



Fox Lawson & Associates
a Division of Gallagher Benefit Services, Inc.
Compensation and Human Resources Specialists

DES MOINES PUBLIC SCHOOLS

Classification and
Compensation Study:
Final Report

December 2013



Gallagher Benefit Services, Inc.
t h i n k i n g a h e a d

Table of Content

- Project Summary
- Classification Study
 - Process
 - Classification Structure & Class Descriptions
- Job Evaluation Study
 - Methodology
- Compensation Study
 - Survey Process
 - Survey Results
 - Salary Structure Development & Implementation
 - Budget & Cost Implications
- Recommendations
- Final Report

Project Summary

- Des Moines Public Schools (DMPS) contracted with Fox Lawson & Associates (FLA) to conduct a classification and compensation study covering all DMPS positions
- The objectives of the study were to:
 - Develop a classification structure
 - Evaluate all classifications to ensure internal equity
 - Assign jobs to the correct pay grade based on duties and responsibilities
 - Collect market salary data
 - Develop a salary structure that is market competitive
 - Develop job descriptions
 - Identify an implementation plan

Project Summary

- The project consisted of five phases:
 - Study Initiation and Administration
 - Job Analysis & Classification
 - Job Evaluation
 - Compensation
 - Recommendations & Final Report

Study Initiation

- Presented project to employees and management
- Reviewed current systems to understand issues and needs
- Developed the approach and strategy for the project, which included:
 - Moderately broad classification structure
 - Use of the Decision Band™ Method job evaluation methodology
 - Use of market data from comparable school districts and nearby geographic area

Job Analysis and Classification

- Reviewed position description questionnaires completed by DMPS employees to ensure our understanding of the functional area, levels of responsibilities, and job duties
- Developed a classification structure covering all DMPS positions that included:
 - Classification Series
 - Classification Titles
 - Nature of Work
 - Minimum Qualifications

Job Analysis and Classification

- The position description questionnaires were continually referenced as the basis for the structure
- The classification structure and allocation of employees have been reviewed with Senior Management for feedback
- The total number of classifications is 84 after the classification process was completed; 268 job titles are currently in use
- Many original position titles were consolidated into one of the 84 new classifications based on the similarity of duties, responsibilities, as well as the nature and level of work performed. New, consistent job titles were developed

Job Evaluation Study

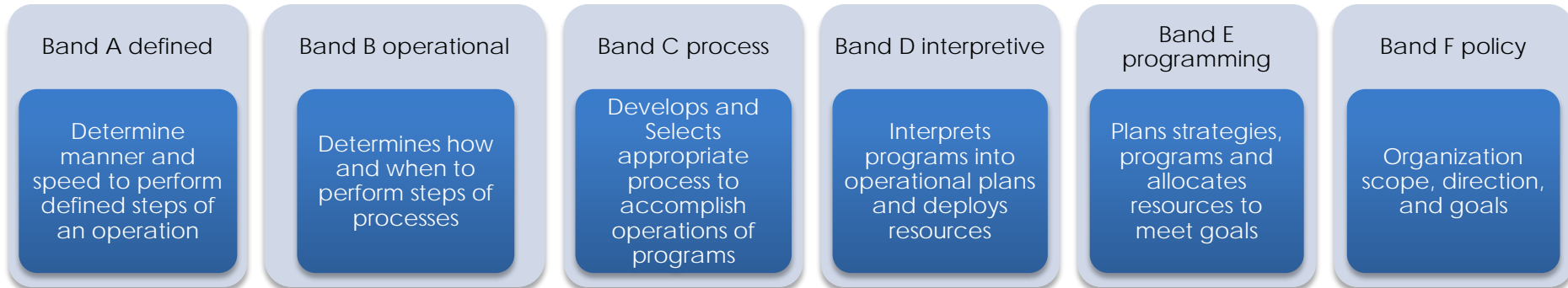
- Purpose of Job Evaluation
 - Establishes a job value hierarchy
 - Helps to grade a new or changed job
- Apply a job evaluation methodology to all jobs for:
 - Internal equity
 - Assignment to pay grades
 - Allocate employees to correct job titles and pay grade

