRODUCTION

This report, on the Study of the Salaries for Taylor County BOCC, contains details of all elements of the Study. In preparing this report, *Cody & Associates, Inc.* has used its best efforts and has taken reasonable care. To an extent, the Report relies on information and data received from third parties in whom *Cody & Associates, Inc.* has assumed the accuracy and completeness thereof.

Cody & Associates, Inc. cannot guarantee that any particular result will follow from any action taken on the basis of this Report. The information and opinions expressed in this Report have significance only within the context of the entire Report. No parts of this report should be used or relied upon outside of that context.

This Study is not an end in itself, but a vital element in a sound management program for the County. A good overall management system requires continuous work and polishing, once the plan is implemented.

Adjustments will continually have to be made to reflect changes in the labor market place in order to maintain a current and equitable compensation system and pay plan.

STUDY ASSIGNMENT AND OBJECTIVES

Taylor County, Florida, retained the services of *Cody & Associates, Inc.* to conduct a Pay Classification Study for all full time positions under their jurisdiction.

In our approach to establishing a Pay Plan, we were concerned with the following basic objectives:

- A. Formulating a Pay Plan that will assist in reducing turnover costs and promote careers with the County.
- B. Designing a Pay Plan that will attract qualified personnel to render the services that the County provides.
- C. Establishing salary ranges, and determining individual salary levels.
- D. Establishing equitable relationships of one job to another within the work force (equal pay for equal work).
- E. To ensure fair and equal compensation opportunities for equal contributions to the effective operations of the County.
- F. Designing current Salary Ranges which are competitive with reasonably similar positions in the labor market where the County recruits for employees and which

are consistent with the economic conditions in Taylor County.

- G. Establishing or maintaining normal lines of promotion to and from the various classes of positions in the Personnel System.

To achieve these objectives, we divided the assignment into four (4) major segments:

- A. Position Review
- B. Wage Survey
- C. Methods of Implementing Survey Results and Recommendations
- D. Report Preparation and Presentation

II

POSITION REVIEW PHASE

The Position Review Phase of the Study included the following:

A. *REVIEW OF POSITIONS*

The objective of this phase was to review information about the BOCC's full time positions and provide a factual basis for using the positions in a comprehensive salary survey and job matching process.

1. JOB DESCRIPTIONS & POSITION DESCRIPTION QUESTIONNAIRES

- a. Job descriptions along with the position description questionnaires were analyzed by the consultant to help determine proper placement in the pay structure.
- b. Develop benchmark positions for use in the salary survey.

2. COLLECTION OF OTHER INFORMATION

We compiled information such as:

- a. Current organization and staffing charts.
- b. Personnel policies, rules and regulations.
- c. Other pertinent procedures and data.

III

SALARY PHASE

The Salary Phase of the Study included the following:

A. SALARY SURVEY

The objective of this survey was to determine what must be provided in terms of salaries in order to obtain or retain personnel; in other words, to be competitive with other employers recruiting from the same labor market. The steps included:

1. SELECTION OF SURVEY CLASSES (Bench Marks)

We utilized as many as possible of the present classes in the salary survey in order to get the best possible data. These benchmark jobs represented all of the occupations and levels in the County's organization and those occupations which could be compared with other employers.

2. IDENTIFICATION OF LABOR MARKET

The relevant labor market to be surveyed was identified as the local operating area of Taylor County. These agencies included: Counties of: Gadsden, Gulf, Jackson, Madison, Wakulla, Washington, and the cities of Chipley, Quincy, Perry, and Marianna.

We also used data in our database as a guide which included comparable positions statewide and in the panhandle.

3. SURVEY METHOD

In compiling this data, we obtained from the designated agencies their minimum and maximum salaries of positions in each classification. If this data was not available we utilized the actual salary being paid.

Another step we use in our calculations, in order to provide the most accurate data possible, is to apply the standard deviation principle. The standard deviation is the most commonly used indicator of variability of a distribution of data. The usual and most accepted interpretation is in terms of the percentage of cases included within one standard deviation below the mean to one standard deviation above the mean. This range on the scale includes about two-thirds ($\frac{2}{3}$) of the cases in the distribution. Data was entered into our database and then edited to ensure that the data was reasonable and representative and had been accurately reported and recorded. Responses were eliminated when they appeared atypical or exhibited extreme values in wages.

In matching Taylor County's benchmark positions to others in the survey marketplace we concentrated on similar job functions, type of authority, and responsibilities and skill sets needed to do the job. Over the years *Cody & Associates, Inc.* has completed compensation studies for almost all the agencies used in the survey group which made matching jobs more equitable.

