

Recommendations Concerning Salary Structure Adjustments and Adjustments to Individual Salaries

November 12, 2012

Goal

As directed by the Board in 1998, SEDL established a market based compensation system, maintaining salaries at market plus 5% in order to both keep current staff and recruit highly qualified new staff.

History

- Initial market pricing of all SEDL positions was done in May 1998.
- A second market pricing analysis was done in November 2000, at which time we (a) increased our salary structure by 3%, and (b) added \$186,024 per year to adjust individual salaries, which represented approximately 4% of SEDL's then annual salary costs of \$4,512,846.
- A third market pricing analysis was done in November 2003, at which time we (a) increased our salary structure by 15%, and (b) added \$206,250 per year to adjust individual salaries, which represented approximately 4% of SEDL's then annual salary costs of \$5,218,362.
- A fourth market pricing analysis was done in November 2006, at which time we (a) increased our salary structure by 8%, and (b) added \$24,776 per year to adjust individual salaries, which represented approximately 0.5% of SEDL's then annual salary costs of \$4,640,527.
- A fifth market pricing analysis was done in November 2009, at which time we (a) increased our salary structure by 5%, and (b) added \$3,708 per year to adjust individual salaries, which represented approximately 0.06% of SEDL's then annual salary costs of \$6,032,405.

Market Pricing Procedures Followed

- Market priced all positions and established estimated market values (EMVs) based on median salary (rather than median salary plus 5%, which had been done in each of the five market pricing analyses conducted since 1998).
- Adjusted salary structure by 5% based on market trends (see attached).

- Analyzed pay grade assignments for each position by matching new EMVs to mid-points of the pay grades in the adjusted salary structure: No changes in assignments to pay grades were warranted as the majority of EMVs (79%, or 42 of 53 positions) were within 10% of pay grade mid-points (remaining 11 position EMVs ranged from -15% to +19% of pay grade mid-points). The placement of positions (unchanged from the current placements) within the adjusted salary structure is attached.
- With the adjusted salary structure, brought staff who were below the minimum of their assigned pay grade up to minimum (1 case).
- For each individual staff member, computed the difference between the growth in their salary over the reference 36 month period (December 1, 2009 – November 30, 2012) and the growth of the EMV during that period.
- Based on the number of months the individual was in the given position, compared the prorated percent increase in EMVs with the percent increase that the individual received through the performance appraisal system (maximum of 2% per year over three years, or 6.12%), and did the following:
 - If employed in the position for less than a year, then no change in salary (8 cases);
 - If market growth was equal to or less than the individual's growth, no change in salary (60 cases, which averaged a -5.0% difference, across 22 positions);
 - If market growth was greater than the individual's growth (13 cases), then the individual's current salary was increased by the percentage difference (e.g., if market growth for a position was 8% and an individual's growth in that position was 6%, the difference of 2% was added to the individual's base salary) with the following considerations:
 - not allowed to go over the maximum of the pay grade (1 case);
 - not allowed to re-gain salary adjustments lost because of less than acceptable performance ratings during the reference period (2 cases);

- not allowed to make-up increases that would have been received if the maximum of the pay grade had not been reached (i.e., any EMV growth difference is reduced by the salary increases that would have been awarded had not the individual been at the top of the pay grade) (1 case);
 - prorated all increases based on percent of time currently employed; and
 - capped all increases at a 7% maximum as was done in 2003, 2006, and 2009 (1 case).
- Would allow for some equity adjustments to maintain appropriate separation between individuals, but this was not needed in this year.
- The above resulted in adjustments to the salaries of 14 staff members at an added cost of \$21,670 per year.

Cost Considerations

- Adjustments would be made to annual base salaries and would be paid out over the year.
- Overall dollar value of the proposed salary additions is \$21,670 per year, which represents approximately 0.35% of SEDL's current annual salary costs of \$6,259,635.
- Since the adjustments are base pay increases, an additional 33% of the adjustments, or \$7,152 per year, is needed to cover additional benefits.
- These amounts can be absorbed in current budgets.

Recommendations of the President and CEO (approved by the Board, November 8, 2012)

- Adopt the new salary structure effective December 1, 2012.
- Adopt the salary adjustments made due to changes in market value based on the procedures described above, effective December 1, 2012.

