



Evergreen Exempt Staff Pay Program Development

Exempt Pay Program Development

The objective of developing a market based exempt pay structure is to provide a competitive and equitable pay program that supports the college mission and strategy. It will involve the design of a compensation program for exempt staff that emphasizes the college's desire to pay market rates (50thile or median rate) and insure an internally equitable exempt salary structure. The overall goal is to define a compensation program strategy that uses a market pricing approach in combination with Equal Pay Act compensation factors.

The aim is to create a pay program to attract, retain and sustain exempt employees. The college's objective is to design a simple straightforward market-based pay program for the college's exempt staff. The pay program will determine job pay rates and ranges that fit the college and its market. The program will also involve using the Equal Pay Act factors of responsibility, effort, skill and working conditions to tailor the exempt pay rates and salary structure to internal equity requirements and constraints.

Pay Philosophy

The college's pay program goals are four-fold: 1) to compete for and retain qualified exempt staff in a competitive environment, 2) to pay employees equitably and fairly, 3) to provide pay program transparency, and 4) to be fiscally responsible.

Evergreen will use both external market rates and internal equity factors in setting a pay structure for exempt staff. Externally, the relevant regional and local labor markets will be used to determine market pay rates for exempt positions. The external market will include peer academic institutions, state government and Olympia area industry employers with whom we compete for employees. Internally, importance will be placed on equity in relation to other comparable positions at the college.

Determinates of Evergreen Exempt Staff Pay Rates

The key determinates for this external and internal pay comparisons are position responsibility level, skills required, organizational size (employment level & budget/revenues), industry type (higher education, state government), geographic location, and the labor market demand for specific occupations. The primary tool in preparing a systematic and objective comparison of staff pay rates is a formal job evaluation process.

Job evaluation begins with the gathering of position descriptions for each exempt position. Each position description is evaluated in terms of responsibility level, skills required, mental effort required, supervision exercised and educational background necessary. The positions are then placed in to a hierarchal order in terms of their

relative level of difficulty and responsibility as compared to other positions within the organization.

Job Evaluation Process

The job evaluation process is also used to compare positions to the labor market. In the job evaluation process, an institutional position description is matched to a comparable market survey position description to determine a market pay rate for the job.



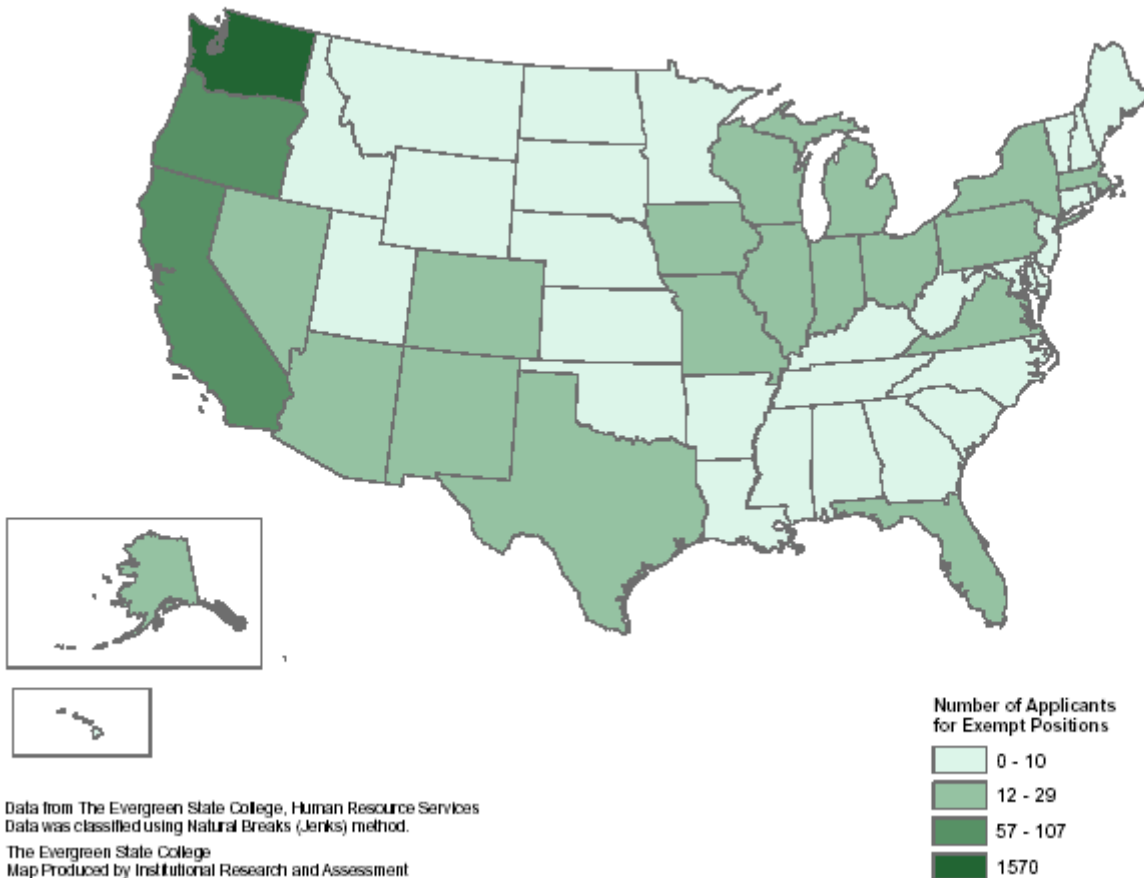
The Evergreen exempt staff position descriptions will be utilized to survey market value and prepare an internal job structure hierarchy. Evergreen will use five salary surveys to determine what other organizations are paying for comparable jobs.

