

MONTGOMERY COLLEGE
Office of the Senior Vice President for Administrative and Fiscal Services

August 3, 2012

MEMORANDUM

To: Dr. DeRionne P. Pollard, President

From: Cathy Jones, Senior Vice President for Administrative and Fiscal Services

Subject: Classification Steering Committee Recommendations

Thanks to the tremendous dedication of the Classification Steering Committee (CSC) and resource team, their work has come to a conclusion. This memorandum outlines the final recommendations of the CSC in fulfillment of their charges. Your approval and adoption of these recommendations is requested. Upon your approval, the recommendations will be shared with the College community.

Charge #1 Approve a process to complete the classification renewal by July 2012

The CSC successfully completed this charge at the onset of the Classification Renewal Process.

Charge #2 Recommend a compensation structure for staff and administrators to Dr. Pollard

The CSC adopted the following compensation philosophy, which guided the recommendations outlined below.

Montgomery College recognizes the contributions of each employee in achieving the mission of the organization: We empower our students to change their lives, and we enrich the life of our community. We are accountable for our results. The total compensation philosophy supports the mission by helping attract and retain highly skilled and engaged faculty, staff, and administrators by regularly benchmarking total compensation with comparable colleges and regional public sector employers.

The guiding principles for the total compensation philosophy are:

- Reward excellence, integrity, innovation, diversity, stewardship, sustainability
- Value longevity, performance, proficiency, and service to the College, community, and profession
- Maintain a classification system that ensures equity and fairness
- Embrace and comply with all applicable employment laws and regulations
- Promote transparency through an understandable system
- Maintain flexibility for growth
- Establish and maintain a standard of accountability
- Provide a living wage
- Encourage and provide paths and support for professional and career growth

Based on cursory research, the CSC believes the philosophy adopted by the committee to inform its recommendation on compensation structure would provide a solid foundation to attract, retain, and motivate our employee community, but the development of a thorough and comprehensive compensation philosophy is beyond the scope of the CSC. Thus, the CSC recommends that the new governance group of Montgomery College convene a committee to develop and recommend a comprehensive compensation philosophy for adoption in the future.

The committee considered and evaluated four compensation structure options:

- Single rate system
- Step schedule and scale
- Salary range and standard increments (current system at MC)
- Performance based/merit pay system.

The committee recommends the following:

Staff Compensation Structure

The College should maintain its current range and increment compensation structure for staff. Within the current system individuals receiving overall performance ratings of “far exceeds expectations,” “exceeds expectations,” or “meets expectations” would receive an increment. Individuals receiving overall performance ratings of “needs improvement” or “does not meet expectations” would not be eligible to receive an increment.

It is also recommended that one-time, lump sum bonuses (not added to base) be available annually per the evaluation process. The annual one-time lump sum bonus would be available only to those staff whose overall performance ratings either “far exceeds expectations” or “exceeds expectations.” It is the opinion of the committee that this compensation model appropriately recognizes and rewards staff performance. Given that the one-time, lump sum bonus is contingent upon performance evaluations, it will be necessary for supervisors to receive explicit training on appropriately completing performance evaluations. These trainings could be included in the essential trainings for supervisors. The CSC also recommends budgeting a total amount of approximately \$600,000.00 annually for the one-time, lump sum annual bonus. This equates to approximately one percent of staff payroll projections. In the event the total number of staff eligible for bonuses would exceed the total amount listed above, the bonus amounts would be lowered and proportionally recalculated.

The following example actualizes this recommendation:

Effective fiscal year 2013, the cycle and review for staff evaluations will be standardized. Each staff member, as part of his or her annual evaluation, will receive an overall performance rating of “far exceeds expectations,” “exceeds expectations,” “meets expectations,” “needs improvement,” or “does not meet expectations.” As a result, in August 2013 of fiscal year 2014, after evaluations have been completed for all staff (which should occur no later than July 31, 2013), those staff receiving ratings above “meets expectations” would be recognized as follows:

- “far exceeds expectations” – up to \$2,000 one-time, lump sum bonus annually (not added to base);
- “exceeds expectations” – up to \$1,000 one-time, lump sum bonus annually (not added to base).

Administrator Compensation Structure

Administrators maintain a pay-for-performance structure as follows:

- Meets Expectations: percentage increase by the same increment as the percentage received by staff
- Exceeds Expectations: percentage increase by the same increment as the percentage received by staff, plus one percent
- Far Exceeds Expectations: percentage increase by the same increment as the percentage received by staff, plus two percent.

Furthermore, whatever general wage adjustment (also known as COLA) is determined by the Board of Trustees for non-bargaining staff and administrators, only those administrators receiving a rating of “meets expectations or higher will receive the adjustment.

Further Recommendations

To the extent permitted by the collective bargaining obligations and agreement, the CSC further suggests that the total budgeted amount of staff bonuses, as well as the suggested lump sum amounts, be recommended by a committee each year. This same committee could develop and recommend the comprehensive total compensation philosophy. The purpose of the compensation philosophy is to create a clear, consistent understanding and communication of the compensation structure. A comprehensive compensation philosophy also provides a foundation and guide for future compensation decisions. It also serves to assure intentional compensation practices and directs actions strategically in good and bad economic times.

