

LCCC
Human Resources
Classification and Compensation
Project Update

June 2, 2017

Update to the Board of Trustees



Board's Draft Policy Statements

LCCC's compensation model should be:

- Externally competitive – Salary/wage alignment with a defined market;
- Internally equitable - Job alignment within job family and college-wide;
- Readily updated – Market sources and data available;
- Easily understood – system is not complex; and
- Fiscally responsible – Equitable salary adjustments within established budget.

Board's Draft Policy Statements

The Board of Trustees:

- Desires LCCC to be an employer of choice... this means an organizational atmosphere where current and potential employees are attracted to the work for the College because of competitive salaries/wages, unsurpassed benefits, an engaging workplace environment and compelling, meaningful work.
- Expects a systematic processes for how the College determines and maintains appropriate compensation for the institution's employees.
- Believes compensation should be fair. To that end, the Board expects the College to implement a compensation model that establishes salary and wages falling within the range of defined job markets, and aspiring to be placed at minimum at the median salary/wage with those markets. In addition... expects relative equity in compensation between similarly situated employees.
- Believes that extraordinary efforts of employees should be rewarded. These efforts would be defined as contributions above and beyond what is expected of individual employee's primary job responsibilities that lead to substantially assist the College in meeting its mission, vision, or strategic goals.

Project Deliverables

- Titling and Hierarchy
- Classification System
- Position Descriptions
- Salary and Wages
- Implementation

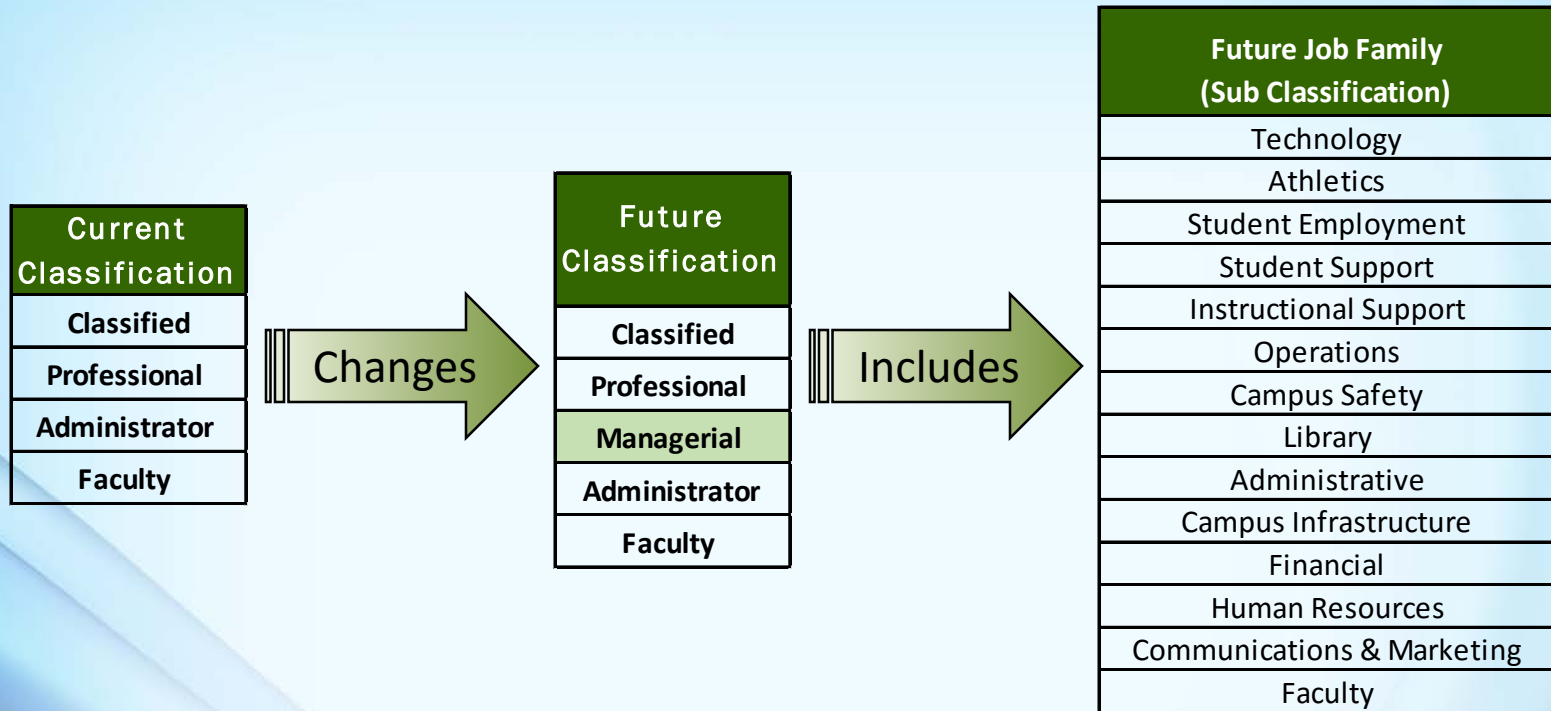


Where we are now:

- We have preliminary recommendations and draft reports.
 - Job Assessment Tools, Market Survey, Data Analysis, and on going conversations regarding the LCCC's classification and compensation needs have brought the recommendations that follow this slide.
- LCCC's next critical decisions are to decide our philosophy and practices for two key areas.
 - **How will we place new hires into the system?** Evergreen has provided three options that evaluate candidates regarding prior experience and meeting minimum qualifications for the job.
 - **How will our current employees progress through the pay bands over time?** Evergreen has recommended three progression tools all be used.
 - **Structural:** (Cost of Living Adjustments) based on a verifiable index
 - **Classification:** based on market analysis, ability to recruit, and competition for these positions.
 - **Individual:** based on a performance management system.



Classification Changes



- Improvement to standardize titling, classification category and job families
 - Improves organization and management of LCCC workforce
 - Allows customization of future trainings and development based on work performed
 - Produces more accurate data and reporting to agencies



Current Compensation System

Professional Salary Bands

POSITION LEVEL	EMPLOYEE ASSIGNED	MINIMUM	-----TO-----	MAXIMUM
	ANNUAL DUTY DURATION	ANNUAL SALARY		ANNUAL SALARY
LEVEL II	12 MONTH DUTY DURATION	\$46,950	-----	\$91,077
	11 MONTH DUTY DURATION	\$43,102	-----	\$83,548
LEVEL I	12 MONTH DUTY DURATION	\$42,098	-----	\$83,203
	11 MONTH DUTY DURATION	\$38,659	-----	\$76,353
	10 MONTH DUTY DURATION	\$35,081	-----	\$69,327

Classified Step and Grade Table

	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
GRADE 1	\$8.71	\$8.92	\$9.12	\$9.34	\$9.56	\$9.80
GRADE 2	\$8.92	\$9.12	\$9.34	\$9.56	\$9.80	\$10.03
GRADE 3	\$9.12	\$9.34	\$9.56	\$9.80	\$10.03	\$10.27
GRADE 4	\$9.34	\$9.56	\$9.80	\$10.03	\$10.27	\$10.51
GRADE 5	\$9.56	\$9.80	\$10.03	\$10.27	\$10.51	\$10.77
GRADE 6	\$9.80	\$10.03	\$10.27	\$10.51	\$10.77	\$11.02
GRADE 7	\$10.03	\$10.27	\$10.51	\$10.77	\$11.02	\$11.29
GRADE 8	\$10.27	\$10.51	\$10.77	\$11.02	\$11.29	\$11.55
GRADE 9	\$10.51	\$10.77	\$11.02	\$11.29	\$11.55	\$11.84
GRADE 10	\$10.77	\$11.02	\$11.29	\$11.55	\$11.84	\$12.12
GRADE 11	\$11.02	\$11.29	\$11.55	\$11.84	\$12.12	\$12.41
GRADE 12	\$11.29	\$11.55	\$11.84	\$12.12	\$12.41	\$12.72
GRADE 13	\$11.55	\$11.84	\$12.12	\$12.41	\$12.72	\$13.02

Faculty Step and Grade Table

	EARNED RELEVANT ASSOCIATE DEGREE BACHELOR DEGREE, OR OTHER QUALIFYING CERTIFICATION	EARNED RELEVANT MASTERS DEGREE	EARNED RELEVANT MASTER + 10 ADDITIONAL QUALIFYING CREDITS	EARNED RELEVANT MASTER + 20 ADDITIONAL QUALIFYING CREDITS
STEP 0	\$36,880	\$41,916	\$42,963	\$43,680
STEP 1	\$37,789	\$42,963	\$43,680	\$44,758
STEP 2	\$38,551	\$43,680	\$44,758	\$45,825
STEP 3	\$39,504	\$44,758	\$45,825	\$46,936

- Current system utilizes a mix of step and grade and salary band systems.
 - Complex placement options for Step and Grade lack detail for banded tables.
 - High emphasis on education limits the College's ability to recruit and place candidates.
 - Current system lacks clear procedures for responding to market conditions and updates.