B. DEVELOPMENT OF THE SALARY SCHEDULES

The objective of this aspect of the Study was to compile the results of the salary survey and to design appropriate salary schedules and plans for all the positions covered.

C. GENERAL SALARY FINDINGS AND COMMENTS

We found approximately 25% of all the fulltime employees' current salaries were below the recommended minimums of the recommended salary ranges of their positions, and most of the maximums were below the recommended salary maximums. We found none of the County's employees were paid over the market level maximums in our survey.

A complete list of the recommendations can be found in Enclosure 1, 2 and 3. It should be noted even with the recommended new range for the firefighter EMT the County will still be trailing the City of Perry and may still experience retention problems in this classification.

Part time, seasonal, and on-call position salary rates will be determined by the County Administrator.

D. RECOMMENDATIONS

1. Adopt the recommended salary ranges and schedules as submitted in this report, when it is economically feasible to do so (Enclosures 1, 2 and 3).
2. *Cody & Associates, Inc.* will assist the County further in the implementation process, as requested.

IV

COMPENSATION PLAN

A. *PURPOSE*

The Compensation Plan is intended to provide all employees with an equitable and competitive pay, relative to pay received by other employees performing similar work in other areas of the County's organization and relative to rates received by other employees in the labor market from which the County employees are recruited.

The Compensation Plan includes the basic Salary Schedule and the schedule of salary ranges for all classes of positions included in the Classification Plan.

B. *COMPENSATION PLAN DESIGN*

At the present time the County is using a step plan salary schedule. We are recommending the County adopt the Minimum to Maximum pay plan structure.

This is the most flexible system in use today, especially in the public sector. Some of the advantages in this type of structure are:

1. The employer is not limited to the rigid intervals between steps when considering salary increases, as is the case when a step pay plan is used.

2. The employee can usually be compensated by whatever percentage increase, based upon job performance, the employer desires.
3. The Minimum-Maximum Plan provides more flexibility when ability to fund is a problem.
4. The Minimum-Maximum Plan is easier to administer and understand.

C. APPOINTMENT AND STARTING RATE GUIDELINES

1. The minimum rate for a position is the appointment (in-hiring) rate for a new employee. This rate reflects the "market place" value of the position based upon the minimum qualifications needed to perform the work. We are recommending the County adopt the minimums proposed as a result of our Study and that these minimums be used as the appointment rates. However, more latitude and flexibility must be exercised when determining actual in-hiring rates for applicants **in hard to fill critical or managerial positions** since experience and availability are key factors.
2. Generally, appointments below or above the minimum salary may be authorized in the following situations:
 - a. If the applicants training, experience or other qualifications are above those required for the position appointments may be approved by the County Administrator on a case by case basis, at a rate of up to the mid-point of the range established for the position.
 - b. Appointments below the minimum salary can be handled as described in Section H.

D. SALARY RANGES AND PROGRESSION

1. The Pay Plan consists of a Salary Schedule containing salary ranges, the compensation attached to the ranges, and a schedule listing the assignments of each class in the Classification Plan to a range in the Salary Schedule.
2. Employees can receive a salary increase by one or more of the following ways: performance salary advancement; across-the-board increase; cost of living; adjustments; promotion; reclassification; or pay range adjustment.
3. Salary ranges are used to develop incentives among employees to improve their work performance and quality. In the present climate of fiscal concerns it is essential to have some type of salary program geared to improving overall productivity and efficiency of work.

E. PERFORMANCE (PRODUCTIVITY) INCREASES

1. An increase within the same pay range should not be automatic, but should be based upon a Performance Evaluation System or other system that measures an individual's effort and effectiveness.
2. An employee should be eligible for salary advancement annually on an anniversary or a fiscal year basis and as warranted by performance, provided there are funds available for the increases.
3. Salary advancement to the mid-point of the salary range is considered as

the developmental phase of the salary progression. Increases to this point are usually more rapid than after the mid-point is reached.

The developmental phase includes the probationary period and signifies the time an individual should become totally effective and productive according to the established County standards and/or desires.

The area beyond the mid-point of the salary range is referred to as the incentive phase. Movement in this phase of the range should be reserved for performance over and above which is considered as an average, acceptable job. This area should be based truly on performance.

F. PAY GRADE ADJUSTMENT

1. Where the pay range of an existing classification is raised, it is important to maintain established pay relationships and pay spreads within a work unit and not unduly compress pay between new and longer service employees.
2. In instances where the total pay plan is being revised, adjustments and implementation should be determined at that time, which will consider cost impact and other factors.

G. RECLASSIFICATION/ORGANIZATIONAL CHANGES

When a position is reclassified to a higher class, adjustments to salary should be handled in the same manner as Promotion.

