The members of the Compensation Study Committee want to express their thanks to Austin Community College Administration, Dr. Rhodes, and to the Board of Trustees for the opportunity of serving on this important project. Evergreen Solutions has been a true partner with ACC. We feel that they spent time in talking with employees, supervisors, and administrators about their concerns and getting ideas and suggestions from employees regardless of their position or pay. They have provided a wealth of information to the committee and were very patient with their explanations and reasons. The consultants also responded in a timely fashion to questions asked by the committee members and listened to feedback provided by the committee. However, ultimately these set of recommendations are those made by the consultants based on their compensation expertise, best practices, and understanding of ACC and its employees. As a result, the committee would like to respond to each of those recommendations.

CHAPTER 6 - RECOMMENDATIONS

6.2 ORGANIZATIONAL STRUCTURE

6.2.1 Job Title Changes

Evergreen Solutions recommends changes to 49 of ACC’s job titles as displayed in EXHIBIT 6A, which were made based on a combination of JAT data, supervisory feedback, and best practices.

COMMITTEE RESPONSE: The committee accepts this recommendation.

6.2.2 General Job Description Updates

Evergreen recommends revising job descriptions based on the feedback provided by employees and supervisors through the Job Assessment Tool and Management Issues Tools, as provided under separate cover.

COMMITTEE RESPONSE: The committee accepts this recommendation.

6.3 PAY STRUCTURE

6.3.1 Career Band and Levels

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. The proposed band, level and working title for each position is listed in Appendix II.

COMMITTEE RESPONSE: The committee accepts this recommendation. The Career Band approach provides a more visible path for employees in their exploration of future growth opportunities within ACC and better supports the Career Connections program that ACC has already implemented for its employees.

6.3.2 Living Wage Methodology (No Change Recommended)

6.3.3 Pay Scale for All Career Levels

Evergreen recommends that the College adopt a Career Band pay structure (as shown in Exhibit 6D) 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.

COMMITTEE RESPONSE: The committee accepts this recommendation. The Career Band approach provides for wider pay ranges which support an employee who wishes to grow within their current position thus building on their experience with ACC, increasing their value to the college, and creating a strategy for improving employee retention. In addition, there has been no update to the current pay structure that was installed in 2006 and best practices reflect that an update is far overdue.

6.4 POLICY AND PROCESS CHANGES

6.4.1 Annual Increase

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

COMMITTEE RESPONSE: The committee accepts this recommendation.

6.4.2 Hiring Matrix

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.
COMMITTEE RESPONSE: The committee accepts this recommendation. The new hiring grid helps to address more than one issue. First, pay for new hires in similar positions within the same pay band will have all the appropriate experience counted thus creating less variations of starting pay due to variation of job description experience requirements. Second, it will provide a methodology for preventing newly hired employees to make more than current incumbents unless their experience warrants a higher pay. However, adjustments will need to be made in pay for current incumbents in making this transition.

6.4.3 Career Management – Promotions and Career Ladders

*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.*

COMMITTEE RESPONSE: The committee accepts this recommendation. However, there is a need for further discussion on how the College defines and handles both voluntary and involuntary demotions.

6.4.4 Policies Related to Work Experience and Education

*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.*

COMMITTEE RESPONSE: The committee accepts this recommendation. However, the committee requests that Evergreen Solutions recommend specific language that can be used as a college-wide standard for selected positions recognizing that there may be specific positions where experience cannot be substituted for certain educational requirements.
6.4.5 **Pay Over Maximum**

*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.*

**COMMITTEE RESPONSE:** The committee does not accept this recommendation. Some members of the committee were supportive of this concept while others were adamantly opposed to a policy that would limit an employee’s ability to receive an annual raise. There was a unanimous consensus of the committee that if the College decides to implement this provision that the provision should be applied consistently to all employee classifications and not applied just to non-faculty staff.

