



# **Administrative Guidelines – Employee Compensation Plan**



© 2013. Texas Association of School Boards, Inc. All rights reserved.

## Table of Contents

Compensation Policy.....	1
Compensation Philosophy and Objectives .....	1
Pay Systems.....	1
Job Documentation (Description) .....	1
Exemption Status .....	1
Job Classification .....	2
Classification of New Positions .....	2
Job Reclassification .....	2
Procedures for Job Reclassification .....	2
Salary Adjustments for Job Reclassification.....	3
Pay Increase Budget.....	3
General Pay Increases and Eligibility.....	3
General Pay Increase Amount(s) and Calculation.....	4
Salary Placement of New Hires .....	4
Teacher/Professional Placements.....	4
Exempt - Administrative/Professional and Information Technology Salary Determination.....	4
Nonexempt - Clerical/Paraprofessional/Auxiliary Placement .....	5
Promotion Defined.....	5
Promotion Increase: Exempt - Administrative/Professional .....	5
Promotion Increase: Nonexempt - Clerical/Paraprofessional/Auxiliary .....	6

Demotion Defined.....	6
Pay Adjustments for Demotion.....	6
Annual Review and Adjustment of Pay Ranges .....	7
Reinstatement After Break-in-Service .....	7
Stipends and Incentives .....	7
Substitute Teacher Pay .....	7

## **Compensation Policy**

### *Policy DEA Local*

The Superintendent shall recommend to the Board for approval compensation plans for all District employees. Compensation plans may include wage and salary structures, stipends, benefits, and incentives.

The Superintendent shall administer the compensation plans consistent with the annual budget approved by the Board and administrative guidelines.

## **Compensation Philosophy and Objectives**

Denton ISD pay systems shall be designed and managed for the following purposes:

- Provide competitive pay to attract and retain highly qualified personnel
- Provide internal pay equity for job responsibility
- Reward continued service to the district
- Manage payroll expenses effectively

## **Pay Systems**

Employee pay systems are designed and administered for the purpose of attracting and retaining qualified employees to achieve the goals of the district. Human Resources is responsible for the development, maintenance, and administration of employee pay systems in accordance with board policies, governmental laws and regulations.

All district jobs will be assigned to a pay grade that establishes the minimum to maximum pay range for the position. Jobs are assigned to pay grades on the basis of the following factors: (1) job qualifications and required skills; (2) job duties and responsibilities defined by the district; and (3) competitive job market prices.

Pay ranges are reviewed annually and adjusted periodically. Employee salaries will be adjusted based upon the pay increase budget and pay raise guidelines approved by the Board each year.

## **Job Documentation (Description)**

Job documentation is an essential function in the administration of the compensation system. Accurate and complete job documentation will be collected and maintained by Human Resources. This includes complete and up-to-date job descriptions that address job qualifications, primary purpose, major duties and responsibilities, and working conditions. Job titles will be assigned by Human Resources and will reflect a logical job titling scheme to consistently describe the level and nature of work.

## **Exemption Status**

All jobs will be classified as exempt or nonexempt in accordance with the requirements of the federal Fair Labor Standards Act (FLSA) and documented on the job description. Human Resources will determine the classification of each position based on a description of assigned job duties. In order to be exempt, the employee's primary duties must meet the requirements defined by federal regulations of the Executive, Administrative, or Professional exemption test or be a teacher, and the employee must be compensated on a salary basis. All employees who do not meet the legal requirements for exemption are classified as nonexempt.

## **Job Classification**

Job classification determines the assigned pay range for a job. Job classification is based on job requirements, assigned duties, and market value. All jobs are classified on the basis of common factors that indicate the relative level of knowledge and skill requirements, complexity of assigned duties, job accountability, and working conditions. Human Resources will collect job information, evaluate jobs for classification purposes, and assign jobs to pay grades. The superintendent or designee has final authority concerning job classifications.

## **Classification of New Positions**

Prior to posting, new positions must have a written job description created collaboratively by Human Resources and the hiring supervisor. Human Resources will determine the pay grade classification of new positions based on the job description, qualifications required, and market value. New positions must be classified in the pay system prior to hiring new employees.

## **Job Reclassification**

A job reclassification occurs when a position is moved to a higher or lower pay range. Jobs may be reclassified as a result of a significant and sustained change in job duties assigned, a need to improve internal pay equity, or a change in the competitive job market.

A human resources representative, a small informal team, or an independent third party will be used to review and facilitate job reclassification requests. This will enhance the classification request process, and manage efficiency.

## **Procedures for Job Reclassification**

Review of job reclassifications must be initiated by the job supervisor or Human Resources. Jobs previously submitted for review within the last 18 months and new jobs are not eligible for review. Requests should be submitted to the Human Resources department in January of each year to allow adequate time for budget considerations.