Job Evaluation Study

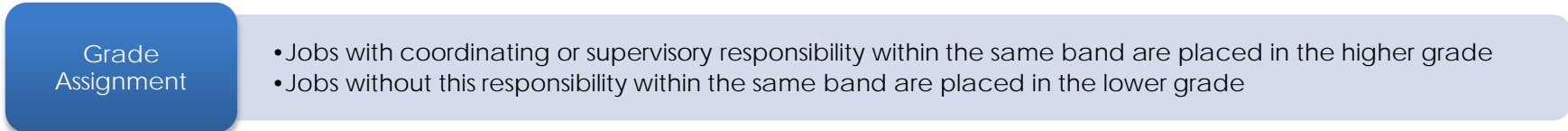
- Evaluate all proposed job classifications utilizing the Decision Band™ Method under the primary criteria:
 - Decision making
 - Supervision
 - Complexity and difficulty of job responsibilities
- Proposed System
 - Broader Classification series & Classifications that allow for management flexibility in staffing and assignments
 - Transparent career paths that enable employees and managers to manage career development
 - Connection between the assigned salary range and the market
- Evaluations were reviewed and verified by DMPS Leadership

Job Evaluation Study

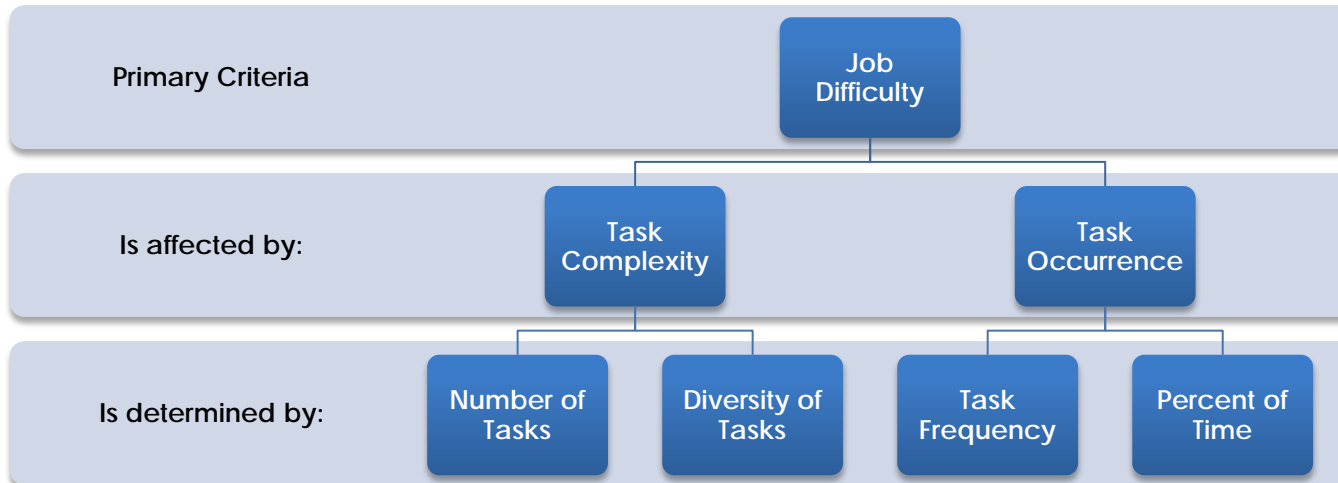
Step 1: Determine appropriate band



Step 2: Determine appropriate grade



Step 3: Determine appropriate subgrade



Compensation Study – Survey Process

- Select benchmarks – identified 73 comparable positions for the 84 classifications
- FLA developed a customized data collection instrument.
- The Data Collection Form (DCF) was distributed to comparable school districts based on sizes and location. Follow-up calls and emails were made to encourage survey participation.
- We asked organizations to make a match for only those jobs that reflected at least 70% of the duties as outlined in the benchmark summaries.
- We compiled, reviewed and entered the data collected from participants.
- We followed-up directly with the participants to clarify and validate missing or questionable information reported.
- Data were adjusted for the Des Moines, IA labor market using data from the Economic Research Institute Geographic Assessor.

