

FY-10 Staff Compensation

Over the past year, a staff compensation committee has been reviewing possible modifications to the staff salary grid, with the goal of making a recommendation to the President and to the Board of Regents. The work of the committee followed the University's shift from requesting annual funding through the legislature for both a grid adjustment and individual step movement for employees, to a single budget request for a grid adjustment. The committee's primary task was to develop an adjustment methodology that did not involve individual step movement for employees. The committee identified an additional goal of addressing salary compression (the situation in which employees' salaries cluster at the bottom of the salary grid) so that a mechanism would exist to provide for salary progression based on experience. Other considerations were to seek efficiencies and cost savings for the university, while establishing a compensation structure that would be considered fair and equitable by employees.

Consistent with the committee's recommendations, the following actions are recommended for the Board's review and consideration, in two stages:

First Stage, proposed for approval now, with implementation to occur in July, 2009

The Board's approval of the FY10 budget includes a 4.5% grid increase for the staff salary schedule. Concurrent with the FY10 across-the-board grid adjustment during the first full payroll period in July, 2009, the proposal is to include a new starting step for each range or pay grade. This new step will be 2% below the first step and will apply to new hires only. This helps reduce compression by providing a way to bring new hires in at a lower salary step than current employees, who will have received the 4.5% salary increase through the grid adjustment. In order to accomplish this, an earlier created "transition step" identified as "T-2" will be reactivated. See the attached grid examples which display the current grid structure and the proposed FY10 grid structure.

Second Stage, to be proposed for approval in September, 2009, with implementation to occur in January, 2010

At the Board's September, 2009, meeting, there will be full details for the Board's consideration and approval concerning a new staff salary structure. The modified salary grid will incorporate the transition steps (T-2, T-3 and T-4). The transition steps will become regular steps and all steps will be renumbered. The transition steps were created in 2002 to facilitate the implementation of the Job Classification System. At that time, it was thought that it would be appropriate to gradually retire these steps after full implementation, as market salary rates increased. In actual practice, the higher of these steps have proven to be competitive starting rates for approximately 20% of positions. Incorporating these steps (rather than retiring them) makes them available as starting steps as the grid itself is increased, which allows the University to maintain flexibility in setting market based starting salaries. It also avoids the significant cost

associated with retiring the transition steps, which entails moving current employees to higher steps. The current cost of retiring transition steps is in the range of \$450,000.

The committee recommends that the new salary grid be based on 1% increments, rather than the current staggered structure in which there are 3% grid increments at the entry level, followed by 2% and then 1% grid increments as salaries progress through the range. While not changing actual salary ranges, this 1% grid increment structure provides a consistent and standardized format that supports automation of pay adjustments. This grid format will also eliminate the need to restructure and renumber the entire grid every time there is a salary range modification.

Once the new grid is implemented, adjustments to the grid or the addition of new, lower entry steps would be subject to annual review and approval by the Board. University Regulations governing step movement and compensation practices will be reviewed and proposed for modification to ensure consistency with the new grid structure and numbering system.

The Board's approval in September 2009 of the more extensive proposed changes to the salary grid will accommodate payroll and IT work in implementing the grid for use beginning January 2010. Full details will be provided to the Board for approval at the September 2009 meeting.

FY09 Current Staff Salary Schedule -- Hourly Rate (0% Differential)

