



Compensation Plan Project Updates

October 26, 2021

Learn Today, Lead Tomorrow

This slide presentation may change with updates prior to the meeting on
10.26.2021

Outstanding Educators - Compensation Plan

Session	Topics
October 26 (Study Session)	Where We Were: <i>Overview and Historical Context</i> <i>Understanding Tradeoffs</i> Where We Are: <i>Current State and Work in Progress</i>
November 30 (Study Session)	Where We Are Headed: <i>Preliminary Recommendations</i>

Outcomes

- Grounding the Work
- Non-Licensed Compensation Project Updates
 - Work to Date
 - Local School District Market Analysis
 - Next Steps
 - Initial Recommendations for SY 22-23
- Licensed Compensation Project Updates
 - Work to Date
 - Initial Recommendations for SY 22-23
 - Pay Schedule Sampling
- Early Retirement/Separation Incentives

Where We Were: Understanding Historical Context

Grounding the Work

- Board End Statement: Outstanding Educators and Staff
 - II-A: Quality educators and staff have been recruited, developed, supported, retained and celebrated
 - II-E: Educators and staff are valued and given multiple opportunities for their voices to be heard
- Employee Compensation Values and Resolution 12-13-2018
- Resolution Regarding Transitioning to a New Employee Compensation System 03-10-2020
- Authorizing One-time Employee Stipend And Reactivating The Resolution Transitioning To a New Employee Compensation System 9-28-21
- Benefits Values Resolution 12-13-2018

Grounding the Work

Strategic Plan Theme 3: Positive and Supportive Culture

Initiative 1a: Define and develop agreed upon core values, behaviors, and collective commitments.

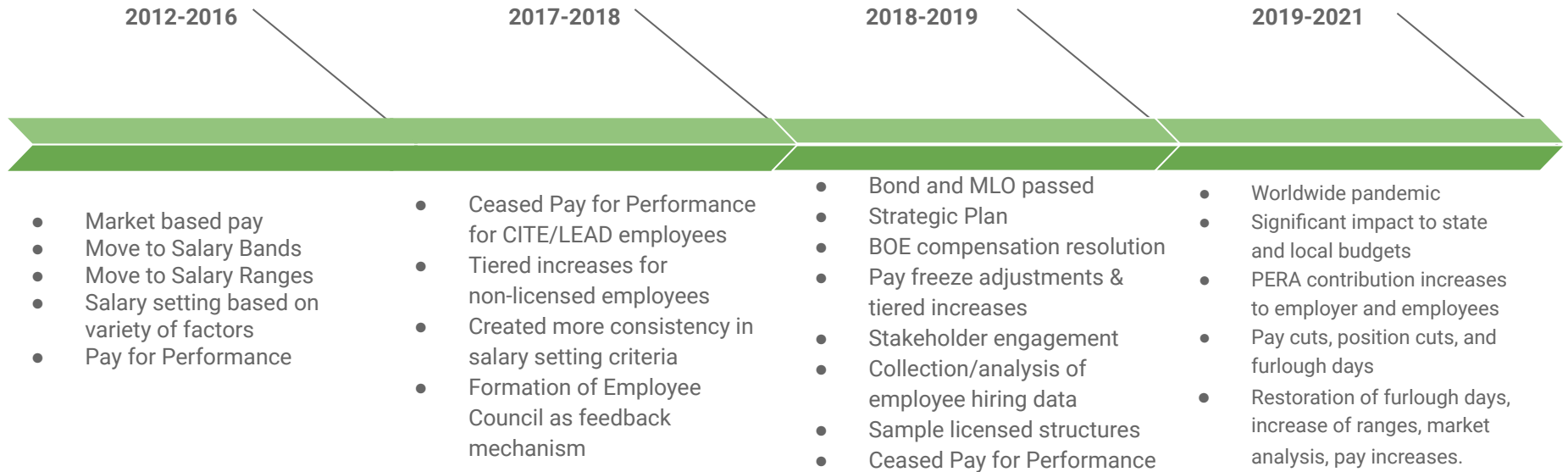
Strategic Plan Theme 6: Recruitment, Retention and Development of High Quality Employees

Initiative 1a: Develop and recommend a predictable compensation schedule for all employee groups that acknowledges experience/longevity, knowledge, and performance. In addition, it should be easily comparable to neighboring school districts, and progressively move toward a regionally competitive pay for all employees.