Labor Market Defined

The term "labor market" is defined as a geographic area from which the organization recruits. There are often distinct labor markets and /or recruiting areas for different positions. For example, some positions may be easily recruited locally while others are recruited on either a regional basis and/or national basis.

Origin of Applicants for Evergreen's Exempt Positions

The Evergreen State College
January 2005 - June 2007



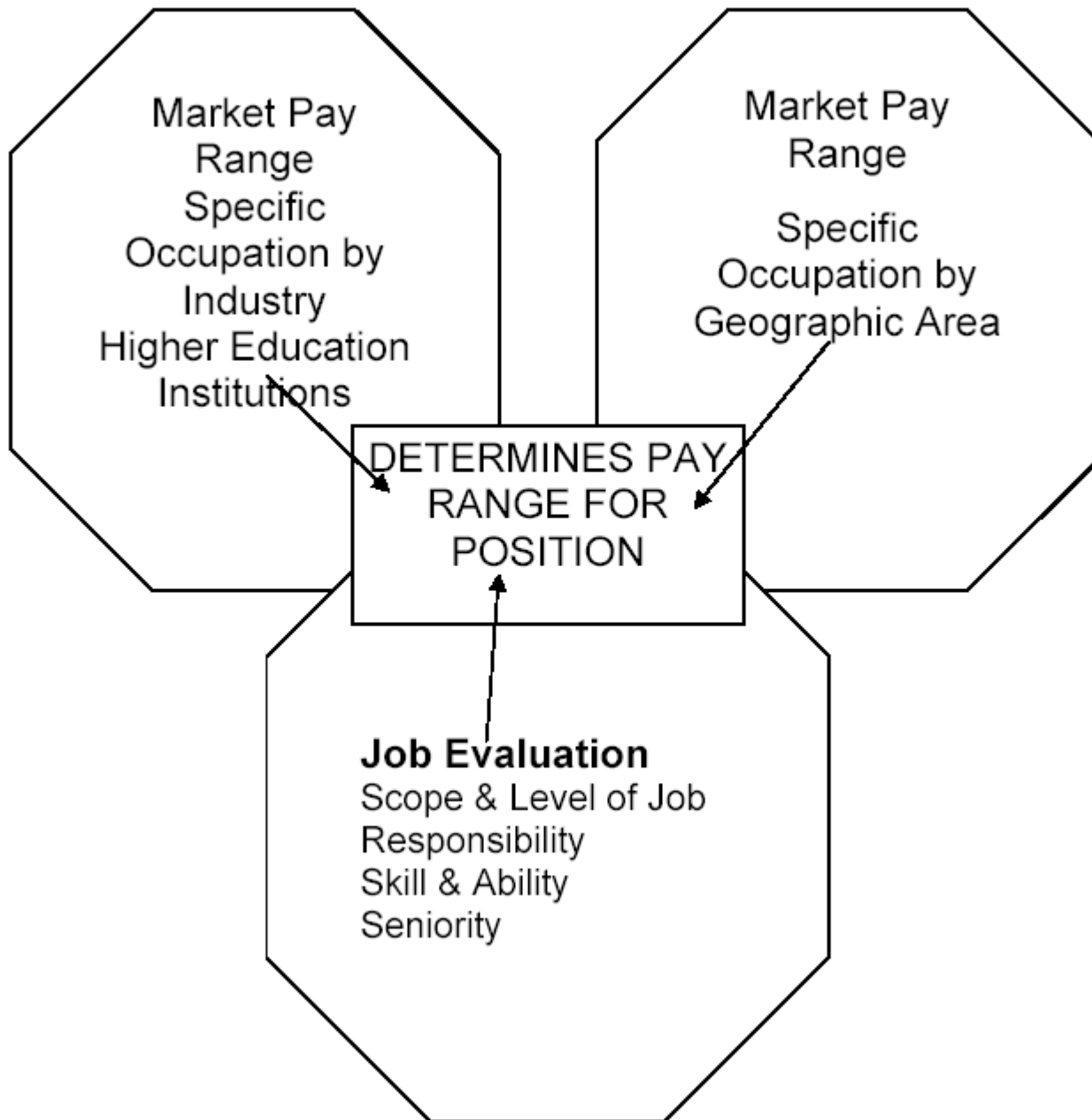
Data from The Evergreen State College, Human Resource Services
Data was classified using Natural Breaks (Jenks) method.

