



2014 UDC CLASSIFICATION & COMPENSATION REFORM

April 2014

Agenda

- Review Compensation Philosophy
- Identify employees in scope
- Discuss implementation for:
 - Classification process changes
 - Pay structure consolidation
 - Annual pay increases
 - Annual incentive program
 - Targeted incentives to minimize expenses and increase revenues
- Next Steps

Proposed Compensation Philosophy

The University of the District of Columbia will establish and maintain a total compensation plan (pay and benefits) that **will attract, retain and reward a qualified, motivated, high-performing workforce** to support its vision of being a diverse, selective, teaching, research and service, public university in the land-grant and Historically Black College and University traditions, serving the people of Washington, DC, the nation and the world. **The total compensation plan will support the University's mission, strategy, and goals.**

Employees in Scope

	Union	Non-Union
Career Service	38 ^[2]	14 ^[3]
Adjunct	-	306
Faculty	178 ^[1]	64
Staff	118 ^[2]	326
Totals	334	710

Data as of 3/10/14

Notes:

- [1] Any changes to union Faculty classification and compensation guidelines will need to be negotiated.
- [2] Union staff under the CBA covering District employees in Compensation Units 1 and 2.
- [3] Career Service employees' salaries and rate schedules are determined by the Mayor.

Classification Current

- Federal Government's Office of Personnel Management Factor Evaluation System (FES) method of classification
- The use of FES dates back to 1940's

2014 Classification Recommendations

- **Market-based classification**
 - Pay band determined by closest midpoint
 - Ensures market competitiveness
 - Easy to understand and communicate
 - Reduces administrative burden
 - Assign benchmark jobs and slot those without market data
- **Titling guidelines and job leveling**
 - Categorize jobs by job families and titling groups (director, manager, coordinator, specialist, assistant, etc.)
 - Allows for market-based pay levels
 - Provides more flexibility than the DCHR structured JEM approach


Pay Structure Current

	GRADE	1	2	3	4	5	6	7	8	9	10	Difference Between Steps
DS0058 - Non-Union UDC Admin Svc	04	\$71,004	\$73,725	\$76,447	\$79,168	\$81,889	\$84,610	\$87,332	\$90,053	\$92,774	\$95,495	\$2,721
	05	\$63,386	\$65,802	\$68,217	\$70,632	\$73,048	\$75,463	\$77,878	\$80,294	\$82,709	\$85,124	\$2,415
	06	\$59,661	\$61,986	\$64,312	\$66,638	\$68,964	\$71,289	\$73,615	\$75,941	\$78,267	\$80,592	\$2,326
	07	\$53,872	\$55,952	\$58,031	\$60,111	\$62,190	\$64,270	\$66,350	\$68,429	\$70,509	\$72,588	\$2,080
	08	\$48,993	\$50,871	\$52,748	\$54,626	\$56,504	\$58,381	\$60,259	\$62,137	\$64,015	\$65,892	\$1,878
DS0095 - Union Educational Svc Staff	004	\$88,478	\$91,868	\$95,258	\$98,648	\$102,038	\$105,428	\$108,818	\$112,208			\$3,390
	005	\$78,995	\$82,002	\$85,009	\$88,016	\$91,013	\$94,030	\$97,037	\$100,044			\$3,007
	006	\$74,338	\$77,252	\$80,166	\$83,080	\$85,994	\$88,908	\$91,822	\$94,736			\$2,914
	007	\$67,137	\$69,732	\$72,327	\$74,922	\$77,517	\$80,112	\$82,707	\$85,302			\$2,595
	008	\$61,053	\$63,389	\$65,725	\$68,061	\$70,397	\$72,733	\$75,069	\$77,405			\$2,336

Pay Structure Recommendations


Open Range Pay Structure

Meets min qualifications



Grade	Minimum	25P	50P	75P	Maximum
A	\$60,000	\$66,000	\$75,000	\$81,000	\$90,000

Proficient in role



Pay Structure Recommendations

Current Structures	#EEs	Proposed Structures	#EEs
DS0058 – Non-Union UDC Admin Svc	325	Create one open range salary structure for non-union employees. Market midpoint determines placement in appropriate grade Salary range spread decreases as move down grading scale (admin jobs)	326
DS0059 – Non-Union UDC Legal Svc	1		
ES0000 – Non-Union Adjunct Faculty	54	No change	54
ES0002 – Non-Union Faculty Step Based (Law School)	1	Create one open range salary structure for non-union Law School	27
ES0006 – Non-Union Faculty Banded (Law School)	26		
ES0005 – Non-Union Faculty Banded (Flagship)	19	Create one open range salary structure for non-union Faculty	26
ES0003 – Non-Union Faculty Step Based (Flagship)	17		