When a reclassification results in assignment to a lower class, adjustment should be made in accordance with the rules for Demotion.

H. *TRAINEE CATEGORY*

If an applicant for a position does not meet the minimum qualifications, but is otherwise qualified for the position, the department head may request the appointment as a "TRAINEE". In such cases, the employee could be hired at a rate of ten to fifteen percent (10%-15%) below the minimum salary, until the minimum qualifications have been satisfied.

The individual's probationary period should not begin until he/she has completed the trainee period.

This category is used to train people on-the-job who have the potential to do the work, but lack some of the skills or experience needed. The normal time a person remains in a trainee category would be a minimum of six (6) months and a maximum of twenty-four (24) months. This time period would depend upon the skills or experience needed in individual cases and when certification requirements are completed.

I. *SPECIAL ASSIGNMENT CATEGORY (SAC)*

This category can be used when an individual in a position is given an assignment(s) which encompasses duties and responsibilities of a different, advanced, and/or supervisory nature. These assignments are usually for a specified limited period of time. This type assignment is of a temporary nature, can be rescinded unilaterally by the County, and does not constitute a promotion. All assignments which extend beyond 30 work days must be approved by the County Administrator. A pay supplement may be given for that period of time.

J. POST-MAXIMUM INCENTIVE

The maximums of the recommended pay ranges are the point where an employee's pay progression usually stops. This marks the place where the "worth" of the position, according to the market place and comparable jobs, has reached its limit. However, many agencies feel some type of pay incentive past this maximum point is necessary to continue the productivity of the individual at an acceptable level. We feel there is some merit to this practice and have seen most agencies in the survey sampled, utilizing some forms of an incentive.

We are recommending a valid performance adjustment program for your consideration and implementation.

When the individual has reached the maximum of the pay range, he/she will be eligible for a performance type adjustment. This adjustment would not be added to the individual's base pay. The amount of the adjustment will be determined by the County. This type of arrangement has the effect of not compounding salary or fringe benefit costs and limits the overall short and long-term impact on the County. It also helps in the retention of productive long-term employees. These increases should be based upon performance and considered on an annual basis.

V

IMPLEMENTATION

To implement the proposed Compensation Plan we recommend adjusting the salaries of employees who fall below the minimum in their recommended range to the minimum rate.

Recommended Pay Grade - By Internal Relationship

	Present		Proposed		
	Min	Max	P/G	Min	Max
Custodian	13,104	18,139	110	16,494	23,916
Kennel Tech	13,104	18,139	110	16,494	23,916
Roll Off Attendant	13,104	18,139	110	16,494	23,916
Recycling Tech	16,723	23,148	120	17,319	25,112
Road Maintenance Tech	16,723	23,149	120	17,319	25,112
Secretary (EMS)	17,555	24,301	140	19,094	27,686
Animal Control Officer	19,365	26,805	150	20,049	29,070
HEO I	19,365	26,805	150	20,049	29,070
Mechanic I	18,429	25,510	150	20,049	29,070
Road Maintenance/Sign Tech	19,365	26,805	150	20,049	29,070
Social Services Tech	18,429	25,510	150	20,049	29,070
HEO II	20,322	28,130	160	21,051	30,524
Library Tech II	19,365	26,805	160	21,051	30,524

* Based on 2912 hours annually

Recommended Pay Grade - By Internal Relationship

	Present		Proposed		
	Min	Max	P/G	Min	Max
Board Receptionist	22,422	31,038	170	22,104	32,050
Facility Maintenance	22,422	31,038	170	22,104	32,050
HEO III	21,341	29,541	170	22,104	32,050
Secretary - Extension Services	22,422	31,038	170	22,104	32,050
Secretary (Solid Waste)	21,341	29,541	170	22,104	32,050
Engineering Tech	23,525	32,564	180	23,209	33,653
HEO IV	23,525	32,564	180	23,209	33,653
Building/Planning Tech	21,341	29,541	190	24,369	35,335
Mechanic II	24,710	34,205	190	24,369	35,335
Code Enforcement Officer	21,341	29,541	200	25,588	37,102
Mosquito Control/Animal Control Coordinator	24,710	34,205	200	25,588	37,102
Sports Complex Coordinator	24,710	34,205	200	25,588	37,102
Admin Assistant (Network)	24,710	34,205	210	26,867	38,957

