

FY09 Non-Faculty Market Study Methodology and Data Collection

Summary

In accordance with Board Policy F-10, Employee Compensation, HR Compensation conducted a non-faculty market study for the FY10 academic year. Initially, 137 positions were targeted for the study. These targeted positions were used in the FY06 Compensation Study, which was a comprehensive study of all titles, and the FY08 Market Study, which was a subsequent smaller study. From those 137 titles, we identified 71 that could be considered benchmark positions. Data was not available for all of those titles, but we identified 39 titles for which there was sufficient data. Thus, they are considered benchmark positions. Our goal was to identify two benchmarks for each family.

Data was available for 39 benchmark positions, representing a valid cross-section of positions and pay grades.

The 39 matched benchmark positions represented 22 Classified titles and 17 Professional-Technical titles.

Market Surveys – Data Collection

HR Compensation used the surveys listed below and gathered salary data for the 73 benchmark positions using 4 of the 5 market surveys:

1. TexasCompensation.com

- Austin Area Survey sponsored by:
 - Austin Human Resource Management Association
 - Central Texas Compensation and Benefits Association
 - Williamson County Human Resource Management Association
 - Texas Association of Business
- Used: Austin-San Marcos Area – All Industries – 9/30/08 ending quarter
- Included all cities/counties in the Austin-San Marcos-Round Rock corridor. A complete listing of cities/counties and participants is available for review.

2. Texas Association of School Boards 2008-09 School Year Survey

- Used: School Districts in the ACC In-District Taxing Area

School District	Enrollment
Austin	81,894
Del Valle	9,522
Eanes	7,511
Leander	28,173
Manor	6,200
Pflugerville	21,586
Round Rock	41,300

3. Texas Workforce Commission (Bureau of Labor Statistics)

- Used: Austin-Round Rock Metropolitan Statistical Area
- All Industries cut was used unless noted otherwise due to the type and scope of job.
 - Example: Child Care Assistant; Educational Services used instead of All Industries because job match industry was closer. All Industries included day care centers while the ACC Child Lab School has much higher level of duties and responsibilities. The Educational Services salary cut provided a much closer match.

4. CUPA-HR Data on Demand (College and University Professional Association for Human Resources)

- Used: Metro 8 Community Colleges plus University of Texas and Texas State University data (where available)
- In the past, regional data had been used from CUPA-HR. Using Data on Demand provides data specific to the Metro 8 Community Colleges (industry specific Higher Education data) and UT and Texas State (local Austin geographic area data).

5. Higher Education Information Technology Survey (HEITS)

- Not used for FY09 Market Non-Faculty Survey.
- Will not be used in future. Only national data is available for IT positions, which skews the local market.
- Positions that HEITS reported were also included on a more local basis in the TexasCompensation.com, Texas Association of School Boards or CUPA-HR Surveys.

Non-Faculty Market Survey Methodology

The FY09 Non-Faculty Market Study used the following survey methodology which follows the compensation best practices of WorldatWork (formerly American Compensation Association):

1. Using the survey sources explained above, jobs were matched to positions reported in the surveys where the 80%-120% job match criteria were met. Job were considered a match if the ACC duties and responsibilities were no less than 80% and no more than 120% of the comparator job duties and responsibilities. The 80%-120% job match criteria were used in both the FY06 Compensation Study and the FY08 Non-Faculty Market Study.

2. Survey median salaries were used where available. The median salary is the “middle” salary in a group of salaries. Median salaries are used because the median eliminates the highest and lowest salaries and does not tend to be skewed by one organization in the market that might be high or low in the market.
3. Survey data was then aged to a common date of 9/1/09. Survey data from multiple surveys represent a variety of different “effective dates” and must be aged to a common date so that an accurate salary comparison may be made.
4. The aging factor used for the FY06 Compensation Study and the FY08 Market Study was 4% which was the ACC targeted annual increase at the time of those studies. Because there may be no annual increase for FY10, another aging factor was needed. Compensation best practices as outlined by WorldatWork indicated that a more accurate aging factor to be used is the Employment Cost Index (ECI) published by the Bureau of Labor Statistics. The Employment Cost Index measures Wages & Salaries and is reported on a quarterly basis. The ECI for State/Local Government Workers, Education Sector, which includes Community Colleges was used. The Employment Cost Index (ECI) as reported for 12 months ending December 2008 was 3%. Survey data was aged to 9/1/09 as the effective date using the ECI of 3%.
5. Compensation best practices also suggested that ACC actual average salaries be compared against the market average salaries for the benchmark positions to determine where ACC employees were being paid relative to the market. ACC actual average salaries were calculated and compared to the market average salaries. The midpoint comparison against market average salaries provides a picture of where the pay structure compares to the market. The comparison of ACC actual average salaries to market average salaries gives a picture of where our employees are actually being paid compared to the market. This review of ACC actual average salaries compared to market average salaries had not been done in the FY08 Market Study.
6. In reviewing the ACC midpoints and ACC actual average salaries against market average salaries, a 100% midpoint/actual salary guideline was considered and changes recommended for benchmarks and related positions not falling within the guidelines. This followed the methodology used in making market adjustments during the FY08 Market Study. For example, if the midpoint compared to the market average salary for the benchmark position was less than a 100% compa-ratio and the ACC actual average salary compared to the market average salary for the benchmark position was less than a 100% compa-ratio, the position was recommended for adjustment.
7. ACC has the pay grade structure of non-faculty positions. A World at Work best practice recommends as new market data are compiled for benchmark titles, a new structure is developed. This means that for some benchmark titles, and titles directly impacted (by structure and/or by family) the pay grades may be adjusted. Employee salaries will maintain the current compa-ratio to the current pay grade mid-point at the new pay grade. There is a salary cap at midpoint of the new pay grade.
8. The establishment of formal links of all jobs to the benchmark titles for future market surveys is to be determined by a process involving the President’s Leadership Team.
9. No change to the overall pay grade structure was recommended for FY09.

Definitions

1. Benchmark Jobs/Positions

- Standard jobs that can be price matched in the marketplace. They represent key positions, positions with multiple incumbents, positions that represent a good cross-section of the organization, and positions that are not unique just to one organization. Example: Groundskeeper, Accountant, Administrative Assistant

2. Median Salary

- The median salary is the “middle” salary in a group of salaries. Median salaries are used because the median eliminates the highest and lowest salaries and does not tend to be skewed by one organization in the market.
- Survey median salary used where available.
- If median salary not available, weighted average used.

3. Aging the Data

- Survey data from multiple surveys represent a variety of different “effective dates.” The multiple surveys need to be aged to a common date for comparison purposes.
- Survey data was aged to 9/1/09 as the common date.

4. Aging Factor

- Employment Cost Index (ECI) – 3.0% (as published by the Bureau of Labor Statistics)
- Wages & Salaries, National – State/Local Government Workers, Education Sector (includes Community Colleges) – 12 months ended 12/08

5. Compa-ratio

- In its simplest form, compa-ratio is the ratio of an employee’s current wage to the organization’s benchmark rate, usually the pay grade midpoint. Variations include market compa-ratio where market average salaries are compared to the organization’s benchmark rate or organizational salaries. Generally, a compa-ratio of 90% - 110% is where you would expect to find the salary of a full competent employee who is a solid contributor with demonstrated expertise.