Comprehensive Non-Faculty Classification and Compensation for Austin Community College

Presentation of the Final Report to the ACC Board of Trustees June 15, 2015
The Agenda

• Study Objectives
• Study Process
• Outreach Summary
• Market Analysis
• Findings and Improvements
• Recommendations
• Plan Implementation and Estimated Costs
• Next Steps
Study Objectives

- Review ACC’s compensation philosophy and program
- Evaluate and Build proposed classification plan
- Conduct market survey assessment with identified benchmark positions and survey targets
- Develop strategic positioning recommendations
- Conduct solution analysis and implementation
- Revise Job Descriptions and determine FLSA status
- Develop recommendations for continued compensation administration
Study Process

- Meeting with Compensation Study Committee
- Study Kickoff – Campus Visits, Orientations, and Focus Groups
- Outreach and Communication to Employees
- Job Assessment Tool (JAT) Collection
- Salary and Benefits Survey – Local, State, and National Data
- Program Options
- Proposed Solutions
- Report to the Compensation Study Committee, President’s Leadership Team (PLT), and the Board
# Outreach Summary

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<td>Administrator One-on-One Sessions</td>
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<td>JATs Submitted</td>
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<td>Supervisor Reviewed JATs</td>
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<td>Follow-Ups on JAT Submissions Regarding Discrepancies</td>
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Outreach Summary

• Employees repeatedly said that the environment at ACC was a good fit for their talents. In particular, it is a place where they can contribute to the welfare of the students and the community.

• Most employees believed ACC leadership is open, strong and supportive, and enjoy the spirit of teamwork with co-workers.

• Many employees believed that pay within ACC varies between departments and program areas for the same work performed.

• Some employees expressed confusion on how ACC determines compensation.

• In general, employees and leaders said they felt ACC paid well in comparison to the market in most, but not all, categories.

• Some employees expressed a desire for career ladder progression within their functional area.
Market Analysis

• ACC has a comprehensive, multi-sourced, and fair method of setting market salaries.

• Results of current methodology strongly supported by 3rd party data.

• Market changes did occur during the last year in some positions.

• In the future, focus on market ranges, midpoints, and actual averages and adjust for cost of living when using regional and national data.
Findings

Current structure:

- Captures the current division of labor in a comprehensive and accurate manner within the classification structure;
- Responds to job changes and adjustments in a timely, equitable, and consistent manner;
- Utilizes a comprehensive and consistent method of assessing ACC’s relative placement to the market;
- Possesses market responsive policies and practices for meeting its espoused compensation philosophy;
- Incorporates representation from multiple levels and groups to guide compensation practices;
- Provides career advancement opportunities across job families and various levels to encourage retention; and
- Corresponds with best practices in human resource management in higher education.
Improvements

• Current structure possesses partial career band structure that could be finalized to improve talent, career path, and title management.

• Some position titles could be changed to better reflect the market.

• Some positions changed market position during the last year.

• More emphasis should be placed on encouraging new employees joining ACC.
## Career Bands

<table>
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<tr>
<th>Band</th>
<th>definition</th>
<th>Examples</th>
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<tr>
<td>Assistant</td>
<td>Supports a small number of other staff and/or organizational areas by performing task oriented duties while providing assistance through avenues such as processing, clerical, administrative and operational practices and support, under general supervision.</td>
<td>Administrative Assistant I-III; Payroll Assistant</td>
</tr>
<tr>
<td>Specialist</td>
<td>Supports staff and/or organizational areas by performing task-oriented duties while providing assistance through avenues such as processing, clerical, administrative and operational practices and support, with a high level of autonomy.</td>
<td>Buyer, Cashier, Library Specialist</td>
</tr>
<tr>
<td>Technician</td>
<td>Employs technical or specialized skills to support major work unit processes and outcomes.</td>
<td>Electrician, HVAC Technician, Telecommunications Technician</td>
</tr>
<tr>
<td>Supervisor</td>
<td>Oversees staff or resources involved in implementing specific activities or processes.</td>
<td>Advising Supervisor; Grounds Supervisor; District Police, Sergeant</td>
</tr>
<tr>
<td>Coordinator</td>
<td>Assists and supports supervisors, managers and leaders by ensuring the accomplishment of operational outcomes in processes or programs.</td>
<td>Faculty Development Coordinator, OSD Services Coordinator I-II, Technology Planning Coordinator</td>
</tr>
<tr>
<td>Professional</td>
<td>Utilizes professional level skills (e.g., data analysis) to accomplish assignments within an area of functional specialty.</td>
<td>Accountant, Grant Compliance Officer, IT Systems Analyst, Multimedia Developer</td>
</tr>
<tr>
<td>Manager</td>
<td>Manages and directs staff and/or resources to provide specific program or service offerings to internal or external stakeholders.</td>
<td>Campus Manager, International Programs Director, Registrar</td>
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Recommendations