* Based on 2912 hours annually

Recommended Pay Grade - By Internal Relationship

	Present		Proposed		
	Min	Max	P/G	Min	Max
Office Manager	24,710	34,205	210	26,867	38,957
Paraprofessional Librarian	23,525	32,564	210	26,867	38,957
Purchasing Agent	25,938	35,904	210	26,867	38,957
Secretary - Admin and Exe Offices	24,710	34,205	210	26,867	38,957
Team Leader	25,938	35,904	210	26,867	38,957
Veterans Services Officer	24,710	34,205	210	26,867	38,957
Superintendent - PW	25,938	35,904	230	29,621	42,950
Building Inspector	25,938	35,904	250	32,657	47,353
Library Manager	31,533	43,649	250	32,657	47,353
Grants Coordinator	31,533	43,649	270	36,004	52,206
Special Projects Manager	33,114	45,837	280	37,805	54,817
Fire Chief	34,778	48,140	290	39,695	57,557
Building Official	36,504	50,530	300	41,680	60,435

* Based on 2912 hours annually

Recommended Pay Grade - By Internal Relationship

	Present		Proposed		
	Min	Max	P/G	Min	Max
Computer Systems Administrator	36,504	50,530	300	41,680	60,435
Emergency Management Director	36,504	50,530	300	41,680	60,435
Grants/Social Services Director			300	41,680	60,435
Director of Technologies	36,504	50,530	310	43,763	63,457
HR Director	31,533	43,649	310	43,763	63,457
Library Director	34,778	48,140	310	43,763	63,457
Public Works Director	34,778	48,140	310	43,763	63,457
PW Director	34,778	48,140	310	43,763	63,457
Solid Waste/Environmental Services Director	34,778	48,140	310	43,763	63,457
Engineer I	50,024	69,245	350	53,195	77,132
Assistant County Administrator	47,376		360	55,855	80,989
County Engineer	59,467	82,317	380	61,580	89,290
County Administrator	65,561	90,753	410	71,286	103,365

* Based on 2912 hours annually

Recommended Pay Grade - By Internal Relationship

	Present		Proposed		
	Min	Max	P/G	Min	Max
Firefighter/EMT	22,422	31,038	230*	29,621	42,950
Firefighter/Paramedic	23,525	32,564	240*	31,102	45,098
Fire Lieutenant/Inspector			260*	34,290	49,720

* Based on 2912 hours annually

Recommended Pay Grade - Alphabetical

	Present		Proposed		
	Min	Max	P/G	Min	Max
Admin Assistant (Network)	24,710	34,205	210	26,867	38,957
Animal Control Officer	19,365	26,805	150	20,049	29,070
Assistant County Administrator	47,376		360	55,855	80,989
Board Receptionist	22,422	31,038	170	22,104	32,050
Building Inspector	25,938	35,904	250	32,657	47,353
Building Official	36,504	50,530	300	41,680	60,435
Building/Planning Tech	21,341	29,541	190	24,369	35,335
Code Enforcement Officer	21,341	29,541	200	25,588	37,102
Computer Systems Administrator	36,504	50,530	300	41,680	60,435
County Administrator	65,561	90,753	410	71,286	103,365
County Engineer	59,467	82,317	380	61,580	89,290
Custodian	13,104	18,139	110	16,494	23,916
Director of Technologies	36,504	50,530	310	43,763	63,457

* Based on 2912 hours annually

Recommended Pay Grade - Alphabetical

	Present		Proposed		
	Min	Max	P/G	Min	Max
Emergency Management Director	36,504	50,530	300	41,680	60,435
Engineer I	50,024	69,245	350	53,195	77,132
Engineering Tech	23,525	32,564	180	23,209	33,653
Facility Maintenance	22,422	31,038	170	22,104	32,050
Fire Chief	34,778	48,140	290	39,695	57,557
Fire Lieutenant/Inspector			260*	34,290	49,720
Firefighter/EMT	22,422	31,038	230*	29,621	42,950
Firefighter/Paramedic	23,525	32,564	240*	31,102	45,098
Grants Coordinator	31,533	43,649	270	36,004	52,206
Grants/Social Services Director			300	41,680	60,435
HEO I	19,365	26,805	150	20,049	29,070
HEO II	20,322	28,130	160	21,051	30,524
HEO III	21,341	29,541	170	22,104	32,050

* Based on 2912 hours annually

Recommended Pay Grade - Alphabetical

	Present		Proposed		
	Min	Max	P/G	Min	Max
HEO IV	23,525	32,564	180	23,209	33,653
HR Director	31,533	43,649	310	43,763	63,459
Kennel Tech	13,104	18,139	110	16,494	23,916
Library Director	34,778	48,140	310	43,763	63,457
Library Manager	31,533	43,649	250	32,657	47,353
Library Tech II	19,365	26,805	160	21,051	30,524
Mechanic I	18,429	25,510	150	20,049	29,070
Mechanic II	24,710	34,205	190	24,369	35,335
Mosquito Control/Animal Control Coordinat	24,710	34,205	200	25,588	37,102
Office Manager	24,710	34,205	210	26,867	38,957
Paraprofessional Librarian	23,525	32,564	210	26,867	38,957
Public Works Director	34,778	48,140	310	43,763	63,457
Purchasing Agent	25,938	35,904	210	26,867	38,957