Historical Context

Compensation practices in DCSD have shifted significantly over time based on a variety of factors including available funding. No one could have predicted the COVID-19 pandemic, impact to revenue, availability of relief funding or the economic rebound.



Historical Pay Adjustments to Date

2017-18 Pay adjustments (**\$17.33M**)

- 3.2% increase for all CITE and LEAD staff (licensed and school admin)
- Pay freeze adjustments for eligible licensed employees (2% of pay during 'frozen' years for each year frozen)
- .75%-3.2% all other employee groups based upon performance rating
- No increase to employee benefit premiums

2018 MLO Pay adjustments (**\$16.9M**)

Classified Staff

- Pay range increases for certain hard to hire staff (ex: bus drivers, custodians, EA IVs, Trades)
- Pay freeze adjustments 1.5% of current pay for each year frozen
- 5% General increase for those not receiving increase to minimum

Licensed Staff

- Tiered approach up to 6%, based on pay relative to midpoint for range (and schedule placed on at hire)

School Based Administrators, Admin, Pro Tech

- General increase 3.5%
- Pay freeze adjustments 1.5% of current pay for each year frozen for those eligible

Historical Pay Adjustments to Date

2019-20 Pay adjustments (**\$15.2M**)

- 3.5% Increase to base pay
- No increase to employee benefit premiums
- Increase Short Term Disability Coverage to 70% (pre-tax) at no cost to employees
- District paid PERA employer contribution increase

2020-21 (\$30M in Budget Cuts) (**\$1.8M**)

- Pay freeze
- Furlough days (later restored)
- Increase to employee benefit costs (Employee pays 50% of premium increase cost)
- 3% salary reduction for some staff

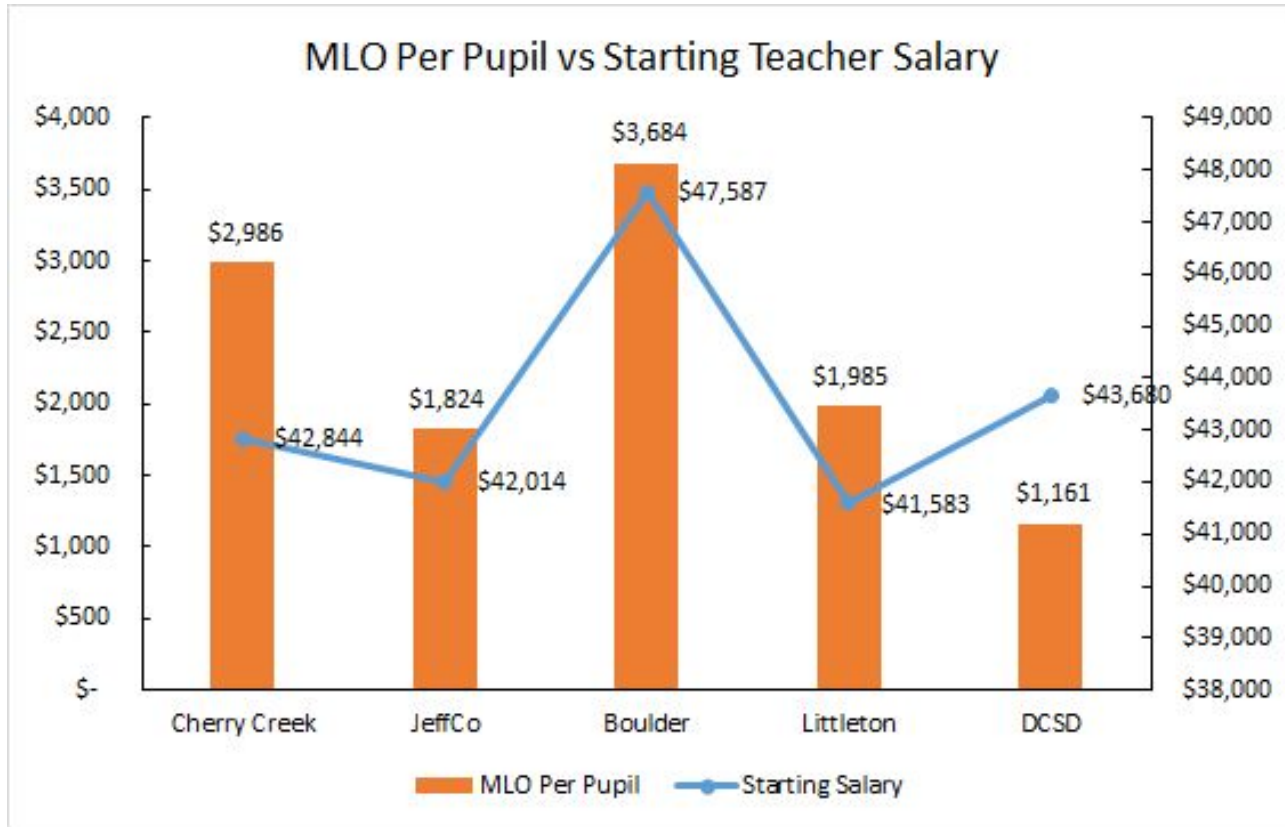
2021-22 Adjustments (**\$15.7M**)