Charge #3 Recommend an ongoing evaluation and assessment process for the classification system, including a process to consider individual reclassification requests

To fulfill this item of the charge and to ensure the classification system remains relevant and equitable, the CSC considered options for the ongoing maintenance of the classification system, a process for allowing individual employees and supervisors to request reclassification, and a process allowing the Office of Human Resources, Development, and Engagement to take more immediate evaluation steps in certain circumstances. After examining the systems employed by other Maryland community colleges, Montgomery County Public Schools, and Montgomery County government, the committee submits the following recommendations for consideration:

Classification Maintenance Review – Five-Year Cycle

The CSC recommends establishing a five-year cycle for classification maintenance. Each fiscal year, a group of class specifications will be reviewed, using the Hendricks evaluation system as adopted by Montgomery College. A five-year schedule of reviews, specifying groups of class specifications, will be established and published by the Office of Human Resources, Development, and Engagement. This does not preclude examination of job class specifications or individual positions as listed below. The CSC recommends, however, that this process begin in FY2014. Further, the CSC recommends a moratorium on requests for reclassifications in FY2013. The moratorium for one full year allows for the full implementation and stabilization of the work completed by the CSC in the renewed classification study.

Individual Request for Reclassification –With the understanding that the College intends to standardize the evaluation period for all staff employees to ensure all evaluations are completed by late July/early August each year, the CSC recommends that all position descriptions be reviewed and modified as appropriate on an annual basis by employees and supervisors as part of the evaluation process in establishing the performance plan for the next year. A supervisor and/or employee may submit a reclassification request to the Office of Human Resources, Development, and Engagement in

September, asserting that a position description has significantly changed and requesting an evaluation for possible reclassification. Such requests shall be evaluated, with results communicated prior to the end of the calendar year, if possible.

Other Reclassification Events

The vice president of the Office of Human Resources, Development, and Engagement may authorize evaluations and reclassifications outside of September requests for individual positions or job classes under the following circumstances:

- Major and significant change in the work of a job class or individual position as a result of reorganization, technological or regulatory changes, or other unforeseen factors that have significant impact on work;
- Prior to recruitment;
- In the event of difficulty in recruiting applicants to the job class at the normal entry salary or where there has been excessive turnover in the job class.

Further Recommendation

The CSC further recommends that the Office of Human Resources, Development, and Engagement be charged with leveraging technology to develop an online tool, which outlines the reclassification process described herein. The MCPS brochure on reclassification is an excellent model. Additional opportunities for sharing this information should be pursued, including the new employee orientation.

Charge #4 Recommend title changes for staff and administrators with the goal of providing organizational clarity.

In tackling this charge, a small subset of the CSC was asked to research job class titles and bring recommendations forward for the CSC to discuss. The workgroup identified criteria that would be used to determine if a job was a lead, coordinator, supervisor, manager, non-administrator director, as well as each administrator job class title. Recommendations were drafted and prepared for the full CSC as an attempt to distinguish between the various levels of directors and also to minimize the number of vice presidents.

The CSC unanimously agreed that the determination and assignment of specific job class titles is beyond the skill and expertise of the CSC members. As a result, the CSC created a framework of standards and developed the recommendation for completing this charge. The framework served to guide the work of the classification specialists.

Additionally, the CSC decided it necessary to review the updated class specification documents as part of the process. This review increased the committee members' understanding of the various titles used across the organization. This review was valuable and helped to guide the development of the recommendation related to titles.

Ultimately, the CSC recommended endorsement of the work of the classification specialists with the provision that the work completed by the classification specialists is carried out in accordance with the standards and recommendations outlined throughout the following framework:

Framework for the Evaluation and Assignment of Job Class Titles

The following standards form the framework by which position descriptions should be classified. The consistent application of these standards will ensure consistency across the College and provide organizational clarity.

- The determination and assignment of job class titles is the responsibility of a classification specialist.
- HRDE is responsible for providing clear guidance for the job classification process and the consistent application of the standards and processes associated with the job classification system.
 - The distinguishing factors for the titles should be based upon the compensable factors and industry recognized titles, and the titles should be consistently applied across all job families.
 - The distinction of reporting relationships, number of employees supervised or job class(es) of employees supervised should not be used as the single determining factor for assigning a job title. Job class titles and job class placement should be determined on a complete evaluation of the compensable factors and industry standards
- HRDE must ensure the classification staff is knowledgeable of the compensable factors and classification evaluation processes. They must also assure classification staff is attentive to the consistent application of the standards and compensable factors including the development of a quality control process.
- The request for reconsideration phase that is included in the current renewal process provides the opportunity for a review of job class placement and appropriate job title by a classification specialist.
- The recommended classification and maintenance system includes a recurring review cycle that provides the ongoing opportunity for ensuring appropriate job class placement and appropriate titles.
- The development of a compensation philosophy that is clear, comprehensive, modeled after other institutions of higher education, and easily accessible by employees.
- Clear distinction needs to be made within and between job class titles. For example, the staff job title for administrative aide jobs has three levels that are distinguished by I, II and III. The levels (I, II and III) distinguish a unique job class by recognizing higher-level responsibilities associated within the range (I, II and III) of administrative aide job classes. The same model used for distinguishing administrative aide levels should be used consistently across all job classes. For example, the administrator job class titles currently have directors across three pay grades (N, O, and P). The N grade is a “swing grade” with administrator directors and non-administrator directors. Using the same model, the director jobs would be distinguished in three different job classes.
 - Grade N, non-administrator director - Director
 - Grade N, administrator director – Director I
 - Grade O, administrator director – Director II
 - Grade P, administrator director – Director III
- OHRDE needs to provide clear guidance on the distinction between and the consistent development of job class titles and position description titles, and working titles, if applicable.