Grade	Steps: 3%										2%							1%						
	T1	T2	T3	T4	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
71			\$8.82	\$9.08	\$9.34	\$9.63	\$9.92	\$10.20	\$10.51	\$10.84	\$11.05	\$11.28	\$11.50	\$11.71	\$11.97	\$12.20	\$12.43	\$12.57	\$12.70	\$12.82				
72			\$9.92	\$10.20	\$10.51	\$10.84	\$11.17	\$11.50	\$11.84	\$12.18	\$12.43	\$12.68	\$12.94	\$13.20	\$13.45	\$13.73	\$14.00	\$14.16	\$14.30	\$14.43				
73			\$11.17	\$11.50	\$11.84	\$12.18	\$12.56	\$12.94	\$13.32	\$13.72	\$13.98	\$14.29	\$14.56	\$14.85	\$15.15	\$15.45	\$15.76	\$15.92	\$16.07	\$16.22				
74			\$12.56	\$12.94	\$13.32	\$13.72	\$14.15	\$14.55	\$14.99	\$15.43	\$15.75	\$16.06	\$16.40	\$16.72	\$17.05	\$17.40	\$17.73	\$17.92	\$18.10	\$18.28				
75			\$14.15	\$14.55	\$14.99	\$15.43	\$15.90	\$16.40	\$16.87	\$17.39	\$17.72	\$18.09	\$18.43	\$18.81	\$19.19	\$19.56	\$19.96	\$20.16	\$20.36	\$20.58				
76			\$15.90	\$16.40	\$16.87	\$17.39	\$17.90	\$18.43	\$19.00	\$19.55	\$19.95	\$20.35	\$20.75	\$21.18	\$21.61	\$22.04	\$22.47	\$22.71	\$22.91	\$23.16				
77			\$17.90	\$18.43	\$19.00	\$19.55	\$20.15	\$20.74	\$21.37	\$22.03	\$22.46	\$22.90	\$23.37	\$23.83	\$24.33	\$24.81	\$25.30	\$25.55	\$25.80	\$26.05				
78			\$19.55	\$20.15	\$20.74	\$21.37	\$22.03	\$22.68	\$23.36	\$24.05	\$24.79	\$25.28	\$25.78	\$26.28	\$26.81	\$27.35	\$27.89	\$28.46	\$28.75	\$29.02	\$29.33			
79			\$21.37	\$22.03	\$22.68	\$23.36	\$24.05	\$24.79	\$25.53	\$26.27	\$27.09	\$27.88	\$28.43	\$29.01	\$29.58	\$30.19	\$30.82	\$31.41	\$32.04	\$32.36	\$32.67	\$33.02		
80			\$23.36	\$24.05	\$24.79	\$25.53	\$26.27	\$27.09	\$27.88	\$28.74	\$29.56	\$30.47	\$31.08	\$31.69	\$32.35	\$33.00	\$33.65	\$34.32	\$35.01	\$35.36	\$35.71	\$36.07		
81			\$25.53	\$26.27	\$27.09	\$27.88	\$28.74	\$29.56	\$30.47	\$31.39	\$32.33	\$33.29	\$34.31	\$34.98	\$35.69	\$36.41	\$37.13	\$37.87	\$38.62	\$39.40	\$39.81	\$40.18	\$40.60	
82			\$28.74	\$29.56	\$30.47	\$31.39	\$32.33	\$33.29	\$34.31	\$35.34	\$36.39	\$37.47	\$38.60	\$39.38	\$40.16	\$40.97	\$41.78	\$42.62	\$43.48	\$44.36	\$44.79	\$45.24	\$45.69	
83			\$32.33	\$33.29	\$34.31	\$35.34	\$36.39	\$37.47	\$38.60	\$39.77	\$40.95	\$42.20	\$43.45	\$44.33	\$45.22	\$46.12	\$47.04	\$47.98	\$48.95	\$49.93	\$50.43	\$50.91	\$51.45	
84			\$35.34	\$36.39	\$37.47	\$38.60	\$39.77	\$40.95	\$42.20	\$43.45	\$44.76	\$46.11	\$47.48	\$48.92	\$49.90	\$50.87	\$51.88	\$52.93	\$53.97	\$55.07	\$56.16	\$56.73	\$57.30	\$57.87

FY10 Proposed Staff Salary Schedule -- Hourly Rate (0% Differential)