The Evergreen State College
Map Produced by Institutional Research and Assessment
July 2007

The pay rates for positions are usually based on their recruitment market (peer Higher Education Institutions). Thus, Evergreen will be using multiple salary surveys to determine market pay rates for exempt staff positions.

Market Pricing

Determinants of Pay Structures and Rates



Evergreen will be using five professional labor market salary surveys to determine market pay rates for the colleges' exempt positions. The advantages of professional salary surveys are:

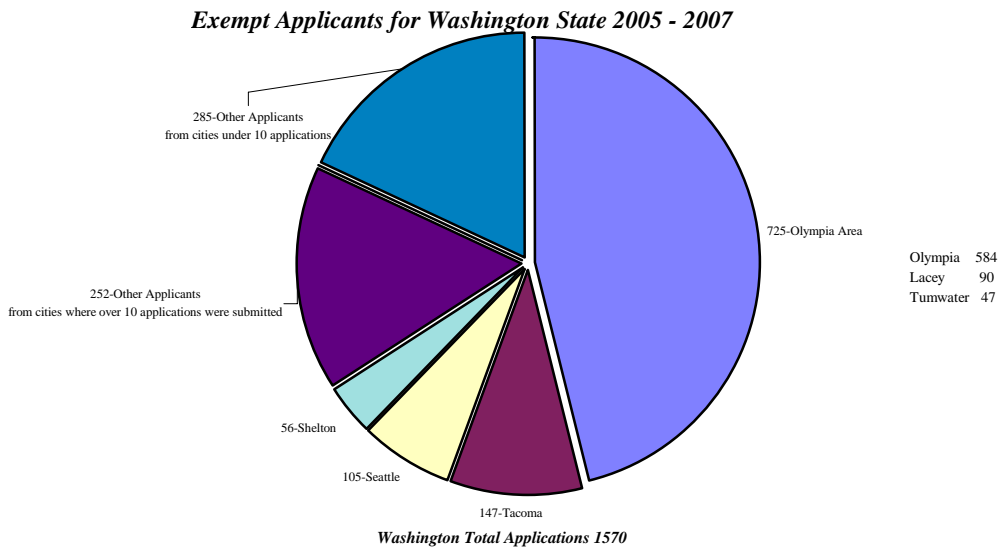
- Lower cost
- Large number of jobs and organizations
- Conducted by professional research group
- Consistency of survey from year to year
- Survey market at same time each year

Surveys & Market Pricing

Professional salary surveys (CUPAHR, ERI, Milliman&BLS) are reports of actual pay data by location, organization and industry type, size, occupation and thereby enable comparisons with similar positions in institutions of comparable size. The salary surveys will allow the matching of our exempt positions to comparable positions within the appropriate local and /or regional labor market.