Proposed Compensation System

Proposed Band Tables

Proposed Bands All Positions

Proposed Bands	Pay Levels	Example Classifications
Classified	Classified 1-7	Assistant, Administrative I Technician, Printing Safety Officer
Professional	Professional 1-5	Strategist, Creative Marketing Analyst, IR Research Counselor
Managerial	Managerial 1-5	Supervisor, Mail Services and Warehouse Manager, Facilities and Events Registrar
Administrator	Administrator 1-5	VP, Academic Affairs Comptroller Director, Physical Plant
Faculty	Faculty 1-8	Instructor, Mathematics Clinical Coordinator/Instructor, Radiography Program Director/ Instructor, Surgical Technologies

Band	Level	Grade	Minimum	Midpoint	Maximum	Range	Midpoint
Classified	1	Classified1	\$19,852.35	\$25,808.06	\$31,763.76	60%	-
Classified	2	Classified2	\$22,036.11	\$28,646.94	\$35,257.78	60%	11.0%
Classified	3	Classified3	\$24,460.08	\$31,798.11	\$39,136.13	60%	11.0%
Classified	4	Classified4	\$27,150.69	\$35,295.90	\$43,441.11	60%	11.0%
Classified	5	Classified5	\$30,137.27	\$39,178.45	\$48,219.63	60%	11.0%
Classified	6	Classified6	\$33,452.37	\$43,488.08	\$53,523.79	60%	11.0%
Classified	7	Classified7	\$36,797.60	\$47,836.89	\$58,876.17	60%	-
Professional	1	Professional1	\$33,452.37	\$43,488.08	\$53,523.79	60%	-
Professional	2	Professional2	\$37,801.18	\$49,141.53	\$60,481.88	60%	13.0%
Professional	3	Professional3	\$42,715.33	\$55,529.93	\$68,344.53	60%	13.0%
Professional	4	Professional4	\$48,268.32	\$62,748.82	\$77,229.31	60%	13.0%
Professional	5	Professional5	\$54,543.20	\$70,906.16	\$87,269.12	60%	13.0%
Managerial	1	Managerial1	\$42,715.33	\$55,529.93	\$68,344.53	60%	-
Managerial	2	Managerial2	\$49,122.63	\$63,859.42	\$78,596.20	60%	15.0%
Managerial	3	Managerial3	\$56,491.02	\$73,438.33	\$90,385.63	60%	15.0%
Managerial	4	Managerial4	\$61,010.30	\$79,313.39	\$97,616.49	60%	8.0%
Managerial	5	Managerial5	\$65,891.13	\$85,658.47	\$105,425.80	60%	8.0%
Administrator	1	Administrator1	\$69,230.77	\$90,000.00	\$110,769.23	60%	-
Administrator	2	Administrator2	\$76,153.85	\$99,000.00	\$121,846.15	60%	10.0%
Administrator	3	Administrator3	\$83,865.60	\$109,025.28	\$134,184.96	60%	10.0%
Administrator	4	Administrator4	\$87,360.00	\$113,568.00	\$139,776.00	60%	4.2%
Administrator	5	Administrator5	\$91,000.00	\$118,300.00	\$145,600.00	60%	4.2%

- Proposed system uses a more detailed banded method for all classifications.
 - Compensation is based on more variables (scope of work, market demand, education).
 - Proposed system provides the College with improved management of compensation placement.
 - Compensation manual will be drafted for system update and management procedures.

Proposed Compensation System:

Proposed Band Assignments

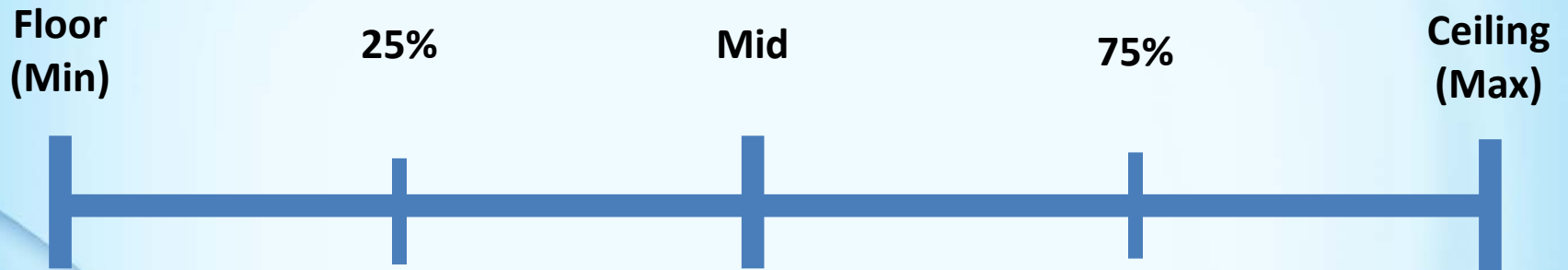
Proposed Faculty Bands

Faculty 9 Month Pay Ranges					
Bands	Min	Mid	Max	Range	Midpoint
Faculty1	\$41,500.00	\$58,100.00	\$74,700.00	80.0%	-
Faculty2	\$47,166.87	\$66,033.61	\$84,900.36	80.0%	14%
Faculty3	\$48,345.02	\$67,683.03	\$87,021.04	80.0%	2%
Faculty4	\$49,151.84	\$68,812.58	\$88,473.32	80.0%	2%
Faculty5	\$50,364.89	\$70,510.84	\$90,656.80	80.0%	2%
Faculty6	\$51,565.55	\$72,191.77	\$92,817.99	80.0%	2%
Faculty7	\$52,815.73	\$73,942.02	\$95,068.31	80.0%	2%
Faculty8	\$55,713.30	\$77,998.62	\$100,283.94	80.0%	5%