Compensation Study – Survey Process

- Market data from the comparable organizations were collected for the 73 benchmark positions:

No.	Benchmark Title	No.	Benchmark Title	No.	Benchmark Title
1	Accountant	26	Director of Facility Services	51	Payroll Manager
2	Accounting Manager	27	Director of Federal Programs and Grants	52	Physical Therapist
3	Accounting Specialist	28	Director of Food & Nutrition Management	53	Preschool Associate
4	Administrative Support Supervisor	29	Director of Technology Operations	54	Principal
5	Assessment Coordinator	30	District Coordinator	55	Purchasing Agent
6	Assistant/Associate Principal	31	Driver	56	Registered Nurse
7	Assistant/Associate Superintendent	32	Early Childhood Associate	57	Registrar
8	Assistive Technology Specialist	33	EEO Coordinator	58	School Improvement Leader
9	Audiologist	34	Food & Nutrition Specialist	59	School Psychologist
10	Autism Strategist	35	Food Service Cook	60	Sign Language Interpreter
11	Benefit Specialist	36	Food Service Head Cook	61	Special Education Associate
12	Bilingual Community Outreach Worker	37	General Counsel	62	Special Education Consultant
13	Campus Monitor	38	Grants Writer	63	Special Education Supervisor
14	Career Advisor	39	Head Start Associate	64	Special Education Teacher
15	Chief Academic Officer	40	Instructional Technology Coordinator	65	Student Counselor
16	Chief Financial Officer	41	Internal Auditor	66	Student Support Manager
17	Chief Human Resource Officer	42	IT Application System Analyst	67	Superintendent
18	Chief Operations Officer	43	IT Help Desk Support	68	Suspension Associate
19	Compliance Support Teacher	44	IT Network Architect	69	Teacher
20	Construction Project Facilitator	45	IT Support Technician	70	Teacher Associate
21	Craft Specialist	46	Librarian	71	Trades Technician
22	Curriculum Coordinator	47	Library Assistant	72	Transportation Manager
23	Custodian	48	Occupational Therapist	73	Warehouse Assistant
24	Custodian Supervisor	49	Occupational Therapist Assistant		
25	Dean of Students	50	Office Clerk		

Compensation Study – Survey Process

- The survey was distributed to the 30 organizations:

No.	School District	Enrollment	No.	School District	Enrollment
1	Buffalo Public Schools, NY	34,500	16	Richmond County School District, GA	32,700
2	Cincinnati Public Schools, OH	35,300	17	Rochester City School District, NY	32,500
3	Indianapolis Public Schools, IN	34,100	18	San Jose Unified School District, CA	31,900
4	Jackson Public School District, MS	30,600	19	Spokane School District, WA	29,700
5	Johnson County Schools, NC	31,500	20	Spring Branch Independent School District, TX	32,400
6	Leon County School, FL	32,500	21	St Paul Public Schools, MN	39,000
7	Lincoln Public Schools, NE	34,100	22	Ankeny Community School District, IA	9,250
8	Little Rock School District, AR	25,800	23	Cedar Rapids Community Schools, IA	16,080
9	Minneapolis Public Schools, MN	35,300	24	Council Bluffs Community School District, IA	8,510
10	Montgomery Public School, AL	31,300	25	Davenport Community School District, IA	15,550
11	Norfolk Public School, VA	34,400	26	Dubuque Community School District, IA	10,430
12	Orange Unified School District, CA	30,200	27	Iowa City Community School District, IA	12,490
13	Pittsburgh Public Schools, PA	27,900	28	Sioux City Community School District, IA	13,660
14	Portland School District, OR	43,700	29	Waterloo Community School, IA	10,450
15	Richardson Independent School District, TX	34,400	30	West Des Moines Community Schools, IA	9,040

- We received completed survey from these participants:

School Districts	Job Match Rate
Lincoln Public Schools, NE	62%
Portland School District, OR	96%
Richmond County School District, GA	51%
Ankeny Community School District, IA	71%
Iowa City Community School District, IA	59%
West Des Moines Community Schools, IA	52%

Compensation Study – Survey Process

- We're able to obtain salary schedule information from the websites of the 15 school districts:

School Districts	School Districts
Buffalo Public Schools, NY	Richardson Independent School District, TX
Indianapolis Public Schools, IN	San Jose Unified School District, CA
Jackson Public School District, MS	Kansas City Public Schools, MO
Johnson County Schools, NC	Spokane School District, WA
Leon County School, FL	Spring Branch Independent School District, TX
Little Rock School District, AR	Waterloo Community School, IA
Norfolk Public School, VA	School District U-46, IL
Orange Unified School District, CA	

