Background

To meet its strategic goals, the Illinois Mathematics and Science Academy must succeed in attracting, retaining and rewarding talented and diverse faculty and staff who can build and maintain a quality academic institution. Toward that end, the Academy engaged the services of Carlson Dettmann Consulting (CDC) to conduct a comprehensive compensation study.

The primary goals of the study are to assist the Academy in the implementation and articulation of an organizational compensation philosophy and a sustaining pay architecture for faculty and staff that establishes and maintains market competitiveness, internal equity, and provides flexibility to meet the unique needs of the Academy and its evolving nature.

The last review of the Academy’s base compensation system was conducted in 1999. The structure in place since that time has been used inconsistently and not reviewed until this study. In an effort to review and revitalize IMSA’s base compensation structure, the Academy has worked with CDC to assess, redesign and implement a compensation and classification structure for faculty and staff.

As a part of this project, IMSA staff, along with their administrators, completed “job description questionnaires (JDQ’s)” to document their individual position responsibilities, duties and tasks. The faculty prepared and submitted a collective description. Once the JDQ’s were completed and reviewed by the employees’ administrators, CDC evaluated and scored them using the following criteria:

- Formal Preparation and Experience Required
- Decision Making
- Thinking Challenges and Problem Solving
- Interactions and Communications
- Work Environment

Job evaluation is a process that is utilized to establish internal equity among positions as a base for the development of an overall classification hierarchy. It is designed to evaluate the job, not an individual’s performance.

Additionally, CDC conducted a custom compensation survey which included all K-12 and High schools within two concentric circles of District #129; all colleges and universities within one concentric circle of Community College District #516; Watson/Wyatt Midwest Survey Reports; and, the Bureau of Labor Statistics. The data from these survey sources have been used to establish prevailing market levels for the Academy’s benchmark positions.
**Project Findings**

- Initial reports from the study would indicate that IMSA’s administrative and support staff are paid, on average, at 94% of the established prevailing market rates. Given the superior benefit program provided by IMSA, this is a very acceptable finding.

- Faculty salaries are tend to run fairly even with K12 districts, but lag area high schools by 10-15%, depending the amount of teaching experience.

- Initial results indicate that some employees are below the minimum recommended entry level salary level, and a number of others are being paid above the recommended maximum salary rate for those positions.

**Recommendations**

1. **Adoption of the compensation philosophy:** “The salary administration program for faculty and staff establish and maintain market competitiveness and internal equity while providing flexibility to meet the unique needs of the Academy and its evolving nature.”

2. Given IMSA’s unique status and strategic initiatives, the establishment of a compensation structure that allows flexibility within a pay range is recommended rather than one that replicates the traditional “lock-step” salary schedule. A lock-step schedule rewards individuals for years of service only and is likely to be a disincentive to top performers.

   CDC has developed pay range compensation structures for both faculty and staff that allows salary flexibility based upon education, experience or specialized skill and is sensitive to internal equity.

   The recommended pay plan ranges are as follows:

   **FACULTY SALARY RANGES**

<table>
<thead>
<tr>
<th></th>
<th>Entry</th>
<th>5 yr</th>
<th>10 yr</th>
<th>15 yr</th>
<th>20 yr</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAXIMUM</td>
<td>$55,000</td>
<td>$65,000</td>
<td>$75,000</td>
<td>$85,000</td>
<td>$95,000</td>
<td>$105,000</td>
</tr>
<tr>
<td>MIDPOINT</td>
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<td>$56,875</td>
<td>$65,625</td>
<td>$74,375</td>
<td>$83,125</td>
<td></td>
</tr>
<tr>
<td>MINIMUM</td>
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<td>$48,750</td>
<td>$56,250</td>
<td>$63,750</td>
<td>$71,250</td>
<td></td>
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</table>

   The policy would be to compensate faculty members within the pay ranges at these teaching experience plateaus and to move them closer to the range midpoints over time as funds are available. For example, faculty with 5-9 years experience should be paid within a range of $48,750-$65,000 with a pay target of $56,875.
CDC developed these ranges based upon salary data from pay plans for area K12 and High School faculty. The results of this survey are graphed as follows:
IMSA STAFF RANGES AND PAY PLAN

CDC compiled salary survey data from multiple survey sources reflecting local market conditions, and evaluated the content of each Job Description Questionnaire using CDC’s Point Factor Job Evaluation System. CDC developed a regression analysis of survey results and job points for benchmark jobs as depicted on the graph below.