Discipline Area	Faculty Band
Visual & Performing Arts	Faculty1
English	Faculty1
Foreign Languages	Faculty1
Communication	Faculty1
Social Sciences	Faculty1
Fitness & Leisure Studies	Faculty2
Mathematics & Statistics	Faculty2
Education	Faculty2
Library Science	Faculty2
Agriculture	Faculty3
Psychology	Faculty3
Engineering	Faculty5
Trades	Faculty5
Biological & Biomedical Sciences	Faculty5
Physical Sciences	Faculty5
Computer & Information Sciences	Faculty6
Business	Faculty6
Health Professions	Faculty8

- Areas of faculty discipline were analyzed based on market, recruitment, turnover, competition in employment, and LCCC feedback. From this information Evergreen assigned each area a band for compensation.

Placement of New Hires



Questions

- Where do we want all employees to be or start?
- Policy says all should be placed at the Midpoint. Pros/Cons?
- What determinations or criteria would we use to place them above midpoint?
- Is there an upper-most threshold that we wouldn't exceed (e.g., 75th percentile for new employees)?

Placement of New Hires

Discussion

- Evergreen recommends three options from which to pick: zone approach, grid approach, and a percent of mid-point approach. Essentially, all three methods place the candidate based on previous work experience.
- To consider these options and our own philosophy, let's work an example:
 - We are hiring a new faculty member and the position falls on the **Faculty1** scale.
 - The candidate has 10 years of experience teaching and a Ph.D. and meets the minimum requirements of the position (two years teaching experience and a master's degree).
- **How would we place this candidate on the range to be competitive?**



Progression Along the Pay Band

Discussion

- After thinking about our new hire placement we need to think about how employees progress along the Pay Bands.
 - If we are actively and competitively placing our new hires into a competitive compensation system, but we are not progressing current employees, this could create compression.
 - We need a plan to progress current employee salaries over time within the market band.
- Evergreen has proposed three tools for the college to use to progress employees.
 - **Structural:** (Cost Of Living Adjustments) based on a verifiable index (e.g. CPI)
 - **Classification:** based on market analysis, ability to recruit, and competition for these positions.
 - **Individual:** based on a performance, activity, or longevity.

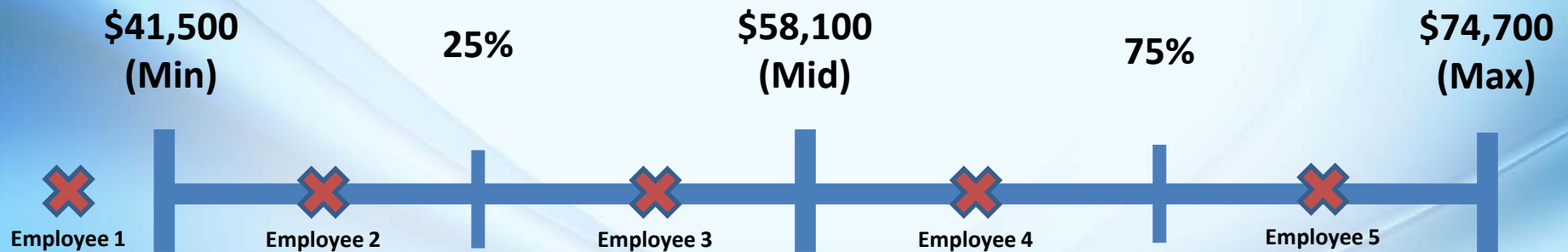
Progression

- If we start all employees competitive (e.g. midpoint) do we need to advance them as much or as far?
- Should movement for certain things (e.g. longevity) be restricted between a range (e.g. midpoint to 75th percentile) and other things past that?
- If we place based on years of experience, but don't advance as they accumulate experience, then what?
- Should the pay band reflect an employee's career span?



Adjustments for Current Employees

- How do we handle existing employees?
 - Employee 1 definitely needs to be addressed, yes?
 - What about the other employees?



Recap / Next Steps:

- LCCC and Evergreen are approaching the end of the analysis and design phase of the project.
- LCCC must settle on its philosophical approaches to placement, progression, and adjusting current employees.
- Next, LCCC will need to elect which options are feasible for implementation (what we can actually afford).
- LCCC needs to finalize its plan for placement and progression of employees within the compensation system.
- An implementation and communication plan will be created after these prior items have been finalized.