* Based on 2912 hours annually

Recommended Pay Grade - Alphabetical

	Present		Proposed		
	Min	Max	P/G	Min	Max
PW Director	34,778	48,140	310	43,763	63,457
Recycling Tech	16,723	23,148	120	17,319	25,112
Road Maintenance Tech	16,723	23,149	120	17,319	25,112
Road Maintenance/Sign Tech	19,365	26,805	150	20,049	29,070
Roll Off Attendant	13,104	18,139	110	16,494	23,916
Secretary - Admin and Exe Offices	24,710	34,205	210	26,867	38,957
Secretary - Extension Services	22,422	31,038	170	22,104	32,050
Secretary (EMS)	17,555	24,301	140	19,094	27,686
Secretary (Solid Waste)	21,341	29,541	170	22,104	32,050
Social Services Tech	18,429	25,510	150	20,049	29,070
Solid Waste/Environmental Services Director	34,778	48,140	310	43,763	63,457
Special Projects Manager	33,114	45,837	280	37,805	54,817
Sports Complex Coordinator	24,710	34,205	200	25,588	37,102

* Based on 2912 hours annually

Recommended Pay Grade - Alphabetical

	Present		Proposed		
	Min	Max	P/G	Min	Max
Superintendent - PW	25,938	35,904	230	29,621	42,950
Team Leader	25,938	35,904	210	26,867	38,957
Veterans Services Officer	24,710	34,205	210	26,867	38,957

* Based on 2912 hours annually

Recommended Salary Schedule

	Minimum	Midpoint	Maximum
110	7.93 16,494	9.71 20,205	11.50 23,916
120	8.33 17,319	10.20 21,215	12.07 25,112
130	8.74 18,185	10.71 22,276	12.68 26,368
140	9.18 19,094	11.25 23,390	13.31 27,686
150	9.64 20,049	11.81 24,559	13.98 29,070
160	10.12 21,051	12.40 25,787	14.67 30,524
170	10.63 22,104	13.02 27,077	15.41 32,050
180	11.16 23,209	13.67 28,431	16.18 33,653
190	11.72 24,369	14.35 29,852	16.99 35,335
200	12.30 25,588	15.07 31,345	17.84 37,102
210	12.92 26,867	15.82 32,912	18.73 38,957

