

## **Implementation of Classification and Compensation Recommendations (The Fox Lawson Study)**

### **Frequently Asked Questions**

#### **Why did we need to do a Classification Study?**

The last classification study was more than a decade ago. In 2007, Kyrene had 86 classification specifications. A class specification is a broad class that may contain one or more “jobs” and they are lumped together because they contain similar characteristics of work. High performing organizations such as ours need to periodically examine the work that their employees do to ensure that the nature of the work is classified at the appropriate level. This helps Kyrene to remain competitive, to recruit and attract the best candidates to our ranks, as well as to keep our valuable employees in the organization.

Since 1998, there have been significant changes to our district, including department and divisional reorganizations, multiple rounds of budget cuts that impacted jobs and changed jobs, significant changes in the technology that we use in our work, positions have evolved – some significantly – and we must closely adhere to mandatory legal guidelines such as the Fair Labor Standards Act (FLSA).

#### **Why did we need to do a Compensation Study?**

The short answer is because we value competitive total compensation. The last total compensation study was more than 10 years ago. The Human Resource Services Division recognizes that we are in a dynamic marketplace and if we are not careful, and do not pay attention to all of our job classifications, we could easily slip behind our competitors. The 5 year Strategic Plan, passed by the Governing Board in 2006, sets as one of the main goals the recruitment of high quality employees and the retention of high quality employees. We asked Fox Lawson to study not only wages, but also medical benefits and leave plans.

**What was the Purpose of the Study?** The purpose of the classification and compensation was to ensure that the essential duties employees are performing are appropriately classified, and that those job classifications are compensated at competitive market rates. The study was neither a staffing study nor an organizational structure study. It was not a strategy designed to cut costs nor was it a strategy to eliminate positions.

**When did the study begin? What were its phases?** The RFP was written during the summer of 2007 and the award of the contract was made later in the fall of 2007. Actual work on the project began in December, 2007. The study consisted of several phases, including the classification work, where employees completed position description questionnaires which were countersigned by their supervisors, and by Divisional and Department heads. Broad job classes were developed after the job evaluation phase. Once developed, the classes went through a compensation study where 18 other organizations were compared to Kyrene (this figure includes 13 other school districts as well as 5 municipalities). For some positions, Fox Lawson also compared compensation to a private sector index where appropriate. The final report was shared with the Governing Board in a study session on May

26, 2009. On July 14, 2009, the Governing Board approved a phased-in approach, implementing the first steps during the 2009-2010 school year.

**What were the health care benefits and leave policy findings?** Fox Lawson found that the average value of Kyrene health care benefits as compared to base salaries is near the market average. Kyrene paid holidays and breaks are higher than the market average. For 12 month administrative employees, vacation days are at market, and for some 12 month support staff vacation days are higher than market. “Sick days” are higher than market for administrators and support staff and are at market for teachers.

**What were the results of the salary comparisons and pay practice comparisons?** Fox Lawson recommended that new salary ranges be adopted once funds are available. This would impact some employees, mostly at the support staff level, but would also impact some employee classifications that are currently on the administrative and certified salary ranges. Fox Lawson also made some recommendations that would end the use of many market premiums, or stipends. Stipends are used when it is found that an employee classification, or a position within a classification, is substantially below the market rate of compensation. By adopting new salary ranges for those impacted individuals that are in line with market ranges, stipends are no longer necessary. Market compensation has the advantage of both attracting new employees as well as retaining valued employees, both being key goals in the district-adopted strategic plan.

It was recommended that the Kyrene School District adopt revised as well as newly created classifications and the “Decision Band™ Method (DBM)” ratings associated with each classification. The DBM is the method by which Fox Lawson analyzed each position and assigned its rating. The essential idea behind the DBM is to assign a value that a job has to an organization, based on the level of responsibility that the job holds. Fox Lawson defines responsibility as the decision-making requirements of the job relative to other jobs in the organization. DBM provides an objective strategy to differentiate internal rates of pay and work assignments within the organization.

Fox Lawson recommended that the district authorize the creation of an Allied Health group of employees which would serve as a 4th employee group. The other employee groups consist of certified, support staff and administrative employees.

Fox Lawson also recommended that the district place newly hired teachers with up to 6 years experience for salary placement purposes to remain competitive with the market, which would have a beneficial mix of attracting both new and experienced teachers to Kyrene.

**What are the main recommendations in the study?** During the classification phase of the study, all positions were surveyed and analyzed. Fox Lawson and Associates developed and presented a new set of broad class specifications encompassing all of our District positions. The total number of class specifications was reduced from 86 to 68 and a rating was applied to each classification, called the “Decision Band Method (DBM).” It was their recommendation to upgrade some job classifications to a higher classification, create new classifications and eliminate or phase out others. There were also many classifications that had no significant changes at all.

Given the economic climate in the state and the impact this is having on our budget, Kyrene will consider a phased-in approach to the recommendations. The priority is to deal with classification changes first, then make any market changes once the budget situation stabilizes. The phase-in approach may look something like this:

Step 1 – Reclassify all identified employees at a cost of \$202,327, inclusive of benefits.

Step 2 – Reclassify impacted employees according to current Kyrene rules as established through meet and confer as well as honoring the historical practice of how we place Kyrene employees. The cost would be \$134,010, including benefits. This step may be phased in from 1 to 2 years.

Step 3 – Create a new employee structure, called Allied Health. The cost would be approximately \$22,688, including benefits.

Step 4 – Move impacted employees whose salary and wage range is below market to the market ranges as recommended by Fox Lawson. This would have a cost of \$247,155, including benefits. This step may need to be phased in over 2 to 3 years, if affordable.

**What do the new classification specifications look like?** To look at the new classification specifications, see Job Descriptions under the Employment Opportunities page.

**Will there be an appeal process?** Yes, employees will have a 45 day period of time to review their classification specification (the broad “job description” so to speak, and provide any input to their evaluator. Appeals will go through an internal appeals process in Human Resource Services, with the possibility of some of those appeals being outsourced to Fox Lawson. For more information, go to the Information and Forms page and refer to the Fox Lawson Classification & Compensation Study box.