

LEGISLATIVE OVERSIGHT COMMISSION ON EDUCATION ACCOUNTABILITY

Senate Finance Committee Room
February 4, 2016

- **Higher Education Classified Employee Compensation Market Study Preliminary Findings** 1
§18B-9A-6(d)
Patricia Clay, Vice Chancellor for Human Resources



West Virginia
Higher Education
Policy Commission

WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION
WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION

**HIGHER EDUCATION CLASSIFIED EMPLOYEE COMPENSATION MARKET STUDY
PRELIMINARY FINDINGS**

February 2016

1. As a result of Senate Bill 439, comprehensive higher education personnel legislation, passed during the 2015 Legislative Session, an examination of compensation for higher education classified employees has been conducted through a market study.
2. The preliminary findings of the market study have resulted in a recommendation for a new salary structure by Mercer consultants and vetted by the Commission and Council.
3. The new pay structure consists of 12 pay grades with a range spread of 60 percent from the range minimum to range maximum as opposed to the 25 pay grade structure currently in place since 2001.
4. The midpoints of the new pay grades are set at the market rates found in the study.
5. Of the 4,992 classified staff in the higher education system, only 977 were found to be below the new range minimums.
6. The total cost to bring these employees up to the new minimums is approximately \$2.5 million.
7. If this cost is budgeted based on the total number of classified employees, the cost averages \$498 per employee.
8. Best practice suggests that this does not have to happen immediately but can be rolled out incrementally over a period of 3-5 years as budgetary restrictions allow.
9. Costs vary per institution, ranging from zero percent to seven percent of the classified payroll.
10. Of the \$176,179,000 classified payroll for the entire higher education system, the \$2.5 million cost associated with the project is slightly more than one percent of the classified payroll.

Next Steps

- Allow institutions time to vet the slotting of their employees.
- Provide regular updates about the project to employees and constituents through the HR FACTS website www.WVHigherEdHR.org.

- Create a formal compensation philosophy.
- Approve a salary structure based on compensation philosophy and finalize with HR leaders from all institutions.
- Analyze classification methodology and ensure evaluated jobs align with their respective labor markets.
- Implement *JDExperts* job description management software as the repository for job information for all state higher education organizations.
- Review benchmark and non-benchmark jobs slotted to the structure, making adjustments as needed.
- Develop guidelines and train institutional human resources officers and managers who may administer pay.
- Implement *ePRISM*, labor market pricing software, to update the statewide salary structure. This software will be available to institutions for market pricing jobs for faculty and nonclassified employee categories.
- Revise system classification and compensation rules.