It is important to note that in some labor markets a major employer may greatly influence the market pay rates. In Olympia, for example, state government is a predominant employer with over 24 % of the jobs in the labor market and therefore the state pay rates strongly influence local market pay rates. The competitive impact of state government salary schedules and rates will be an important determinant of labor market pay rates for Evergreen.

Another major determinant will be regional market pay rates given the fact that our recruiting market is primarily Washington State and the adjacent Northwest states. The chart below shows that 1570 (72%) of the 2185 exempt staff applications are from Washington State. The salary surveys will also allow us to determine the market rate by position in the labor market, and thereby create pay ranges and a salary structure for the colleges' exempt staff.



Evergreen is using the five salary surveys described below to determine market pay rates and set up a salary structure.

1. 2006-07 Administrative Compensation Survey-CUPAHR Nalt & COPLAC
2. 2006-07 Mid Level Administrative & Professional Survey- CUPA HR -COPLAC
3. Milliman Northwest Management & Professional Salary Survey - August 2007
4. Economic Research Institute Professional Salary Assessor – Olympia-4500 jobs
5. Washington State & Olympia MSA BLS OES Wage Surveys – March 2007

These five salary surveys will enable us to market price almost all of the exempt staff positions and thus determine market pay benchmarks for construction of the salary grade levels and the exempt salary structure.

- The **CUPA HR** surveys will allow us to select regional and national peer (enrollment level, public undergraduate) institutions for individual job pricing and determination of competitive salary range for exempt administrative and professional positions.
- **ERI 's Salary Assessor** tool will facilitate market benchmarking of exempt position salary rates in higher education and in the Olympia labor market area.
- The **Milliman Salary Survey** will facilitate a market pay comparison of our professional and managerial salary levels with those in the Northwest (Washington, Oregon & Idaho).
- The **Washington State Employment Security Department** and the **USDOL Bureau Labor Statistics** conduct annual salary surveys by occupation on a statewide and the Olympia Metropolitan Area level.

The goal of this “market pricing” process is to collect and analyze market pay rate data from the selected labor markets. The market pricing process will produce pay range data from published salary surveys. This pay range data will be used to determine the competitive market pay ranges for select benchmark positions. These benchmark pay ranges will then be used to establish pay grades and a pay structure.

Once the market salary data on each position is assembled; the next step will be to compare this data with the college’s current pay rates in order to establish salary grades and set midpoints for each grade. Typically, employers will only use between 40 and 60 benchmark positions in market pricing jobs. A good example of the benchmarking approach is the attached list of positions (Appendix A) used to set the exempt staff salary structure at UW. Evergreen will follow the UW benchmark position model by using more than 100 exempt benchmark positions to price jobs and set up the salary grades and the salary structure. Comparing the existing pay rates and structure to the market pay rates from the salary surveys sets the pay line. The steps in setting up the exempt pay line are as follows:

- Use surveys to collect market pay rates for exempt positions
- Determine number of pay grades by arranging positions in a hierarchy according to market pay rate
- Compute average salary and thus midpoint for each grade
- Construct pay line and compare to existing pay line
- Determine competitiveness of existing pay rates to market rates
- Set salary grade and structure midpoints
- Create salary structure
- Assign positions to a salary grade and specific point in grade

A salary range structure width of 20% to 30% with 12 to 18 salary grades is probably preferable, since the exempt positions at Evergreen include many occupational groups and levels, such as secretarial, counseling, IT professionals. The distance between salary grade midpoints in the salary structure will be either 6% or 10% to account for the many distinctions between the exempt positions and their levels of responsibility.