SEDL Salary Structure effective December 1, 2012 (Dec. 1, 2009 Salary Structure + 5%)

Pay Grade	Minimum	Midpoint	Maximum	Range Spread	Midpoint Differential
20	\$179,208	\$228,492	\$277,776	55%	14%
19	\$157,200	\$200,436	\$243,660	55%	14%
18	\$138,996	\$175,824	\$212,652	53%	14%
17	\$121,932	\$154,248	\$186,552	53%	14%
16	\$107,376	\$135,288	\$163,212	52%	14%
15	\$94,200	\$118,680	\$143,172	52%	14%
14	\$82,956	\$104,112	\$125,256	51%	14%
13	\$72,780	\$91,332	\$109,884	51%	12%
12	\$65,232	\$81,540	\$97,848	50%	12%
11	\$58,248	\$72,804	\$87,372	50%	12%
10	\$52,212	\$65,004	\$77,796	49%	12%
9	\$46,620	\$58,044	\$69,456	49%	12%
8	\$41,796	\$51,828	\$61,860	48%	12%
7	\$37,320	\$46,272	\$55,224	48%	10%
6	\$34,056	\$42,060	\$50,064	47%	10%
5	\$30,972	\$38,244	\$45,528	47%	10%
4	\$28,272	\$34,764	\$41,268	46%	8%
3	\$26,184	\$32,196	\$38,220	46%	8%
2	\$24,336	\$29,820	\$35,292	45%	8%
1	\$22,536	\$27,612	\$32,688	45%	0%

SEDL Salary Structure and Placement of Positions effective December 1, 2012
Positions on Pay Grades 1-8 are non-exempt and positions on Pay Grades 9-20 are exempt

Pay Grade / Salary Range Position Title	Minimum Relevant Education Required	Minimum Number Years Relevant Experience Required
1 (\$22,536 - \$32,688) Clerk	High School	1
2 (\$24,336 - \$35,292) Accounting Clerk	High School	2
Maintenance Assistant	High School	2
Operator/Receptionist	High School	1
Secretary	High School	1
3 (\$26,184 - \$38,220) currently no titles on pay grade		
4 (\$28,272 - \$41,268) Human Resources Clerk	High School	2
5 (\$30,972- \$45,528) Administrative Secretary	High School	3
6 (\$34,056 - \$50,064) Accounting Assistant	Associate's	1
Human Resources Assistant	Associate's	1
Network Assistant	Associate's	1
7 (\$37,320 - \$55,224) Communications Assistant	Bachelor's	1
Information Assistant	Bachelor's	1
8 (\$41,796 - \$61,860) Administrative Assistant	High School	5
9 (\$46,620 - \$69,456) Accounting Specialist	Associate's	3
Communications Specialist	Bachelor's	3
Database Development Specialist	Bachelor's	3
Human Resources Specialist	Associate's	3
Information Specialist	Bachelor's	3
Network Specialist	Associate's	3
Program Assistant	Bachelor's	1
Research Assistant	Bachelor's	1
Systems Trainer	Bachelor's	3
Web Production Artist	Associate's	1
10 (\$52,212 - \$77,796) Database Development Associate	Bachelor's	7
Development Specialist	Bachelor's	3
Executive Assistant	Bachelor's	7
Media Design Specialist	Bachelor's	1
Web Design Specialist	Bachelor's	1

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Pay Grade / Salary Range Position Title	Minimum Relevant Education Required	Minimum Number Years Relevant Experience Required
11 (\$58,248 - \$87,372) Communications Associate	Master's	5
Development Associate	Bachelor's	7
Information Associate	Master's	5
Media Design Associate	Master's	5
Network Administrator	Bachelor's	3
Program Specialist	Master's	1
Research Specialist	Master's	1
Web Administrator	Bachelor's	3
12 (\$65,232 - \$97,848) Accounting Supervisor	Bachelor's (+CPA)	5
13 (\$72,780 - \$109,884) Associate Development Director	Master's	7 plus 1 managerial
Human Resources Generalist	Bachelor's	5
Program Associate	Master's	7
Research Associate	Master's	7
14 (\$82,956 - \$125,256) Project Director*	Doctorate**	5 plus 1 managerial
Senior Fellow	Doctorate**	6
15 (\$94,200 - \$143,172) Chief Financial Officer	Master's (+CPA)	7 plus 3 managerial
Director of Communications	Master's	8 plus 5 managerial
Director of Development	Master's	8 plus 5 managerial
Director of Research and Evaluation	Doctorate	5 plus 3 managerial
Evaluation Manager	Doctorate	5 plus 3 managerial
Program Manager	Doctorate	5 plus 3 managerial
16 (\$107,376 - \$163,212) Program Director	Doctorate	8 plus 5 managerial
Senior Development Advisor	Master's	10 plus 5 managerial
17 (\$121,932 - \$186,552) currently no titles on pay grade		
18 (\$138,996 - \$212,652) Chief Program Officer	Doctorate	10 R & D plus 5 managerial
19 (\$157,200 - \$243,660) currently no titles on pay grade		
20 (\$179,208 - \$277,776) President & CEO	Doctorate	10 R & D plus 8 managerial

* Would allow a Project Director to be mentored in the first year of managerial experience on a probationary basis, making a final decision on the staff member remaining in that position at the end of that period.

** Would distinguish between positions that require an advanced degree (e.g., a content area like reading) and those that would not require such (e.g., information management), substituting years of experience for degree in the later case.