Pay Structure Recommendations

Current Structures	# EEs	
WS0018 – Non-Union UDC Wage Grade Sup	1	} Not in Scope Tied to DCHR Classification Reform
DS0057 – Non-Union UDC Clerical Svc	3	
DS0073 – Non-Union UDC Aides & Clerical Svc	10	
WS0029 – Union Career Svc Wage Grade	14	
WS0034 – Union Wage Grade Leader	1	
DS0070 – Union Special Police/Correction Officer/EMT Paramedic	1	
DS0077 – Union Career Svc Professional Series	1	
DS0078 – Union Career Svc Technical/Paraprofessional Series	5	
DS0079 – Union Career Svc Clerical Administrative Support	15	
DS0095 – Union Educational Svc Staff	119	
ES0001 – Union Faculty Step Based (Flagship)	62	} Not in Scope NEA Faculty Union
ES0004 – Union Faculty Banded (Flagship)	116	

Annual Pay Increases Current

- Rates of pay frozen for years
- 3% COLA increase in April 2013
- No tie to performance

Annual Pay Increases Recommendations

- Award annual non-union increase^[1] based on performance rating and position in range

2014 – Phase 1 HR Administrators (chart is for illustration purposes only)

	Min – 25P	25P-50P	50P-75P	75P-Max
Failed Expectations	N/A	N/A	N/A	N/A
Below Expectations	N/A	N/A	N/A	N/A
Achieved Expectations	3.5%	2.0%	1.5%	0.5%
Exceeds Expectations	4.0%	3.0%	2.0%	1.5%

Notes:

[1] Not applicable for non-union Adjunct Faculty and Career Services employees

Annual Pay Increases Recommendations

- Award annual non-union increase⁽¹⁾ based on performance rating and position in range

2015 – Phase 2 Manager Input (chart is for illustration purposes only)

	Min – 25P	25P-50P	50P-75P	75P-Max
Failed Expectations	N/A	N/A	N/A	N/A
Below Expectations	N/A	N/A	N/A	N/A
Achieved Expectations	3.0% – 5.0%	2.0% – 4.0%	1.5% – 0.5%	1.0% – 0.0%
Exceeds Expectations	4.0% – 6.0%	3.0% – 5.0%	2.0% - 1.0%	1.5% – 0.5%

Notes:

[1] Not applicable for non-union Adjunct Faculty or Career Services employees

Incentive Programs Current

- NEA Faculty Merit Program

Incentive Programs Recommendations

Annual Incentives – Non-Union Employees

Eligibility

- Non-union employees ⁽¹⁾
- Achieved performance rating or higher

Self funding annual incentive program

- Financial gate

Tied to strategic measures

- Middle states prep
- Tuition collections
- Student retention
- Grant adherence
- Vision 2020 objectives
- Reduce cost per student FTE

Notes:

[1] Not applicable for non-union Adjunct Faculty and Career Services employees

Incentive Programs Recommendations

2014 Goals	Weight	Measurement Period	No Proration		
			Min	Target	Max
Increase annual grant revenue for Sponsored Programs	10%	October 1, 2014 – September 30, 2015	8%	12%	20%
Increase student graduation rates	5%	October 1, 2014 – September 30, 2015	10%	12%	14%
Reduce annual FTE cost per student	15%	October 1, 2014 – September 30, 2015	10%	12%	14%

(chart is for illustration purposes only)

Incentive Programs Recommendations

Payout Example

Formula

Annual Salary **X** Incentive Opportunity **X** Performance Measures Results **X** Financial Modifier = Payout

Example 1

The employee has an annual salary of \$65,000 with a 3% incentive opportunity

The University achieves 50% of its Performance Objectives

The Financial Modifier is 9.1%

$$\$65,000 \times 3\% \times 50\% \times 9.1\% = \$88.725$$

Example 2

The employee has an annual salary of \$65,000 with a 3% incentive opportunity

The University achieves 75% of its Performance Objectives

The Financial Modifier is 20%

$$\$65,000 \times 3\% \times 75\% \times 20\% = \$292.50$$

Incentive Programs Recommendations

Targeted Incentives – Minimize Expenses



An employee whose suggestion results in a net annual savings or increase in revenues of \$100 or more is eligible for a bonus of 10% of the net savings or revenue increase, up to a maximum of \$5,000.

Incentive Programs Recommendations

Targeted Incentives – Increase Revenue



Awards for continuing or obtaining new Sponsored Grants
(chart is for illustration purposes only)

<u>Existing Grants</u>	
\$0-\$9,999	\$100
\$10,000-\$99,999	\$200
\$100,000-\$249,999	\$300
\$250,000-\$499,999	\$400
\$500,000-and up	\$500
<u>New Grants</u>	
\$0-\$9,999	\$200
\$10,000-\$99,999	\$400
\$100,000-\$249,999	\$600
\$250,000-\$499,999	\$800
\$500,000-and up	\$1,000

Summary of Recommendations

- Market-based classification⁽¹⁾ for non-union jobs
- Move towards open range structures⁽¹⁾ for non-union jobs
- Award annual non-union increase⁽¹⁾ based on performance rating and position in pay range
- Add an annual incentive program⁽¹⁾ for all non-union employees
- Design targeted incentives to minimize expenses and increase revenues

Notes:

[1] Not applicable for non-union Career Services employees