- Full calendar restored
- No increase to employee benefit premiums
- Minimum 4% increase to for all staff (3.5% for Cabinet)
- Salary range adjustments
 - Non-market based pay range adjustments for all employee groups
 - 12% increase to starting licensed pay
- One time merit stipends paid to all regular employees

Breakdown of 2018 MLO

Budget Item	2020-2021 Revised Budget (\$M)	2021-2022 Adopted Budget (\$M)
Salaries and Benefits for Existing Employees	\$16.9	\$16.9
Elementary School Counselors	\$3.4	\$3.4
Middle and High School Counselors	\$2.5	\$2.1
Additional Highly Impacted (Equitable School Funding)	\$0.4	\$0.0
Additional SBB Allocations and/or Redesigned SBB for Equitable Distribution of Resources <i>*includes Gifted and Talented</i>	\$6.5	\$7.1
Additional Special Education Support	\$1.3	\$1.3
Career Tech Programming	\$2.0	\$2.0
Charter School Pass Through	\$9.1	\$9.7
Total	\$42.1	\$42.5

Comparative MLO Funding



Compensation Considerations

Total Compensation

Total Compensation - base pay, PERA contributions, benefits (medical, dental, vision, sick leave, general leave, other leave, disability insurance (short and long term), wellness offerings, crisis resources, employee assistance program, additional pays (schedule B), athletics and activities pay (schedule A), overtime, COLA increases, annual pay increases, tuition reimbursement, paid holidays, paid vacation/time off, educational advancement recognition, years' experience recognition...



Compensation Considerations

Trade Offs/Opportunity Cost

Conversation:

What are we willing to trade off in order to provide other incentives?