Includes ATB Increase and Reactivated T2 Step

Grade	Steps:	2%	3%	3%	3%	3%	3%	3%	3%	3%	2%	2%	2%	2%	2%	2%	2%	1%	1%	1%	1%	1%	1%	1%
	T1	T2	T3	T4	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
71		9.04	\$9.22	\$9.49	\$9.76	\$10.07	\$10.36	\$10.66	\$10.99	\$11.32	\$11.54	\$11.78	\$12.01	\$12.24	\$12.50	\$12.74	\$12.98	\$13.14	\$13.27	\$13.40				
72		10.16	\$10.36	\$10.66	\$10.99	\$11.32	\$11.67	\$12.01	\$12.37	\$12.73	\$12.98	\$13.25	\$13.52	\$13.79	\$14.05	\$14.35	\$14.63	\$14.80	\$14.94	\$15.08				
73		11.44	\$11.67	\$12.01	\$12.37	\$12.73	\$13.13	\$13.52	\$13.92	\$14.34	\$14.61	\$14.93	\$15.21	\$15.52	\$15.83	\$16.14	\$16.47	\$16.63	\$16.80	\$16.95				
74		12.87	\$13.13	\$13.52	\$13.92	\$14.34	\$14.79	\$15.20	\$15.66	\$16.13	\$16.46	\$16.78	\$17.13	\$17.47	\$17.82	\$18.18	\$18.53	\$18.73	\$18.91	\$19.10				
75		14.50	\$14.79	\$15.20	\$15.66	\$16.13	\$16.62	\$17.13	\$17.63	\$18.17	\$18.52	\$18.90	\$19.26	\$19.66	\$20.05	\$20.44	\$20.86	\$21.07	\$21.27	\$21.50				
76		16.29	\$16.62	\$17.13	\$17.63	\$18.17	\$18.71	\$19.26	\$19.85	\$20.43	\$20.85	\$21.26	\$21.69	\$22.14	\$22.58	\$23.03	\$23.48	\$23.73	\$23.94	\$24.20				
77		18.34	\$18.71	\$19.26	\$19.85	\$20.43	\$21.05	\$21.68	\$22.33	\$23.02	\$23.47	\$23.93	\$24.42	\$24.90	\$25.42	\$25.92	\$26.44	\$26.70	\$26.96	\$27.22				
78		20.03	\$20.43	\$21.05	\$21.68	\$22.33	\$23.02	\$23.70	\$24.41	\$25.13	\$25.90	\$26.42	\$26.94	\$27.46	\$28.02	\$28.58	\$29.15	\$29.74	\$30.04	\$30.33	\$30.65			
79		21.89	\$22.33	\$23.02	\$23.70	\$24.41	\$25.13	\$25.90	\$26.68	\$27.45	\$28.31	\$29.14	\$29.71	\$30.31	\$30.92	\$31.55	\$32.20	\$32.83	\$33.48	\$33.82	\$34.14	\$34.51		
80		23.93	\$24.41	\$25.13	\$25.90	\$26.68	\$27.45	\$28.31	\$29.14	\$30.03	\$30.89	\$31.84	\$32.48	\$33.12	\$33.81	\$34.49	\$35.16	\$35.86	\$36.58	\$36.95	\$37.31	\$37.70		
81		26.16	\$26.68	\$27.45	\$28.31	\$29.14	\$30.03	\$30.89	\$31.84	\$32.80	\$33.79	\$34.79	\$35.85	\$36.55	\$37.29	\$38.05	\$38.80	\$39.57	\$40.36	\$41.17	\$41.61	\$41.99	\$42.43	
82		29.44	\$30.03	\$30.89	\$31.84	\$32.80	\$33.79	\$34.79	\$35.85	\$36.93	\$38.02	\$39.16	\$40.34	\$41.15	\$41.97	\$42.82	\$43.66	\$44.53	\$45.44	\$46.36	\$46.80	\$47.27	\$47.74	
83		33.13	\$33.79	\$34.79	\$35.85	\$36.93	\$38.02	\$39.16	\$40.34	\$41.56	\$42.80	\$44.10	\$45.41	\$46.32	\$47.25	\$48.19	\$49.15	\$50.13	\$51.15	\$52.18	\$52.70	\$53.20	\$53.76	
84		36.21	\$36.93	\$38.02	\$39.16	\$40.34	\$41.56	\$42.80	\$44.10	\$45.41	\$46.77	\$48.18	\$49.62	\$51.12	\$52.14	\$53.16	\$54.22	\$55.31	\$56.40	\$57.55	\$58.69	\$59.29	\$59.88	\$60.48