Organizational Structure
• Job Title Changes
• General Job Description Updates

Pay Structure
• Career Bands and Levels
• Living Wage Methodology
• Pay Scale for all Career Levels

Policy and Process Changes
• Annual Increase
• Hiring Matrix
• Career Management – Promotions/Career Ladders
• Policies Related to Work Experience & Education
• Pay Over Maximum
• No Merit/Pay for Performance
• Temporary Assignment Pay
• Position Analysis Review
• Required Certifications
• Critical Classifications
• Review of Board Policy F-10
6.2.1 Job Title Changes

RECOMMENDATION:

Evergreen Solutions recommends changes to 49 of ACC’s job titles which were made based on a combination of JAT data, supervisory feedback, and best practices.
6.2.2 General Job Description Updates

RECOMMENDATION:

Evergreen recommends revising job descriptions based on the feedback provided by employees and supervisors through the Job Assessment Tool and Management Issues Tools.
6.3.1 Career Band and Levels

RECOMMENDATION:

For HRIS purposes, Evergreen Solutions recommends associating the following information with each position: a band, a level, and a position title. The Career Band approach affords more career growth opportunities and provides a more structured talent management plan.
6.3.2 Living Wage Methodology

RECOMMENDATION:

No change recommended to current methodology.
RECOMMENDATION:

Evergreen recommends that the College adopt a Career Band pay structure with revised ranges and a wider range spread to reflect changes in the market and to accommodate the range of salaries the market places on employees in each Career Band, as well as the range of experience and knowledge employees in the same job title may have.
RECOMMENDATION:

Evergreen Solutions recommends granting an annual percentage increase to account for cost of living adjustments.
RECOMMENDATION:

Evergreen Solutions recommends setting the hiring grid to 70 percent of the market point, maintaining a projected 12 years to market point and granting the full amount of experience, to reduce the potential of new hires making a higher salary than current employees with similar experience.
6.4.3 Career Management – Promotions and Career Ladders

RECOMMENDATION:

Evergreen Solutions recommends ACC administrative rules and guidelines institute and adopt the practice of promotions resulting in new placement or providing a three percent per grade increase per higher career band level (based on market midpoint) moved (whichever salary is higher).

Evergreen Solutions recommends that voluntary demotions still result in a new placement or provide a 3 percent per pay range deduction to current salary (whichever salary is higher). If there is no pay range move (even if the Career Band/Level has changed) the employee would receive the higher of the new placement or their current salary.
6.4.4 Policies Related to Work Experience and Education

RECOMMENDATION:

Evergreen Solutions does not recommend paying for degrees higher than what is required in the job description.

Additionally, Evergreen Solutions recommends that education beyond the minimum required in a field directly related to the position under consideration may be used as a substitute for a portion of the minimum experience requirements. Similarly, documented successful experience beyond the minimum required may be used as a substitute for a portion of the minimum education requirements. This applies to all job positions across the board.
6.4.5 Pay Over Maximum

RECOMMENDATION:

Evergreen Solutions recommends that employees whose salaries have already exceeded the maximum of their salary range will not be eligible for salary increases until the range has been adjusted so that they no longer exceed the maximum. The common practice of giving a one time, annual allocation to the employee to reflect cost of living changes would be acceptable, but not required.
RECOMMENDATION:

Evergreen Solution recommends that performance reviews not be tied to rewards in the form of compensation.
RECOMMENDATION:

Evergreen Solution recommends that ACC continue to offer temporary assignment pay and offer a similar placement within the adjusted job title’s career band and level. The difference in pay will be an increase of ten percent of current pay, unless it involves an interim employee who is performing the job full time.
RECOMMENDATION:

Evergreen Solutions recommends that ACC move to a “review window” approach for position review, and that a formal reclassification analysis be conducted when more than 25 percent of the job’s functions or allocation of tasks have changed.
RECOMMENDATION:

Evergreen Solutions recommends that ACC assess required certifications and associated pay for all occupations and job families based on market characteristics.
RECOMMENDATION:

Evergreen Solutions recommends that ACC adopt a critical classification program to address those classes that possess inordinately high turnover, vacancy rates, or market pressure.
6.4.11 Review of Board Policy F-10

RECOMMENDATION:

ACC’s current Board Policy F-10 dictates the method and process for setting compensation levels for faculty and non-faculty, alike. Exhibit 6G provides an excerpt of Board Policy F-10 Employee Compensation language regarding non-faculty employees with the recommended changes.