In putting together a new exempt salary structure, it will be important to develop a model of the current salary structure for pay line comparison to the market pay line. The salary structure model below is based on 100 Evergreen benchmark exempt position's actual pay rates to set up the June 2007 exempt salary grade and structure.

This current pay rate model is w/ 30% range & 10% distance between midpoints

Division	Academic Affairs	Student Affairs	FAD	President's Office	Advancement
Executive	VP	VP	VP	VP	VP
Salary Level 11 Min \$ 6075 Mid \$ 6983 Max \$ 7891	Dir MIT	Assoc VP Assoc VP Enrollment	Assoc VP Dir C&C Dir Facilities Dir Bus Services	Exe Dir Budget Dir Gov Relations	Director of Development Director of Marketing, Com
Salary Level 10 Min \$ 5523 Mid \$ 6348 Max \$ 7173	Academic Deans Assoc VP	Dean SASS Dir Police Srvs Dir Housing	Asst Dir Facilities	Executive Associate	
Salary Level 9 Min \$ 5020 Mid \$ 5771 Max \$ 6521	Co Dir WA Ctr Dir Ed Ctr Dir Inst Resrch Dir Longhouse	Director Adviseg Dir Admissions Finanl Aid Dir Dir Hlth Couns	Lead Eng Netw Asst Dir HR Exec Asst FAD Mgr Adm Comp TSS Mgr Fac Engineer	Internal Auditor	Operations Mgr WEB Manager
Salary Level 8 Min \$ 4564 Mid \$ 5246 Max \$ 5948	OP Mgr Sci/Art Dir Curriculum Bio region	Registrar Dir Rec Athl Adm Asst Budg	Accounting Mgr Assist Dir C&C Bookstore Mgr Purchasing Mgr Sr Sys Ana Prog Mgr Mech system	EEO SP Assist	Dir Alumni
↓ Managerial, Salary Level 7 Min \$ 4149 Mid \$ 4769 Max \$ 5389	Adm Asst Prov Dir Labor Cntr		Sr Systems Anal Conf Serv Mgr Grants Accountant		Comm Mgr Mgr Publications
↓ Tech & Prof Salary Level 6 Min \$ 3772 Mid \$ 4335 Max \$ 4899	Mgr Perf Arts Mgr Media Serv Mgr Acad Grants	Asst Dir Adms Asst Dir Housg Dir Child Care Dir Stu Act	Payroll Manager Sr HR Rep Mgr Space Plang Mgr Bldg Serv Mgr Fac IS		Mgr Annual Fund
Salary Level 5 Min \$ 3428 Mid \$ 3941 Max \$ 4453		Mrg Radio Stat Dir 1st Peoples Asst Dir Fin Aid Asst Dir Res Lf		Mgr Spec Events	Mgr Prospect
Salary Level 4 Min \$ 3117 Mid \$ 3583 Max \$ 4049	Assoc Dir Grad Asst Dir GP Mgr Edtr MES Asst Dr Labr Ctr Asst Dean Extend Ed	Asst Registrar Assoc Dir Fin Aid		Adm Secretary to the President	Admin Secretary VP
Salary Level 3 Min \$ 2834 Mid \$ 3257 Max \$ 3680	Research Assoc Cataloger Adm Sec Prov Lib Archivist	Acad Advisor Career Counselor Asst Dir Stu Act Adm Sec VPSA Acad Specialist Coord Spec Events	Adm Sec VPFAD		
Salary Level 2 Min \$ 2584 Mid \$ 2970 Max \$ 3356	Asst to Dir TAC	Adms Counselor Mgr CRC Fac Fin Aid Counselor			
Salary Level 1 Min \$ 2349 Mid \$ 2700 Max \$ 3051		Resident Dir			

Internal Equity Considerations

Internal equity is another consideration in assigning positions to pay grades. The Equal Pay Act is the legal basis for pay equity. This act sets out four compensation factors for determining pay equity. The four compensable factors are responsibility, skill, effort and working conditions. Factor comparison itself is not widely used: it probably represents less than 10 percent of the installations of job evaluation plans. Using these “universal” factors as a foundation, the exempt salary advisory group is also recommending a number of other compensation factors. The chart of internal equity compensation factors is below. These factors will be used to assign positions to the exempt salary grade within the new salary structure when no market pay data exists.