Examples-

- Base pay vs Benefits premium increases
- Additional pays vs ??
- PERA contributions vs ??
- COLA vs years' experience
- Educational advancement vs longevity pay
- Early separation vs. hiring shortage



Multiple Layers of Feedback

When the Resolution was passed in December 2018, multiple feedback channels were created in order to provide ample input into the pay schedule(s) being developed including:

- Employee Council- Twice monthly work sessions (SY 2019)
 - Examined metro area district salary structures
 - Conducted market study analysis (via consultant)
 - Licensed salary structure building
 - Utilization of feedback information against sample schedules
- Licensed employee survey
- Licensed input sessions (multiple per region)
- District committee input sessions
- Principal input sessions
- Superintendent outreach meetings by region

Where We Are: Current Work

Non-Licensed Compensation Project Update

Non-Licensed Employees Project Update

- Classified, Admin and Pro/Tech Employees
- Increased minimum pay ranges for all job types
- Job description review and revision
- Metro Area market data analysis
 - Organization of data
- Range review of all job types
- Analysis of placement of employees within each job position range
 - Identify those who need adjustment
 - Determine cost
- Share revisions and process with non-licensed employees
- Implementation goal: 2022-23 school year

Non-Licensed Market Analysis Findings

POSITION TYPE	MARKET COMPARISON**
Principal (MS)	1% Above
Bus Driver	3.2% Above
Building Custodian	6.3% - 14.9% Above
Kitchen Assistant	6.7% Above
EA IV	10% - 18% Above
Master Mechanic	22.2% Above

POSITION TYPE	MARKET COMPARISON**
Principal (HS & Elem)	1% - 6.1% Below
ProTech ITS Group	4.1% - 20.8% Below
Assistant Principal (All Levels)	4.7% - 10% Below
BASE Program	5.7% - 23% Below
Budget/Finance Group	6.1% - 15.1% Below
Instructional Assistant (IA)	10.94% - 23.78% Below

***Six Front Range districts. Comparison based on similar revenue streams. Data represented is for larger groups of employees and does not represent every job type.*

Initial Recommendation (Non-Licensed)

Using the metro area market analysis, and in order to meet the stated goals of the Compensation Resolution, we will begin modeling **further range adjustments for those positions that are below market**. Employee placement on the ranges will be reviewed and those who need further adjustments will be identified.

Licensed Compensation Project Update

Licensed Employees Update

- Education/Experience Verification
- Updating employee data in Workday
- Overlay of employee data with potential salary models
 - Determination of those under who are brought to cell and those over cell designation
- Costing of licensed salary schedules
 - Once data review is completed and analysis confirmed
- Engagement Sessions: Share structure(s) with staff
- Implementation goal: 2022-23 school year

Sample Schedule

Lanes

Level	BA % Increase	BA 15 % Increase	BA 30 % Increase	MA % Increase	MA 15 % Increase	MA 30 % Increase	MA 45 % Increase	MA 60 % Increase	PHD % Increase
	Gen: \$43,680								
1	Spec: \$53,760								
	H2H: \$48,160								
2	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
4	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
5	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
6	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
7	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
8	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
9	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
10	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
11	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
12		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
13			2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
14				2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
15				4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
16				2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
17				2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
18				2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
19				2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
20				4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
21						2.00%	2.00%	2.00%	2.00%
22								2.00%	2.00%
23									2.00%
24									2.00%
25									2.00%

Cells

Steps

Considerations

Starting Salary: Local district comparison and annual adjustments to remain competitive

Cell Increments: The percentage increase between each step/cell

Placement Data:

- % Below Cell: phase in on cell over a few years vs all at once
 - \$0 - \$10,000+
- % Above Cell:
 - Determining # of years an employee who is over their cell designation (i.e., their years experience and educational attainment do not match their salary cell designation) is frozen before resuming steps. Waiting for years or educational attainment to be earned before moving on the schedule

New Hires: Number of years to recognize upon hire (metro area averages 5-8 years for general and 10- for Hard to Hire)

Longevity Recognition: Salary schedule cell increases vs stipends

District Professional Development Recognition: (future)

Impact of Hitting Maximum Cell: Maximum cell attainment per lane

Movement between schedules: Salary changes per position designation (general vs hard to hire vs specialist)

Initial Recommendation (Licensed)

Using feedback collected in 2019 through 30+ meetings across multiple stakeholder groups, and in order to meet the stated goals of the Compensation Resolution, we will begin initial modeling using **three distinct schedules** (General, Hard to Hire, Specialists) and **tiered step increments**.