F-10. Employee Compensation
For non-faculty employees (classified, professional-technical and administrators), the relevant competitive market shall be the non-faculty classifications of similar positions with similar job descriptions of the Texas metropolitan community colleges, institutions of higher education, and the local market. When appropriate, national and regional data may be used and adjusted by a geographic factor.

Actual ACC salaries will be compared to average salaries in the current market. The administration will establish priorities for salary range and/or salary adjustments as needed for salary alignment within the pay grades bands and levels. Any proposed range or salary adjustments will be included in the proposed budget submitted to the Board.
RECOMMENDATION:

Evergreen Solutions recommends that ACC consider the following changes to its process:

- Maintain current practice of collecting the relevant competitive market from Texas metropolitan community colleges, CUPA, and the local market;

- Adjust national and regional data when appropriate for cost of living differentials by region when data serves as the primary benchmark for determination;

- Collect data on actual salaries as well as ranges in the relevant market. Base salary ranges on the midpoints of the gathered data taking into account the average actual salaries;

- Continue to survey every other year and make adjustments in intervening years based on cost of living and other economic factors; and

- Identify a list of critical or “fast moving” jobs to track on an annual basis to insure market competitiveness.
Plan Implementation

Market Adjustment
Adjust current pay for market rates changes [Policy/F10]

Adjustment for 2015 Cost of Living
Adjust for cost of living change in 2015 [Market]

Implement New Structure
Implement the new career band plan and slot employees appropriately [Study]
6.5 Cost of Implementation

RECOMMENDATION:

Evergreen Solutions recommends that ACC make a market adjustment within the current pay structure to 159 job titles.
# 6.5 Cost of Implementation

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
<th>Cost</th>
<th># of Employees</th>
<th>Average Increase per Employee</th>
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</thead>
<tbody>
<tr>
<td>Market Adjustment</td>
<td>The current grade and range are adjusted based on market average, and percentile placement is done in the adjusted range. No salary is allowed past the midpoint of the adjusted range.</td>
<td>$1,293,854.00</td>
<td>389</td>
<td>$3,326.10</td>
</tr>
<tr>
<td>Bring to Min</td>
<td>The salary after market adjustment is brought to the minimum of the proposed range.</td>
<td>$1,277.00</td>
<td>1</td>
<td>$1,277.00</td>
</tr>
<tr>
<td>3% Increase</td>
<td>A 3% across the board increase is given.</td>
<td>$1,977,977.87</td>
<td>1346</td>
<td>$1,469.52</td>
</tr>
<tr>
<td>Adjustment for Experience Based on Hiring Grid</td>
<td>If the salary at which a person's full experience falls in the 70 to 100 percent hiring grid is greater than the adjusted market salary with 3% increase, a salary adjustment is made.</td>
<td>$618,799.37</td>
<td>230</td>
<td>$2,690.43</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$3,891,908.24</strong></td>
<td></td>
<td></td>
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</tbody>
</table>
6.6 Post Implementation

RECOMMENDATION:

Once the new structure has been implemented and employees have been notified of their new career band and level, Evergreen Solutions recommends employees be given the opportunity to formally file a request for a job description and pay structure placement review after six months.
RECOMMENDATION:

For future market surveys, Evergreen Solutions recommends that ACC consider the following:

• Focus on market ranges in addition to actual averages, since the former are more stable than the latter.

• Focus on the midpoint of ranges for market comparison.

• When using regional or national data, make cost of living adjustments when appropriate. Adjusting the data in this manner creates a more statistically reliable sample and ensures that to the extent possible, data from divergent parts of the state or country are compared on an apples-to-apples basis.

• Do not include ACC Administrator salaries when taking the average of the Texas Association of Community Colleges and Legislative Budget Board data.
Next Steps

• Recommendation to Board by the Administration

• Budget Analysis

• Plan incorporated into the FY16 Budget Plan and presented with the Budget to the Board of Trustees

• Communication with All Employees

• Implementation 9/1/2015 for FY16
Thank You

ACC Compensation Study Committee

Committee Tri-Chairs
Judy Green, ACCCEA
Stephen Bassett, APTE
Neil Vickers, Administrators

Sue Bloodsworth, ACCCEA
Gloria Dove-Owens, ACCCEA
Bernie Hinterlong, ACCCEA
F.C. Caranikas, APTE
Lara Niles, APTE
Daniel O’Hanlon, APTE
Kathleen Christensen/Wade Bradfute/Virginia Fraire, Administrators
Ben Ferrell, Administrators
Mary Hensley, Administrators

HR Compensation Staff:
Dana Tucker, Compensation Manager
Kathy Gromoll, Senior Compensation Analyst
Tammy Sharp, Senior Compensation Analyst