- We also used published survey sources including Towers Watson, Mercer, and ERI for the positions that didn't have sufficient school district data.
- We follow the U.S. Department of Justice and Federal Trade Commission guidelines that state five job matches should exist per job in order to conduct statistical analyses or for drawing conclusions. Three positions, did not match this criteria:
 - Chief Academic Officer
 - Curriculum Coordinator
 - Special Education Teacher

Compensation Study – Market Data

- The following guidelines are used when determining the competitive nature of current actual compensation:
 - +/- 5% (Highly Competitive)
 - +/- 10% (Competitive)
 - +/- 11-15% (Possible misalignment with the market)
 - > 15% (Significant misalignment with the market)
- For each benchmark comparison, the percentage difference has been calculated between the DMPS salary figure and the market salary figure in terms of the DMPS salary:
 - Positive (+) figure indicates that the DMPS pays above the market
 - Negative (-) figure indicates that the DMPS pays below the market
- Salary data were adjusted to reflect daily and annual rates and adjusted for DMPS's labor market, as well as aged to January 1, 2013.

Compensation Study – Market Data

- The overall difference between DMPS and the market:
 - This is the cumulative difference between all the benchmark jobs, not an average of the average differences

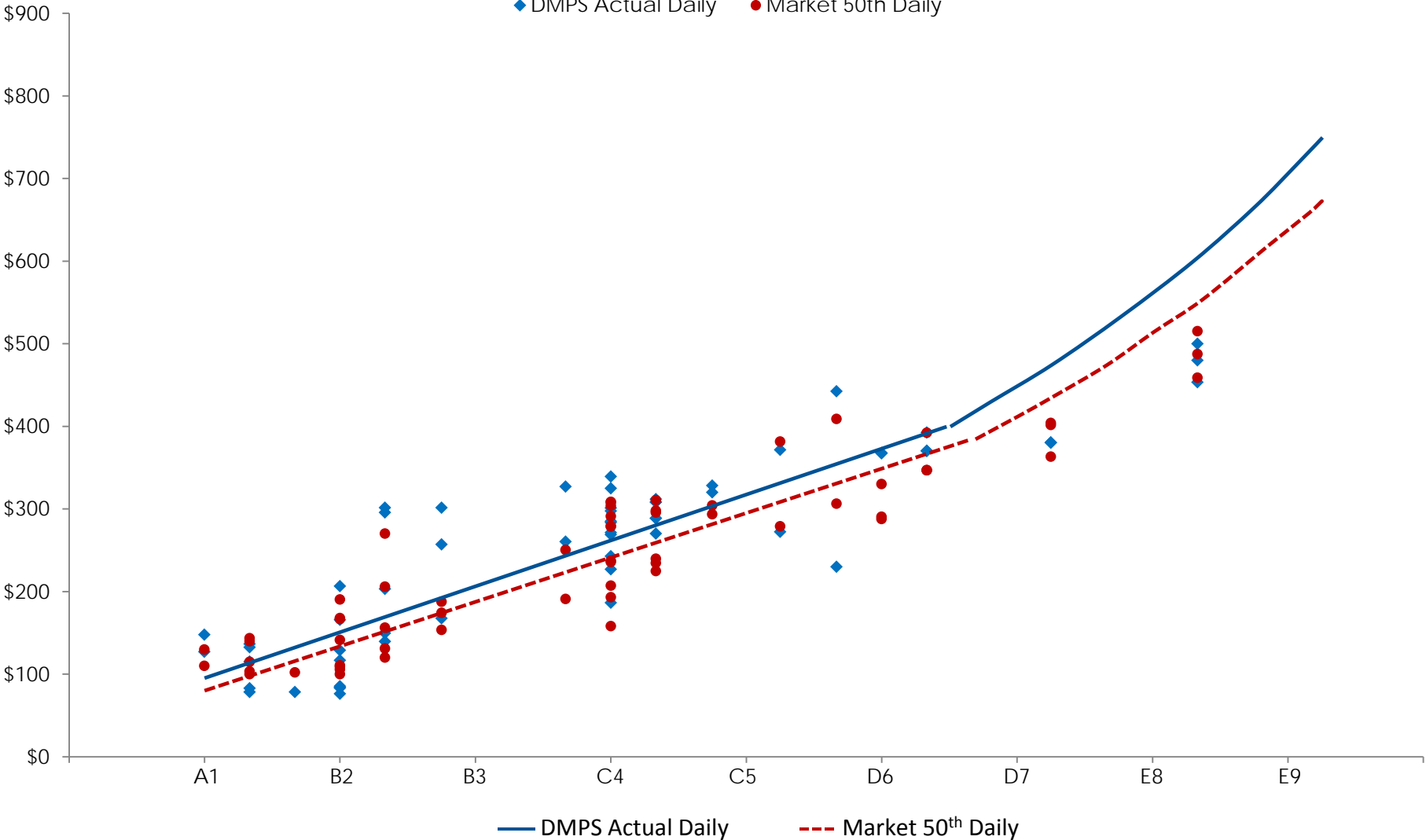
Compared to the Market (Actual Pay)	25 th Percentile	50 th Percentile	75 th Percentile
DMPS Difference	+12.99%	+6.29%	-3.27%
Compared to the Market (Salary Structure)	Minimum	Midpoint	Maximum
DMPS Difference	+6.01%	+1.18%	-4.11%