Early Retirement/Separation Incentives

Early Separation Considerations

- Eligibility rules and post-separation guidelines
 - Eligible employee groups and years of service
 - “Return” period
- Incentive amount
 - Flat \$ or % of base
 - Short term cost
 - Long term savings
- Timing given the nationwide labor shortage
- Estimated Timeline

Employee Benefits Update

Benefits Update

Board Resolution on Benefits

Providing employees with comprehensive benefits comparable to neighboring school districts; • Modifying the comprehensive benefits made available to District employees only after the opportunity for ample feedback and input from employees; and • Reviewing and addressing the District's short-term disability and/or sick leave benefit that reflects best practices for ensuring fairness and employee satisfaction.



DCSD BENEFITS

All Employee Benefits Survey SY 2021-22

- Goal: To get a pulse on employee feedback regarding our benefits and wellness offerings
- Learn what is most important to our employees (ex: lower copays vs narrower network...)
- Employee awareness and needs in wellness offerings related to mental health and self care resources
- Implemented by Lockton
- Employees will receive a communication from DCSD with information about the survey from Lockton
- Review employee survey feedback
 - Design of Open Enrollment benefits options
 - Final Costing and Proposal

Where We Are Headed

Timeline for Remainder of School Year

- **(October)** Finalization of metro area non-licensed market analysis
- **(October - Early November)** Complete transcript and years' experience analysis for all licensed employees
- **(October - November)** Examination of licensed employee data within draft schedules for initial costing
- **(November 30)** BOE Study Session - Compensation Updates
- **(October - April)** Continued analysis of over 600 non-licensed job descriptions and recommended adjustments
- **(November-December)** Share results of the Lockton Benefits feedback survey
- **(November-February)** Review licensed salary schedule draft(s) and other non-licensed schedule adjustments. Educate, communicate and provide clarity to and with employee groups through engagement opportunities.
 - Standardized link of information and area to submit information
 - Groups: DLT, Principals, school sites (via leaders), Employee Council, District committees, departments (via supervisors)
- **(March-April)** Finalize SY 22-23 Salary and Benefits proposal

A large group of graduates in blue gowns and caps are seen from behind, throwing their caps into the air. The caps are scattered across a clear blue sky. The scene is bright and celebratory.

Questions?

Learn Today, Lead Tomorrow

Appendix

Grounding the Work

The Compensation Glossary

Licensed vs. Non-Licensed- Teachers and Special Service Providers vs. Classified, Admin, Pro Tech

Longevity-Typically a salary increase or stipend given for reaching pre-defined years of service thresholds (i.e. 10, 15, 20, 25, etc.)

COLA- Cost of Living Adjustment (COLA) and is usually tied to the consumer price index (CPI)

Licensed Terms

Step- This is typically salary advancement awarded for completing a year of service

Lane- This is typically salary advancement awarded for attaining higher levels of education

Below Cell - In a step and lane salary schedule, this term is used for those whose salary falls below where they should be placed in the schedule

Above Cell- In a step and lane salary schedule, this term is used for those whose salary exceeds where they should be placed in the schedule.

Horizontal Advancement- Also known as a lane, this is typically salary advancement awarded for attaining higher levels of education

Maximum Cell: In a step and lane salary schedule, typically the maximum cell an employee can reach given their experience and education level.

COLA vs Step Increase

Frozen at Cell: Typically when an employee is maxed out based on their education and experience level.

Grounding the Work

The Compensation Glossary

Non-Licensed Terms

Minimum: The lowest wage rate in a salary range

Midpoint: The amount halfway between the minimum and maximum for a salary range

Maximum: The top end of a salary range.

Range: The minimum and maximum of a given salary.

Grade: Refers to a salary range within a designated salary structure. Positions of a similar scope and/or labor market value are placed within a common salary grade to ensure consistency in pay administration.

Above the Max: Refers to an employee whose salary is more than the established maximum for the position.