The use of Job-ranking with two or more compensable factors and weighting them differently is a factor-comparison approach. Job slotting using the point factor method will be applied to compare a specific ungraded position and its factors as against a comparable position with a grade assignment based upon market pricing. Thus, an academic counseling position with current market pay data will be compared to a comparable counseling position on the basis of the compensation factors in order to determine pay grade assignment. The exempt staff pay program advisory committee is recommending use of the compensation factors on the Chart below.

Compensation Factors Chart

FACTOR	subfactor	subfactor	subfactor	Factor importance- High Mid Low
Scope of Responsibility				
Mental Demands→	Complexity of issues			
Accountability→	Impact	Freedom to act Independent decision making	Authority	
Skill→	Writing	Speaking	Problem solving	
Know How→	Experience	Education		
Creative Professional Performance				
Interpersonal				

The compensation factors listed above are assigned weight based on their importance.

Compensation Factor Job Evaluation Steps

Factor Comparison	<ul style="list-style-type: none"> ▪ Prepare organization chart. ▪ Write job descriptions. ▪ Develop specifications and scope data. 	<ul style="list-style-type: none"> ▪ Identify benchmark jobs. ▪ Select and document appropriate factors and/or degrees. ▪ Evaluate benchmark jobs to test selected factors. 	<ul style="list-style-type: none"> ▪ Evaluate each job against each factor. ▪ Compile individual evaluation results into one overall hierarchy. 	<ul style="list-style-type: none"> ▪ Group comparable jobs into grades.
-------------------	--	--	---	--

Factor Weight Determining Method-How Weight System Works

Point Determining Method

Factor	Column 1	Column 2	Column 3
Order of Ranking	Percentage of Highest Factor	Calculation	Weight of Factor
Responsibility	100%	100/300	33%
Skill	80%	80/300	27%
Effort-mental	80%	70/300	27%
Work Conditions	40%	40/300	13%
Totals→	300 %		100%

31

Percentages above are provided as an example. Actual weights for factors have not been determined yet.

Next steps in developing the College's exempt salary structure are:

- Review survey data and establish market rate for benchmark positions.
- Plot College exempt salary pay line and compare to market pay line
- Determine the number salary grades and salary grade midpoints
- Set up structure by determining midpoint-to-midpoint differences
- Determine salary grade range spread by setting minimums and maximums
- Conduct market survey rates on non-benchmark positions
- Define Compensation Factors and assign weight to each factor
- Complete exempt salary structure and slot all positions into a salary grade

Work plan for Development of Evergreen Exempt Staff Pay Program

At each step of the process will consult with Exempt Advisory Group and VP's on design and development of the exempt staff pay program.

1. Assemble Complete Catalog of Current Exempt Staff Position Descriptions- December
 - Meet with department managers, as necessary, to review job descriptions.
 - Finalize and document all job descriptions.
2. Prepare Model of Current Exempt Salary Structure – July 2007
 - Rank the jobs within each vice president's division, and then rank jobs between and among divisions.
 - Prepare a matrix organizational review.
3. Select Job Evaluation Method-Market Pricing & Factor combination –September 2007
 - Determine the difference between each salary step.
 - Determine a minimum and a maximum percent spread.
 - Slot the remaining jobs.
4. Choose Position Market Pricing Focus-Higher Education, Northwest & Olympia- August 2007
5. Select Salary Surveys-CUPA, BLS, Milliman Northwest, ERI Olympia- completed June 2007
 - Review the market price of benchmark jobs within the industry (Higher Education).
 - Establish a pay trend line in accordance with college pay philosophy (i.e., where the college wants to be in relation to salary ranges in the industry).
6. Review exempt Staff Position Descriptions as necessary – December 2007
7. Select benchmark positions for market pricing- See UW Benchmark job list below
 - Establish benchmark (key) jobs. Option to selecting benchmark jobs would be evaluating and market pricing each exempt position
8. Conduct Evaluations of benchmark positions to set exempt structure levels- December 2007
9. Use surveys to development salary ranges for selected benchmark positions- Sept –Dec. 2007
 - Determine the % difference between each salary grade (6%-10%).
 - Determine a minimum and a maximum percent spread of salary ranges.
10. Based on Market priced benchmark positions finalize exempt salary structure- December 2007
11. Select Job Evaluation Approach & Factors- Whole Job, Point Factor -January 2008
 - Assign (Slot in) non-benchmark positions to Salary Grade/Level based on job evaluation. Job Evaluations may take up to six months.
 - Review & finalize salary grade assignments of each exempt position
12. Present New Exempt Salary Structure to VP's for review and approval- March 2008
13. Install new exempt salary structure and assign each position to a grade in the structure
14. Determine individual position pay rate adjustments based market pay level disparity