6.4.6 **Merit/Pay for Performance**

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

**COMMITTEE RESPONSE:** The committee accepts this recommendation. The committee agrees that the College is not ready to move in this direction.

6.4.7 **Temporary Assignment Pay**

*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.*

**COMMITTEE RESPONSE:** The committee is supportive of employees receiving Temporary Assignment Pay. However, there are other issues regarding temporary pay that should be reviewed in conjunction with any decision in this area. The committee plans to draft a revised Temporary Pay administrative rule and present it for consideration in the near future.
6.4.8 **Position Analysis Review**

*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.*

**COMMITTEE RESPONSE:** The committee accepts this recommendation.

6.4.9 **Required Certifications**

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

**COMMITTEE RESPONSE:** The committee accepts this recommendation.

6.4.10 **Critical Classifications**

*Evergreen Solutions recommends that ACC adopt a critical classification program to address those classes that possess inordinately high turnover, vacancy rates, or market pressure.*

**COMMITTEE RESPONSE:** The committee accepts this recommendation. However, the committee recommends the college establish a protocol and placement methodology where any position can be determined for an established time period as a critical classification. Once that position meets the established criteria, a methodology should be developed on the pay for current and newly placed employees. A time period should be imposed where the situation is monitored since changes in market might make the critical classification and pay adjustments no longer necessary.

6.4.11 **Review of Board Policy F-10**

*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.

COMMITTEE RESPONSE: The committee accepts this 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.

COMMITTEE RESPONSE: The committee accepts this recommendation.
6.5. COSTS OF IMPLEMENTATION

Evergreen Solutions recommends that ACC make a market adjustment within the current pay structure to 159 job titles.

COMMITTEE RESPONSE: The committee accepts this recommendation.

The cost of implementing the new structure consists of the following:

- **Market Adjustment:** The pay grade for each job title (excluding administrator positions) is adjusted to a pay grade with the closest midpoint to the market average. Percentile placement is then used to determine where the employee falls within this new grade. Employees whose current salary exceeded their adjusted salary are not affected by this option. The cost of this option to ACC is $1,293,854.00.

- **Bring to Minimum:** The salary after the market adjustment is brought to the minimum of the proposed range. The cost of this option to ACC is $1,277.00.

- **3% Increase Across the Board:** Each employee’s salary was increased by 3 percent to offset the cost of living adjustment. The cost of this option to ACC is $1,979,156.87.

- **Adjust for Experience Based on Hiring Grid:** The hiring grid equates work experience to a certain percentile placement after subtracting the experience required for the minimum qualifications of the job position along with an additional one year deduction as a compression adjustment. Each employee’s experience in years is estimated based on where their current salary falls in relation to the current midpoint within the 80 to 100 Percent Hiring Grid. The required experience for the position plus an additional year are added to the estimated years of experience. The employee’s new percentile placement is then determined based on this total experience, using a 70 to 100 Percent Hiring Grid in the proposed pay plan. The cost of this option to ACC is $618,799.37.

COMMITTEE RESPONSE: The committee accepts this recommendation. The committee worked diligently with Evergreen Solutions on the above recommended changes and relied on Evergreen Solutions for the above estimates. The committee recognizes the dollars estimated will change as employee turnover occurs within the organization and requests that the FY16 increase be at least three percent.
6.6. POST IMPLEMENTATION

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.

COMMITTEE RESPONSE: The committee accepts this recommendation. The committee supports that a review of job description and band placement be available to employees after six months but that a criteria be established for that review and that a new JAT be completed and evaluated as part of that review process.

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.

COMMITTEE RESPONSE: The committee accepts this recommendation.

In conclusion, this Study was comprehensive and thorough from the perspective of classification and compensation. However, there are several other areas of opportunity to complete a holistic review. Legacy issues, staffing levels, design and organizational structure are some areas for a recommended Phase 2 Organizational Study. The completion of this Study is approximately 75% of what would need to be done for a Phase 2 Study which would help position the College for the future.