Admin Staff Market Estimates

\[ y = 119.54x - 18,050 \]
\[ R^2 = 0.9073 \]

Using the results of our survey work and this analysis, CDC recommends the following pay plan for exempt and non-exempt positions based on those results:

<table>
<thead>
<tr>
<th>GRADE</th>
<th>EXEMPT</th>
<th>FR</th>
<th>TO</th>
<th>MINIMUM</th>
<th>MIDPOINT</th>
<th>MAXIMUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>H</td>
<td></td>
<td>1097</td>
<td>1205</td>
<td>$95,632</td>
<td>$119,541</td>
<td>$143,449</td>
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<tr>
<td>G</td>
<td></td>
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<td>1096</td>
<td>$85,639</td>
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<td>$128,458</td>
</tr>
<tr>
<td>F</td>
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<td>906</td>
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<td>$76,506</td>
<td>$95,633</td>
<td>$114,759</td>
</tr>
<tr>
<td>E</td>
<td></td>
<td>824</td>
<td>905</td>
<td>$68,234</td>
<td>$85,292</td>
<td>$102,351</td>
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<tr>
<td>D</td>
<td></td>
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<td>823</td>
<td>$60,727</td>
<td>$75,908</td>
<td>$91,090</td>
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<tr>
<td>C</td>
<td></td>
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<td>748</td>
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<td>$80,834</td>
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<tr>
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<td></td>
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<td>$71,509</td>
</tr>
<tr>
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<td>560</td>
<td>618</td>
<td>$41,887</td>
<td>$52,359</td>
<td>$62,831</td>
</tr>
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</table>
We recommend adoption of the faculty and staff pay ranges as presented for FY 10.

Please note that this recommendation implies that the Board will take similar action in FY 11 and beyond in anticipation that the midpoints, maximums and minimums would be adjusted each year.

3. In previous discussions, the Board has indicated a preference for the development and inclusion of a performance-based component within the overall compensation and salary administration system to reward and recognize top performers. I recommend appointment of an ad hoc committee representative of staff and administration to explore the costs and benefits of a reward and recognition component of the compensation plan and work with the consultants to develop a model for the Board to consider implementing in FY 10. As part of this committee work, we expect the team to recommend that IMSA include in its annual budget a discretionary percentage of payroll for reward and recognition.

4. The final issue concerns summer pay and stipends. It has been several years since these were reviewed, so I recommend appointment of a representative ad hoc committee to work with Human Resources to study pay for summer work, including Excel, SEAMS, KI and other programs, and pay for stipends and return with some concrete recommendations.

The next steps involve calculating a “comparatio,” which is the relationship between actual pay and a pay target for each employee. In this case, the target is the pay range midpoint. If these ranges and the proposed methodology are approved by the IMSA Board, CDC and Human Resources will develop a detailed implementation plan for final Board consideration. This implementation plan will contain recommended increases in line with our philosophy. The increases will be largest for those below the minimum, larger below the midpoint than above it, and may not include any increase for the staff over the maximum.

We estimate the fiscal impact of implementing these pay plans using the comparatio decision rules detailed above would be approximately $125,000 for faculty and $225,000 for staff in FY-10 without taking into consideration any offset saving due to retirements, vacancies, or other turnover.
Work Phases in the Position Evaluation and Compensation Study Project  
January 2009

✓ Completed

✓ Phase One: Project Definition and Orientation

The first step was to refine the project plan to meet the specific needs of the Academy. An initial meeting with Carlson-Dettmann Associates (CDA) helped to ensure mutual understanding concerning the scope and task sequence of the study in addition to the responsibilities of CDA and the Academy.

✓ Phase Two: Position Analysis

Position analysis was the formal process used to gather information about the duties, responsibilities and requirements of each position. In order to evaluate job content objectively and classify jobs, position responsibilities were documented. This was the first part of the job evaluation portion, which had employees describe their own jobs in a systematic, complete manner—the best way to obtain accurate information since the person performing the job is the single best source of information about the job. The insights and opinions of the supervisor and department head were also considered.

✓ Phase Three: Job Evaluation

The purpose of job evaluation is to provide an objective means of ranking each position in an organization, independent of individual performance, into a hierarchy. One concern typically expressed by employees is not understanding why jobs are identified with a particular salary level. (See Phases Five, Six, and Seven.)

✓ Phase Four: Determine Prevailing Market Compensation Levels

Concurrent with the job evaluation process, CDA will collect and review relevant market data. The key policy decisions for the Academy to make in the market study process will be:

1) Market position IMSA wishes to establish in the new, “target” pay plan; and,
2) Selection of relevant/appropriate comparison markets.

✓ Phase Five: Base Compensation Plan Design and Recommendations

Using the results of the job evaluation process and the market pay review, CDA will locate positions within the target pay plan. At this point, the position evaluations and market comparisons will show the extent to which current pay levels are inequitable and/or noncompetitive with respect to where IMSA wants to be compared with the external market.
✓ **Phase Six: Report on Findings and Recommendations**

CDA will present progress reports during the study and provide a final draft report detailing the methodology, survey findings, recommendations for position classification (Exempt or Non-Exempt Status), pay plan(s), related policies, and cost alternatives for implementation. The final report will include all key elements of the new classification and compensation plan, along with recommendations regarding implementation, plan policies and guidelines.

✓ **Phase Seven: Employee Appeals**

CDA will develop an appeal procedure so that a staff member can request a review of his or her job evaluation and position classification outcome of this study. This appeal process is critical to the validity and the acceptance of the process. An appeal of the job evaluation result refers to an objection to the pay grade in which the position has been placed. Employees can also appeal the classification (Exempt or Non-Exempt) to which their individual position has been assigned.