

Compensation at ACC Overview of ACC's Market-Based Compensation System

ACC's Compensation Administration Plan

ACC's Board Compensation Policy F-10 requires that ACC "maintain a compensation program of competitive salaries and benefits that ensures fair pay for the employees' contribution to the College mission."

To determine competitive salaries, ACC conducts a market survey for some benchmark positions every two years. Typically, an organization will conduct a comprehensive compensation study and subsequently, only test the market for a few position three to five years from the comprehensive study. The objective of the subsequent survey is to see if there is movement in the market that needs to be considered in the compensation plan.

In FY06, a comprehensive compensation study was conducted for all Classified and Professional-Technical positions at Austin Community College. The study was comprised of two parts, a classification phase (pay grade) and a compensation phase (salaries).

The classification phase included:

1. Identification of the positions to be reviewed;
2. Identification of job descriptions;
3. Completion (by the employee) and approvals (by the supervisor) of the Position Analysis Questionnaire (PAQ) describing the work performed;
4. Analysis of the completed job descriptions;
5. Creation of a hierarchy of positions (by the consultant) into a job family structure.

The compensation phase included:

1. A market survey of comparative organizations;
2. Analysis of each positions and job description to a comparable job in the market; and
3. Recommendations for conversation from a grade structure to a range structure.

The recommendations were submitted by the consultant to the administration.

The objective of a market based compensation study is to collect data from similar organizations, with similar positions, and to analyze the data and apply it to ACC's structure. The Office of Human Resources is responsible for developing the study plan, collecting and analyzing data and making recommendations to the administration. The administration shares the data with the association officers so that the representatives will understand the process and outcomes. The administration seeks agreement with the representations that the process is thorough, consistent and fair.

Market surveys are not an exact science. Therefore, it is critical that the data and job descriptions used are accurate and the matches reflective of the market. The Board Policy sets forth the general market. The comprehensive study of FY06 helped to define the specific markets for the job families.

The FY06 Compensation Study became effective 9/1/06 for FY07 and instituted the following changes:

- Switched from a Decision Band System to a Market System of compensation
- Created new generic job descriptions
- Changed from Levels and Steps to Pay Grade ranges
- Established pay ranges with 5% difference at midpoints
- Defined midpoint as market, with 5 years experience
- Established job families
- Created standardized titles

In FY07 the College conducted a subsequent study to test some benchmark positions. After issuing a Request for Proposals, ACC hired a consultant from the Texas Association of School Boards (TASB) to measure the market for some of the same titles and benchmarks from the FY06 Study. They looked at 71 titles. Some market adjustments were made, effective fall FY08.

Board Policy F-10 requires a market survey every two years, thus, no market study was conducted in FY08.

In FY09 a subsequent study to test some benchmark positions was conducted by The Office of Human Resources. The guidelines were as follows:

- Market surveys and data analysis was conducted using methodologies consistent with previous market studies.
- Established the goal for two (2) benchmark titles per job family where possible.
- Established goal of matching market average, with a cap at midpoint. In past years, the goal had been 95% of the market. The current and future goal is 100%.
- Followed best practices to establish 39 anchor benchmark titles. Additional benchmark titles will be established in the future.
- Ensured accurate and sufficient data for benchmark positions.
- Identified directly impacted titles (by the 39 benchmarks).
- Followed best practices to adjust benchmark titles and directly impacted titles to move within the pay grade structure to better connect market rates and midpoints of those titles. These pay grade adjustments will allow new hires to be offered market competitive salaries.

According to the current Board Policy F-10, the market will be measured again in FY11 for market adjustments effective in FY12. During that time, HR Compensation will work with the administration and non-faculty employee associations to further define additional anchor benchmark titles, and link non-benchmark titles to the benchmarks. This linkage process will include consideration of job family, scope of responsibility, pay grades, internal classification structure, and relationship to the benchmark titles in the job families. A classification structure review of the job families for possible revision by the administration is planned for FY11.