- According to this chart, DMPS is considered competitive with the market using the referenced guidelines:
 - Actual Salaries – Competitive
 - Salary Range Minimum – Competitive
 - Salary Range Midpoint – Highly Competitive
 - Salary Range Maximum – Competitive

Compensation Study – Salary Structure

- We next combined the market data with the DBM evaluations to develop a salary structure through regression analysis. This process creates an internally equitable and market competitive salary structure
- FLA developed trend lines or 'lines of best fit' for market median data points using the regression equation shown on the graph
- The R^2 value represents the percentage of a trend line that can be explained by referenced data points, and the closer the R^2 is to 1.00, the better fit of the trend line to the data points
- The following graph compares the market data to DMPS salaries

Compensation Study – Salary Structure



Compensation Study – Salary Structure

- The salary regression analysis confirms the overall difference between DMPS and the market. DMPS is 6.29% above the market
- Both R² values: 0.86 (linear) & 0.83 (exponential) describe a very close relationship between the regression pay trend and the market data
- While there are individual positions above and below the market medians, the overall trend of DMPS actual salaries and the market medians are very comparable
- The linear regression and exponential regression trend lines intersect at D63. Based on the overall consideration of DMPS current salary rate and the market data, we determined that a combination of the linear and the exponential regression functions would provide the best salary structure for DMPS
 - Apply linear regression function to classifications lower than or equal to D63
 - Apply exponential regression function to classifications higher than D63

Compensation Study – Salary Structure

DBM Rating	Minimum Hourly	Midpoint Hourly	Maximum Hourly	Range Spread
A11	\$7.93	\$9.11	\$10.30	30%
A12	\$9.86	\$11.34	\$12.82	30%
A13	\$11.79	\$13.56	\$15.33	30%
B21	\$13.55	\$15.79	\$18.03	33%
B22	\$15.46	\$18.01	\$20.56	33%
B23	\$17.37	\$20.24	\$23.10	33%
B31 or B24	\$19.51	\$23.02	\$26.53	36%
B32 or B25	\$22.34	\$26.36	\$30.38	36%
C41	\$24.38	\$29.14	\$33.89	39%
C42	\$26.24	\$31.36	\$36.48	39%
C43	\$28.10	\$33.59	\$39.07	39%
C51 or C44	\$30.06	\$36.37	\$42.68	42%
C52 or C45	\$32.82	\$39.71	\$46.60	42%
D61	\$33.99	\$42.49	\$50.99	50%
D62	\$35.77	\$44.71	\$53.66	50%
D63	\$37.55	\$46.94	\$56.32	50%
D71 or D64	\$39.24	\$50.03	\$60.82	55%
D72 or D65	\$43.59	\$55.57	\$67.56	55%
E81	\$46.66	\$60.66	\$74.66	60%
E82	\$50.05	\$65.06	\$80.08	60%
E83	\$53.68	\$69.78	\$85.88	60%
E91	\$56.42	\$76.17	\$95.92	70%
E92	\$62.68	\$84.61	\$106.55	70%
F101	\$68.42	\$92.36	\$116.31	70%
F102	\$73.38	\$99.06	\$124.74	70%
F103	\$78.70	\$106.24	\$133.79	70%

Compensation Study – Salary Structure

- By utilizing a combination of the market data and the job evaluation results, we are proposing a salary structure that is competitive with the market and internally equitable
- We also created a Step Structure within each pay grade based on seniority. This method provides an option to place employees at the correct steps within the assigned pay grades, and could be used as a guideline for future salary increases