Draft Exempt Salary Structure Model

10% between salary level Midpoints w 30% salary range at each level

This salary structure model derived from the market pricing of
146 exempt positions (80%) against CUPA, Milliman, WA ES & ERI salary surveys

Salary Ranges & Model Structure

Salary Level	Min	Midpoint	Max
SL 1	\$23,490	\$27,000	\$30,510
SL 2	\$25,839	\$29,700	\$33,561
SL 3	\$28,423	\$32,670	\$36,917
SL 4	\$31,625	\$35,937	\$40,609
SL 5	\$34,392	\$39,531	\$44,670
SL 6	\$37,831	\$43,484	\$49,137
SL 7	\$41,615	\$47,833	\$54,051
SL 8	\$45,775	\$52,616	\$59,456
SL 9	\$50,354	\$57,878	\$65,402
SL 10	\$55,389	\$63,666	\$71,943
SL 11	\$60,928	\$70,032	\$79,136
SL 12	\$67,021	\$77,036	\$87,051
SL 13	\$73,723	\$84,739	\$95,755
SL 14	\$81,095	\$93,214	\$105,424
SL 15	\$89,205	\$102,535	\$115,967

Appendix A

INDEX OF UW BENCHMARK POSITION DESCRIPTIONS POSITION DESCRIPTIONS BY JOB GROUP

Counselor - Student Services

Academic Counselor
Academic Counselor - Lead
Counseling Services Coordinator
Education Outreach - Program Manager
Education Outreach Specialist (Entry)
Mental Health Therapist - Student Health Care Center
Student or Academic Services Director
Student Services Advisor/Counselor
Student Services Advisor/Counselor (Lead)
Student Services Advisor/Counselor (Senior)

Development

Assistant Vice President Development - Corporate and Foundation Relations
Chief Development and Community Relations Officer
Development Officer
Major Gifts Officer

Executive

Associate Vice Provost for Planning and Budgeting
Controller
Director of Construction - Capital Projects
Director of Environmental Health and Safety
Director of Purchasing
Director of Risk Management
Director, Maintenance and Alterations
Vice President of Human Resources

Health Services

Assistant Hospital Administrator
Clinical Nurse Educator
Diagnostic Imaging Administrative Director

Nurse Manager

Senior Associate Hospital Administrator (CFO)

Information Technology

Director, Technology Center

Network Engineer

Principal Technology Program Manager - Enterprise-Wide Systems

Senior Applications Systems Engineer - Enterprise-Wide Systems

Senior Computer Specialist

Software Engineer

Systems Programmer

Technology Program Manager - Enterprise-Wide Systems

Web Developer (Web Computing Specialist)

Manager/Strategic Advisor

Administrative Assistant

Administrator (Large Organization)

Administrator (Small Organization)

Assistant Controller

Auditor

Budget Analyst

Capital Project Manager

Director, Custodial Services

Executive Assistant

Food Service Manager

Human Resources Consultant - Employee Relations

Program Director/Manager (Large Program)

Program Director/Manager (Small Program)

Public Information/Communications

Public Information Specialist (Entry Level)

Public Information Specialist (Journey Level)

Public Information Specialist (Senior Level)

Publications Coordinator

Web Content Specialist