- (a) The supervisor may request a job classification review according to the schedule and procedures designated by Human Resources. The appropriate division/department head must approve the submission of the request. Requests for unscheduled classification reviews must be approved by the Superintendent before the request is submitted to Human Resources.
- (b) The supervisor's request must include a proposed job description and written explanation of changes in job duties and responsibilities and the rationale for reclassifying the position. The request must be approved by the appropriate division head, assistant superintendent or superintendent.
- (c) Human Resources will review the request, obtaining additional job information if needed. Additional information may be obtained by a written questionnaire, by interviewing the supervisor and/or employee(s), or by analyzing external job market information
- (d) Human Resources will evaluate the job placement in the pay structure and prepare a written recommendation for pay grade assignment for the Superintendent's review

## **Salary Adjustments for Job Reclassification**

A change in job classification will result in a higher or lower pay range and thus, greater or lesser potential for long-term pay advancement. Salary adjustments for job reclassification may be made in the following circumstances:

- (a) If the job is reclassified upward due to an increase in assigned job duties, the procedure for promotion increases will apply.
- (b) If the job is reclassified due to organizational changes, there may not be an immediate pay increase. For contract employees in mid-year there will not be a pay adjustment. [article III, section 53, Texas Constitution.]
- (c) If the job is reclassified due to a change in the competitive job market, equity adjustments may be made at the direction of the Superintendent. However, pay adjustments cannot be made mid-year for contract employees in accordance with Policy DEA Local.
- (d) If the job is reclassified to a lower pay range based on a change in duties assigned, the employee's pay may be reduced at the direction of the Superintendent. Refer to procedures on pay adjustments for demotion.

## **Pay Increase Budget**

The Superintendent will recommend a budget for pay increases as part of the annual budget process. Budget recommendations for pay increases will be based on available revenue, statutory requirements, competitive job markets, and district compensation objectives. Employee pay increases will be based on the budget approved by the board in each fiscal year. Salary schedules or placement guidelines do not imply or promise similar salary increases in subsequent years.

The pay increase budget recommended by the Superintendent may include adjustments to remedy correct internal or external pay equity problems. Such equity adjustments are made to retain employees due to competitive pay problems, to correct an internal pay inequity (e.g. pay compression between supervisor and assigned staff), or to compensate an employee for a significant change in job responsibilities.

## **General Pay Increases and Eligibility**

Employee salaries and wages will be reviewed annually for adjustment. General pay increases (GPI) are based upon the annual budget approved by the Board and given to employees to reward continued service to the district.

To receive a general pay increase, an employee must be in a paid status or on an approved leave of absence at the time of the first pay cycle reflecting the pay increase.

## **General Pay Increase Amount(s) and Calculation**

General pay increases will be calculated for each employee by applying a percent increase approved by the board to the midpoint or market-based control point of each employee's pay range. Employees who are in the same pay range will receive the same rate of increase unless the employee has reached the maximum rate of the pay range for that year.

Pay increases for employees whose pay is above the maximum of the pay grade will be determined annually by the board during the budget process.

Example: Range Midpoint x Percent Increase = Pay Increase

Clerical / Paraprofessional – Pay Grade 3

Midpoint (\$16.63) x Percent Increase (2%) = Pay Increase (\$0.33)

Pay Increase (\$0.33) x Duty Hours (8) x Duty Days (187) = Annual Increase (\$494.00)

Teacher

Midpoint (\$62,250) x Percent Increase (2%) = Annual increase (\$1245, rounded up to \$1,250)

## **Salary Placement of New Hires**

### **Teacher/Professional Placements**

Salaries for new teachers will be determined by their total years of creditable experience as defined by state regulation at the time of employment. TAC Title 19, part II, 153.1021) Salary guides are developed and approved annually and do not represent or imply future pay increases or salary guarantees.

### **Exempt - Administrative/Professional and Information Technology Salary Determination**

The starting salary for a new hire in the Administrative/Professional Plan will be determined individually based on each person's job-related experience and salaries paid to peer employees in the same position with similar experience.

The guidelines for placement are as follows:

Salary for a new hire may be set up to the pay range maximum based on relevant prior experience and qualifications.

Salary recommendations for new hires may be adjusted by Human Resources for hard-to-fill positions or to recognize uniquely qualified individuals for key staff positions.

Salary recommendations for new hires will be determined as follows:

For positions that require classroom teaching experience, 1 percent added to the range minimum for each year of teaching experience up to 10 years, plus 2 percent of range minimum for each year of job-relevant or administrative leadership experience.

No employee may be placed below the minimum of the pay range.

No employee may be placed above the hiring limits unless approved by the Superintendent.

### **Nonexempt – Clerical/Paraprofessional/Auxiliary Placement (Schedules DC, IA, X)**

Starting pay for a new hire in the Clerical/Paraprofessional and Auxiliary pay plans will be based on the requirements of the job, each person's prior job experience, and the pay of peer employees in the same position with equal experience.