Recommended Salary Schedule

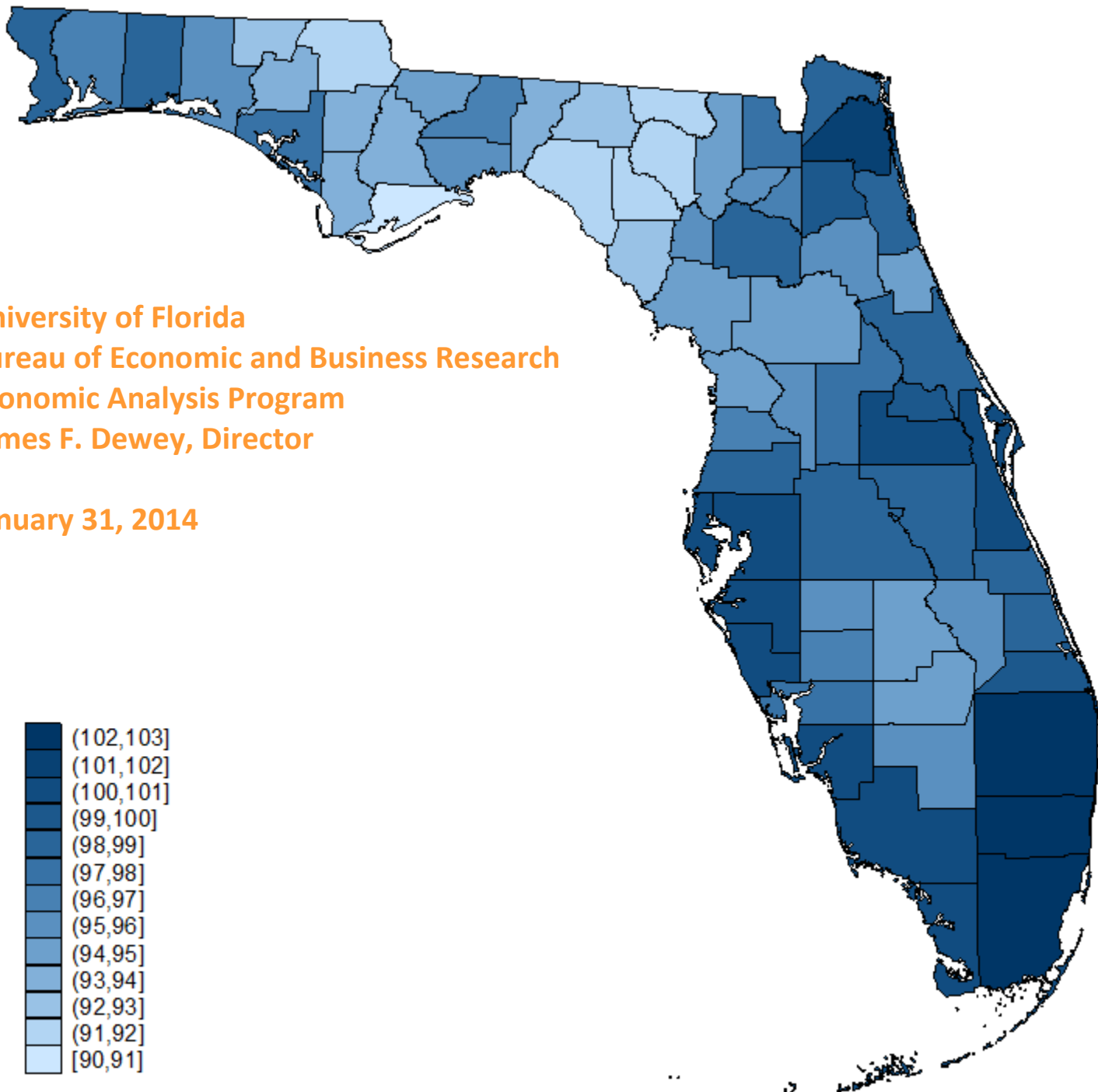
	Minimum	Midpoint	Maximum	
220	13.56	16.61	19.67	
	28,210	34,558	40,905	
230	14.24	17.44	20.65	
	10.17	12.46	14.75	* FF/EMT hrly rate
	29,621	36,286	42,950	
240	14.95	18.32	21.68	
	10.68	13.08	15.49	* Paramedic hrly rate
	31,102	38,100	45,098	
250	15.70	19.23	22.77	
	32,657	40,005	47,353	
260	16.49	20.19	23.90	
	11.78	14.42	17.07	* Fire Lt/Inspector hrly rate
	34,290	42,005	49,720	
270	17.31	21.20	25.10	
	36,004	44,105	52,206	
280	18.18	22.26	26.35	
	37,805	46,311	54,817	
290	19.08	23.38	27.67	
	39,695	48,626	57,557	
300	20.04	24.55	29.06	
	41,680	51,057	60,435	

Recommended Salary Schedule

	Minimum	Midpoint	Maximum
310	21.04	25.77	30.51
	43,763	53,610	63,457
320	22.09	27.06	32.03
	45,952	56,291	66,630
330	23.20	28.42	33.64
	48,249	59,105	69,961
340	24.36	29.84	35.32
	50,662	62,061	73,459
350	25.57	31.33	37.08
	53,195	65,164	77,132
360	26.85	32.90	38.94
	55,855	68,422	80,989
370	28.20	34.54	40.88
	58,647	71,843	85,039
380	29.61	36.27	42.93
	61,580	75,435	89,290
390	31.09	38.08	45.07
	64,659	79,207	93,755
400	32.64	39.98	47.33
	67,892	83,167	98,443
410	34.27	41.98	49.69
	71,286	87,325	103,365

2013

Florida Price Level Index



University of Florida
Bureau of Economic and Business Research
Economic Analysis Program
James F. Dewey, Director