- It is in the purview of the president and the senior leadership of the College to define the organizational structure necessary to execute the mission of the College.
- The College will require an ongoing assessment of the current staffing plan and the roles necessary to execute the mission of the College; the governance system should be used to vet and provide feedback to changes in the organizational structure.

Charge #5 Consider and recommend a procedure for placement of new hires within the chosen compensation system, which ensures internal equity with existing employees.

In fulfillment of this charge, the committee made several recommendations aimed at addressing the placement of new hires and internal equity.

Determining Salary Placement for Staff

New staff employees meeting the minimum requirements of the position, in regard to: years of relevant experience, education, and certifications, will be placed at the minimum of the applicable salary grade. However, in no case shall a new employee be offered a starting salary that is below the living wage as determined by Montgomery County.¹

- New staff employees exceeding the minimum requirements of the position, in regard to: years of relevant experience, education, and certifications shall be placed above the minimum up to the midpoint of the applicable salary grade, as follows:
 - Determine the percentage difference between minimum and midpoint and divide by ten². For each full year of experience or equivalent, increase the starting salary by the percentage previously determined.
- Regardless of experience, no staff member will be offered a salary above the midpoint unless compelling evidence is presented that such placement is in the best interest of Montgomery College and placement is approved in writing by the vice president of human resources, development, and engagement or designee.
- In the event a new employee receives a salary placement above the minimum of the grade, the Office of Human Resources, Development, and Engagement shall compare the employee's years of experience and education to incumbent employees in the same classification specification to ensure that a new employee's salary does not exceed an existing similarly situated employee's salary. In such cases where an inequity may result, the vice president of human resources, development, and engagement will authorize an equity adjustment for similarly situated employee(s) by increasing the salary of the incumbent to \$500 more than the salary of the new

¹ The College will voluntarily follow the guidance provided in Bill 5-02, signed by the Montgomery County Executive on June 20, 2002, relating to Living Wage Requirements on Service Contracts, and exclude the cost of health insurance in calculating the hourly rate.

² The salary ranges must be narrowed/alterd to equate to a 20-year progression for this to be consistent and to avoid internal equity issues or the increments must be consistently established at 3.5 percent. The ranges and increments should be benchmarked to the ranges of comparable employers and adjusted, through collective bargaining where appropriate, to ensure Montgomery College's ability to attract and retain talented individuals.

hire. Any increases resulting from such reviews will be prospective and effective the date the new hire begins work.

Requests for Equity Reviews – Staff and Administrators

- Equity reviews will be conducted on the same schedule as the class specification maintenance review established by the Office of Human Resources, Development, and Engagement. Any increases resulting from such reviews will be prospective at the beginning of the next pay period once a determination is made.
- The Office of Human Resources, Development, and Engagement shall conduct an equity review by examining the relevant experience, education, and certifications of incumbents within the classification specification. In the event an employee is earning a salary lower than an employee with less cumulative experience, education, and certifications, that employee's salary shall be increased to the level of the employee with whom the inequity exists. Any increases resulting from such reviews will be prospective.
- For those employees who believe an inequity exists amongst employees in the same classification specification, an employee may directly submit a request to HRDE for an equity review for the classification specification may be initiated during the month of January in any given year. If an inequity is found to exist, any increase will be retroactive to the date of the request.

Degree Attainment – Salary Enhancement – Staff and Administrators

Where individual employees earn progressively higher degrees, including associate, bachelor, masters, or professional or terminal degrees from an accredited institution during the course of employment, the employee shall inform the Office of Human Resources, Development, and Engagement, of such accomplishment and request a degree advancement salary enhancement equal to one increment. Any increases will be prospective. Only two such salary enhancements may be granted during the course of an employee's career.

Charge #6 Capture decisions and recommend updates to College Policy and Procedure 35001/35001CP, Compensation Programs, and/or related policies.

In accordance with its final charge, the CSC proposes modifications to the following procedures in support of and related to the classification and compensation recommendations above, as necessary:

- 33001CP, Staff Classification Systems and Position Descriptions
- 33002CP, Staff Position Content Control and Management
- 34001CP, Changes in Employee Status
- 35001CP, Compensation Programs
- 38001CP, Recognition Awards