The guidelines for placement are as follows:

New hires may be offered a pay rate up to the pay range midpoint based on relevant experience. Human Resources will determine each new hire's creditable experience.

Salary offers to a new hire may not exceed rates paid to other employees in the same position with similar years of job-related experience.

Salary recommendations for new hires may be adjusted by Human Resources for hard-to-fill positions or to recognize specialized knowledge and skills, qualifications, or technical certifications.

Recommended salary for new hires will be determined as follows:

Two percent of range minimum for each year of job-relevant experience.

No employee may be placed below the minimum of the range.

No employee salary may be set above the hiring limits unless approved by the Superintendent.

### **Promotion Defined**

A promotion occurs when an employee is assigned to a different job in a higher pay grade and range. Pay adjustments for promotions will begin with the effective date of the new assignment. For promotions that take effect at the beginning of a school year, the standard promotion increase is applied in addition to any general pay increase granted by the school board.

### **Promotion Increase: Exempt – Administrative/Professional**

A promotion increase for Administrative/Professional employees is based on the person's current base salary less any stipends paid for supplemental duties.

Base pay for teachers will include incentives paid for the teaching assignment such as advanced degree, certification field, career ladder, etc., only when teachers are being promoted to another certified educator position.

Promotion increases will be determined by these guidelines:

- (a) A pay increase for a promotion will be 10.0 percent of the new pay range midpoint when incumbent base salary is less than the new midpoint.



- (b) A pay increase for a promotion will be 5.0 percent of the new pay range midpoint when incumbent base salary is greater than the new midpoint.
- (c) No employee will be paid less than the minimum or more than the maximum of the new pay range.
- (d) Promotion increases may be reduced if another employee with more experience in the same position is paid less. The minimum promotion increase is 2.0 percent of the daily rate of pay. Employees moving to positions with longer duty schedules will see an increase in annual pay.
- (e) In the case of multiple promotions in a single school year, the total promotion increase for an individual shall not exceed 20 percent in one year.
- (f) A teacher or other professional employee who moves to a different pay plan will be given credit for experience according to the procedure for Salary Placement of New Hires.

### **Promotion Increase: Nonexempt – Clerical/Paraprofessional/Auxiliary**

A promotion increase for clerical, paraprofessional, or auxiliary employees is based on the person's current base hourly wage less any stipends paid. Promotion increases will be determined by these guidelines:

- (a) If the employee's current hourly wage is less than the pay grade midpoint for the new job, the increase shall be 10.0 percent of the new midpoint.
- (b) If the employee's current hourly wage is greater than the pay grade midpoint for the new position, the increase shall be 5.0 percent of the new midpoint.
- (c) No employee will be paid less than the minimum or more than the maximum of the new pay range.
- (d) Promotion increases may be reduced if an employee with more experience in the same job is paid less. The minimum promotion increase is 2.0 percent.

### **Demotion Defined**

A demotion occurs when an employee is reassigned to a different job with less responsibility at a lower pay grade level. Demotions may be voluntary or involuntary. Position reclassification or general salary structure changes are not considered demotions.

### **Pay Adjustments for Demotion**

A reduction in pay as a result of a demotion will be made effective with the new assignment. When a pay reduction is made for a demotion, the employee's base pay rate will generally be set at the same ratio to midpoint within the lower pay range. For example, if the employee's base pay was 110 percent of the midpoint in the higher pay range, that person's pay would be reduced to an equivalent 110 percent of the midpoint in the lower pay range. The Human Resource Department may adjust this formula when special circumstances warrant, such as contract status.

A reduction in pay as a result of a demotion will be made at the discretion of the Superintendent and may be made over the course of no more than two budget years.

Pay adjustments may also be made for a longer or shorter work year associated with the change in assignment. In the case of teachers or other professionals on an experience-based placement scale, placement will be made according to years of experience.

### **Annual Review and Adjustment of Pay Ranges**

The Human Resource Department will review pay range structures annually and recommend adjustments as needed to maintain competitive alignment with external job markets.

Pay ranges will normally be adjusted by a factor that is less than the percent increase budgeted for pay raises. If no pay raise is given to staff, no pay range adjustments will be made. Adjustments to pay ranges should be made prior to the calculation of pay increases.

### **Reinstatement After Break-in-Service**

An employee who is rehired following a break-in-service that is less than 12 months shall be reinstated at the same pay rate previously held prior to the break-in-service if rehired for the same position.

If rehired at a different pay grade level or rehired following a break-in-service that is greater than 12 months, the employee will pay will be determined according to the procedures for placement of new hires.

### **Stipends and Incentives**

The board will approve a schedule of salary stipends for extra duties. Exempt employees who are assigned supplemental duties that accrue extra pay will be compensated according to the district's schedule for extra duty stipends. Stipends and incentives are reviewed and modified periodically, and are dependent on available funding.

### **Substitute Teacher Pay**

The board will approve the pay schedule for substitute teachers