January 31, 2014

Florida Price Level Index for School Personnel			
County	2013	2012	2011
Alachua	98.27	97.81	97.53
Baker	97.03	97.06	97.23
Bay	97.56	94.27	94.81
Bradford	96.46	96.50	96.66
Brevard	100.22	101.09	101.18
Broward	102.67	103.05	103.01
Calhoun	93.26	90.12	90.63
Charlotte	97.49	98.28	98.78
Citrus	94.99	93.66	94.04
Clay	99.07	99.11	99.28
Collier	100.28	103.92	101.91
Columbia	94.85	94.96	95.48
Dade	102.51	101.34	101.73
De Soto	96.48	96.72	97.14
Dixie	92.88	92.44	92.17
Duval	101.43	101.47	101.64
Escambia	98.20	95.32	95.36
Flagler	94.38	94.04	94.94
Franklin	90.67	91.36	91.92
Gadsden	94.19	92.94	93.74
Gilchrist	95.02	94.58	94.30
Glades	94.50	97.59	96.18
Gulf	93.98	92.06	92.08
Hamilton	91.47	91.77	91.31
Hardee	95.30	96.05	96.21
Hendry	95.62	97.61	97.11
Hernando	96.77	96.72	97.00
Highlands	94.29	93.62	94.09
Hillsborough	100.75	101.37	101.65
Holmes	92.23	91.71	91.04
Indian River	98.47	100.15	98.67
Jackson	91.79	92.27	92.39
Jefferson	93.94	91.15	91.38
Lafayette	91.44	91.01	90.75
Lake	97.02	96.43	96.95
Lee	100.87	102.15	102.67
Leon	96.75	93.87	94.08
Levy	94.86	94.42	94.15
Liberty	93.01	93.68	90.86
Madison	92.32	89.82	90.13
Manatee	100.05	101.85	102.02
Marion	94.97	95.51	95.83
Martin	99.24	101.76	99.30
Monroe	100.24	102.96	104.03
Nassau	98.67	98.71	98.88
Okaloosa	98.76	98.20	97.48
Okeechobee	95.07	96.90	95.55
Orange	100.49	99.88	100.42
Osceola	98.96	97.95	98.10
Palm Beach	102.18	104.90	103.78
Pasco	98.83	98.65	98.93
Pinellas	100.87	100.11	99.89
Polk	98.17	97.87	98.48
Putnam	95.30	95.33	95.50
Saint Johns	98.02	98.05	98.23
Saint Lucie	98.91	99.73	98.15
Santa Rosa	96.41	94.68	93.98
Sarasota	100.97	101.22	99.66
Seminole	99.17	99.33	99.35
Sumter	95.45	95.65	95.49
Suwannee	91.81	91.65	93.78
Taylor	92.00	90.86	92.32
Union	95.38	95.42	95.58
Volusia	98.25	95.78	96.19
Wakulla	95.27	94.74	92.94
Walton	95.69	96.70	97.33
Washington	93.74	91.24	91.10

The Florida Price Level Index (FPLI) was established by the Legislature as the basis for the District Cost Differential (DCD) in the Florida Education Finance Program. In this role, the FPLI is used to represent the costs of hiring equally qualified personnel across school districts. Since 1995, and at the request of the Legislature, the Bureau of Economic and Business Research (BEBR) at the University of Florida has performed an ongoing review of the methodology of the FPLI and has made appropriate recommendations to improve it. Since 2000, BEBR has also been responsible for calculating the FPLI. To denote its intended use as an adjustment factor for school personnel costs, the index presented in this report is referred to as the FPLI for School Personnel, or FPLI_SP. Note that this is a cross-sectional measure that compares relative wage levels among Florida's 67 counties and does not measure inflation from one year to the next.

Results

The table on this page presents the index for 2013, which is constructed so that the population-weighted average is 100. The median Floridian, ranked by county FPLI_SP, lives in Hillsborough County, with an index value of 100.75. That is, less than half of the state's residents live in counties with index values that are greater than 100.75, less than half in counties with index values that are less than 100.75, and the rest live in Hillsborough County. The 7 counties with index values over 100.75 together account for 44.4 percent of the state's population and the 59 counties with index values below 100.75 together account for 49.1 percent of the state's population. The map on the cover displays the distribution of the FPLI_SP across the state. Index values tend to be higher in more populous counties. As population density increases workers face higher housing costs, longer commutes, or both, for which they must be compensated in the form of higher wages. Of course, factors other than

housing prices affect wages in a market economy, so relative wages do not track relative housing prices exactly.

About the FPLI

Use of the FPLI in the DCD assumes districts must offer salaries that will support similar standards of living to attract equally qualified personnel. It further assumes that the FPLI measures the relative costs of maintaining a given standard of living across Florida's counties—that is, the FPLI is used as a Cost of Living Index (COLI) in the DCD.

The Consumer Price Index (CPI), constructed by the U.S. Bureau of Labor Statistics (BLS) using the concept of a COLI as a framework, is perhaps the best known example of a price index.¹ Indeed, use of the FPLI to index costs from one Florida county to the next parallels the use of the CPI by the Federal Government to index Social Security funds from one year to the next. The CPI calculation, however, is not static—the BLS continually evaluates and improves its methods. Numerous adjustments are made to measured price data to make the CPI more appropriate in its intended use as a COLI for comparisons across time periods at a given location.² BEBR's work on the FPLI since 1995 has been aimed at making it more accurate and appropriate in its use as a COLI for comparisons across locations at a given point in time.