Compensation Study – Salary Structure – Teachers

- We proposed a teacher’s salary schedule based on the market 50th percentile of the minimums of teacher's salary schedule data, and used the same step & lane increase rate of DMPS’s current schedule
 - Data indicates Annual salary rate

Step	BA	% Increase	BA+15	% Increase	BA+30	% Increase	MA	% Increase	MA+15	% Increase	MA+30	% Increase
1	35,076	N/A	36,430	3.86%	36,903	1.30%	38,187	3.48%	39,540	3.54%	40,892	3.42%
2	35,685	1.73%	37,811	3.79%	38,119	3.30%	38,863	1.77%	40,216	1.71%	41,569	1.65%
3	36,903	3.41%	39,196	3.66%	39,337	3.19%	40,216	3.48%	41,569	3.36%	42,921	3.25%
4	38,119	3.30%	40,588	3.55%	40,554	3.09%	41,569	3.36%	42,921	3.25%	44,273	3.15%
5	39,337	3.19%	41,983	3.44%	41,772	3.00%	42,921	3.25%	44,273	3.15%	45,626	3.06%
6	40,554	3.09%	43,383	3.33%	42,988	2.91%	44,273	3.15%	45,626	3.06%	46,978	2.96%
7	41,772	3.00%	44,787	3.24%	44,205	2.83%	45,626	3.06%	46,978	2.96%	48,330	2.88%
8	42,988	2.91%	46,196	3.15%	45,491	2.91%	46,978	2.96%	48,330	2.88%	49,683	2.80%
9	44,273	2.99%	47,608	3.06%	46,843	2.97%	48,398	3.02%	49,683	2.80%	51,036	2.72%
10	45,626	3.06%	49,019	2.96%	48,195	2.89%	49,886	3.07%	51,036	2.72%	52,388	2.65%
11	46,978	2.96%	50,430	2.88%	49,548	2.81%	51,373	2.98%	52,456	2.78%	53,740	2.58%
12	48,330	2.88%	51,841	2.80%	50,224	1.36%	52,861	2.90%	53,943	2.84%	55,092	2.52%
13							54,349	2.81%	55,431	2.76%	56,513	2.58%
14											58,001	2.63%

Non-Bargaining Jobs Implementation

Recommendations

Compensation Study - Implementation

- FLA reviewed several implementation options for DMPS
- Our recommended approach will affect an estimated 165, out of 496 employees non-bargaining unit employees, or 33.3%

Compensation Study - Implementation

- It will ensure that employees are paid at a relatively equal level in their respective salary ranges taking into account both job value and market value
- The cost to implement is estimated to be no more than \$777,584

Compensation Study - Implementation

- How DMPS implements our recommendations for any specific employee should be based on a combination of such things, including
 - Responsibility
 - Experience
 - Performance
 - Seniority
 - Anticipated changes to the District organization
 - Other factors

Compensation Study - Implementation

- These decisions should be made by the Superintendent and Senior Management
- We believe that now is a good time to implement the changes necessary to cover any pay issues due to the recent changes in administration and senior level staff

Recommendation

- Adopt the proposed classification that allows flexibility and transparent potential career paths
- Utilize the Decision Band™ Method to evaluate new or changed positions to ensure internal equity
- Implement the proposed salary structure to ensure competitive salary ranges for the recruitment and retention of employees per the determined implementation method

Recommendation

- Pay administration guidelines should be implemented for placing and moving employees through the structure, we recommend the following:
 - The hiring range should be from the range minimum for minimally acceptable qualified individuals to the first quartile (25th percentile) for well qualified individuals. Under the Step Structure, new hires will be allocated to the step that is closest to their pay, and increased by the Step Increase Rate according to their seniority

Recommendation

- Appointment above the first quartile should require the approval of Human Resources, and appointment above the midpoint should require the approval of the Senior Management and the Superintendent
- Salary advancement through the structure should be based on competent performance in the job class
- The salary structure should be adjusted by a structure movement trend factor every year to remain competitive with the market. This adjustment may be different than any salary adjustments for employees

Recommendation

- In addition to adjusting the salary structure each year to keep pace with the market, DMPS should conduct a comprehensive market compensation study similar to the salary study part of the project at least every three to four years to make sure the salary structure is market competitive
- DMPS should annually review its internal alignment and classification of jobs to ensure proper leveling between the supervisors and managers