At a given location, factors other than the monetary costs of goods and services that significantly affect the compensation needed to maintain a given standard of living are nearly the same from one year to the next. Variations in climate from year to year, for example, can usually be ignored

¹ Question 4 under "Frequently Asked Questions" at the CPI homepage <http://www.bls.gov/cpi/home.htm> discusses this point. Chapter 17 of the *BLS Handbook of Methods*, which may be accessed at the same web site, contains more detail.

² Links to documentation for many hedonic adjustments may be found at <http://www.bls.gov/cpi/home.htm>

when estimating changes in the cost of living. Across locations, however, such factors as climate, cultural and recreational opportunities, and services and taxes vary widely. In turn, variations in these factors affect workers' standards of living and thus the ability of employers—including school districts—to hire personnel. Thus, a COLI intended to make comparisons across space must allow for variation in such factors.³ Beginning with the 2003 FPLI, BEBR has used data on private market wages to construct an index of the relative compensation required to attract equally qualified workers across Florida's school districts. Referred to as the FPLI_SP, this index is more appropriate for comparing the costs of hiring equally qualified personnel for identical jobs across locations at a given point in time.⁴

Across areas, other things being equal, places that are more productive, and thus more attractive to firms, will have higher wages and prices, while places that are more pleasant in which to live, and thus more attractive to workers, will have lower wages and higher prices. Consequently, a simple weighted average of the relative prices of purchased goods and services is inferior to the FPLI_SP as a COLI in a spatial context. In areas that are otherwise less attractive to live in, relative wages will exceed relative prices, while in areas that are otherwise more attractive to live in, relative prices will exceed relative wages.

Within areas, firms that must locate closer to the urban core must pay higher wages than firms free to locate near suburban or outlying areas. That is because those who work at firms located in the urban core must either pay higher

housing costs or endure longer commutes. Further, the larger the difference between housing costs in the urban core and in suburban and outlying areas, the larger this pay difference will be. Therefore, types of jobs that tend to be concentrated farther from the urban core will show less difference in average wages between cities with high housing costs and cities with low housing costs than types of jobs that tend to be concentrated nearer the urban core. Therefore, BEBR controls for occupational centrality in constructing the FPLI. Similarly, productivity in some occupations may be more sensitive than average to city size or city income, and BEBR also controls for these affects.

In calculating the FPLI_SP, BEBR uses statistical techniques to estimate a raw index of wages for comparable workers employed in jobs of comparable centralization of employment across counties. Wage data for this calculation consist of average wages for over 700 occupations across Florida's 67 counties. Although data for each specific occupation are not available for all 67 counties, data for many individual occupations are available in even small counties. The Florida Department of Economic Opportunity's Bureau of Labor Market Statistics collects these data as part of the U.S. Bureau of Labor Statistics' Occupational Employment Statistics (OES) Survey. Measures of occupational centralization are calculated from the US Census Public Use Microdata Sample and are used to capture differing adjustments across occupations with differing propensities to locate near the urban core.

Once the raw index has been calculated, additional techniques are used to smooth statistical variation. First, BEBR generates predicted index values for each county based on the correlation between the raw index and characteristics related to labor market outcomes, for example population density. This predicted index and the raw index are then combined by calculating a weighted average of the two. To illustrate, if the weight placed on the

predicted index in the weighted average were 0.4, the weight placed on the raw index would be 0.6. The weights for each county are calculated to maximize the precision of the resulting estimate. Therefore, the higher the precision of the predicted index relative to the raw index, the higher the weight placed on the predicted index and the lower the weight placed on the raw index. Second, wages in nearby counties cannot differ too much from one another without inducing workers to commute from the low wage county to the high wage county. Therefore BEBR applies geographic smoothing to ensure differences in the index estimates for nearby counties are not inconsistent with their geographic proximity.

Summary

This report presented the 2013 FPLI_SP and the methodology used in its calculation. The index uses extensive data on wages, occupational characteristics, and local characteristics to estimate the relative wage level needed to maintain a given standard of living for occupations comparable to school personnel across Florida's counties. Although many things affect counties' FPLI_SP position, counties that are urban tend to have higher values.

³ In terms of the CPI methodology adapted to a spatial context, this would be analogous to a full hedonic adjustment to the price of land across space to reflect all factors affecting standards of living that are determined with choice of residential location.

⁴ In the 2003 FPLI Report, what is now designated as the FPLI_SP was named the Low Centrality FPLI_A.