

Bluefield State College
Update re: Classified Staff Compensation Management Planning
December 12, 2017

Brief History

- 1990's - West Virginia implemented the Mercer classification and compensation system for classified employees. This system was based on point-factor methodology classification structure, and years of WV state service salary structure.
- 2011 to 2016 – Centralized state efforts to promote personnel-related consistency for WV higher education (SB330 in 2011; SB439 in 2015 establishing 01/31/16 as HEPC target date for completing a classified compensation market study).
- Around 2015, WV Higher Education Policy Commission (HEPC) contracted with Mercer consulting firm to assist primarily with completing a classified compensation market study.
- 2016 - HEPC/Mercer completes the classified compensation market study.
- 2017 – WV legislature made changes to personnel-related laws (HB2542, HB2815); changes the definitions of “classified” and “nonclassified” employees; allows for “institution-specific” decisions v. “state centralized” personnel decisions; provides that HEPC develops a model minimum salary schedule; provides that HEPC develop classification and compensation rules.
- 2017 – HEPC develops Market-Driven compensation management system, allowing compensable differences for performance and other pay-related considerations, moving away from years-of-service/seniority-based compensation system of the 1990's.
- August 2017 - HEPC approves HEPC Compensation Management Program for implementation effective 9/1/17.

Issues with “Old” Classified Compensation System, created in 1990's

Old pay structure:

- Based on total years of WV state service, not relevance to the current job.
- It did not align job value with job value in the external job market.
- It did not recognize job-relevant experience with other employers (those not WV state employers).
 - If BSC extended a job offer for a classified position to an external candidate with no prior WV state service, even if the candidate had numerous years of job-related experience, the candidate would have been offered a salary at the minimum of the assigned pay grade. Inability of BSC to offer a competitive salary increased the risk of offers being declined.
 - If the candidate did accept the classified position at a less-than-competitive salary, candidates were at risk of seeking higher paying positions, contributing to continued vacancies/increased training costs, and increased employee turnover.
- Former pay grades 1 – 6 “minimum salaries” eventually fell below WV minimum wage rate.
- It did not allow pay adjustments for consistent high performance.

- Expectation of funding based on years of WV state service; WV did not allocate funding to keep the schedule fully funded; BSC experienced funding challenges, similar to many other WV state institutions of higher education.

Advantages of New HEPC Compensation Management Program

- Classified employee pay based on multiple pay factors, including:
 - External Market Value of Job
 - Job Duties
 - Employee Job-related Experience (not just WV state service)
 - Employee Performance
- Updated salary structure based on current/recent market rates
- Creates pay opportunities without having to change jobs or be reclassified
- More strategic use of limited salary dollars (no pay “steps” in new salary structure)
- Allows greater ability to recruit highly qualified talent, offer competitive salaries, and retain qualified, performing employees.

New HEPC Compensation Philosophy

- Designed to attract, retain and motivate a competent, qualified and diverse workforce
- To provide flexibility to manage base pay fairly
- To establish competitive pay structure based on external labor market while considering relevant internal salary alignment
- To provide framework for career progression and recognition of high performance
- Given current WV economy, allows colleges and universities to initially manage compensation using market position goals or other methods for fair, competitive employee compensation.
- Over time, institutions encouraged to transition to rewards model to compensate employees’ skill, effort and outcome contributions.

BSC Progress To-Date

- ✓ 03/14/17 - HB2542 Passes; Effective 06/12/17
- ✓ 06/15/17 – BSC Board of Governors (BOG) approves Policies 9 (Staff Development), 17 (Classified Employees), 25 (Personnel Administration) & 42 (Hiring) for 30-day comment period.
- ✓ June/July 2017 – HR meets with classified employees re: HB2542 and shares Cabinet’s anticipated BSC action plan through early Fall 2017. Includes overview of WV Code changes to definitions for “classified” and “nonclassified” employees, and how BSC will apply the new definitions.
- ✓ 07/01/17 – Consistent with WV Code provisions, classified positions that meet the duties test for exempt status under the provisions of the Fair Labor Standards Act will become “nonclassified” when hired after July 1, 2017.
- ✓ 07/08/17 – Effective date of “classified” IT positions converted to “nonclassified,” and “classified” positions that reported directly to the President converted to “nonclassified,” consistent with WV Code provisions.
- ✓ 07/25/17 – BSC Policies 9, 17, 25 & 42 receive BOG approval.
- ✓ 08/11/17 – HEPC Commission approves HEPC Compensation Mgt Program for implementation effective 9/1/17.

- ✓ 08/24/17 – BSC BOG approves Policies 25 (Personnel Administration) and 26 (Productivity of Employees & Employment of Adjunct Faculty) for 30-day comment period, and rescinds 33 (Classified Employee Salary Policy). Pol. 25 revised again to propose adopting HEPC Compensation Mgt Program for BSC classified employees.
- ✓ 09/29/17 – Effective date of approved Policy 26.
- ✓ 10/24/17 – BSC BOG approves Policy 25.
- ✓ 11/17/17 – HEPC Commission meeting. HEPC Div. of HR seeks approval of new Series 55, Human Resources Administration, for 30-day comment. Series 55 to repeal and replace HEPC Series 8 - Personnel Administration, HEPC Series 39 - Classified Employees, and HEPC Series 53 - Human Resources Administration.
 - HEPC’s new Series 55 to provide current personnel-related rule provisions to aid with implementing HEPC Compensation Management Program, while removing outdated rule references.
 - When HEPC Series 55 is approved, BSC will review our policies again for possible revisions.
- ✓ 11/20/17 and 11/27/17 – BSC sends “allusers” email inviting staff and faculty to information sessions scheduled after Thanksgiving holiday.
- ✓ 11/28/17 and 11/29/17 – BSC conducts information sessions regarding progress toward transitioning classified employees to the new HEPC compensation management program, including the plan for slotting classified positions to the new pay structure. Communicated that slotting positions to facilitate transition to new pay structure was based upon Mercer/HEPC recommendations.
- ✓ Week of 12/04/17:
 - BSC conducts additional information session for Physical Plant day/evening shift employees regarding progress toward transitioning classified employees to the new HEPC compensation management program, including the plan for slotting classified positions to the new pay structure. Communicated that slotting positions to facilitate transition to new pay structure was based upon Mercer/HEPC recommendations.
 - BSC supervisors (may be immediate supervisor, manager/director, and/or Cabinet-level administrator) planned to meet with their respective classified employees to inform employees of their new pay grades and address any questions.
 - BSC sends letters to individual classified employees indicating their new pay grade assignment.
 - 12/09/17 – Effective date of BSC classified positions “slotted” to the new pay structure (assignment of new pay grades).

Next Steps

- After BSC transitions classified positions to the new pay grades, BSC will begin reviewing staff salaries, identifying salaries that fall below the minimum of the new pay grade assigned, and identifying where salaries currently fall within the pay grade range.
- BSC will begin developing salary goals and funding projections.
- BSC will develop a preliminary plan to begin achieving progress toward salary goals, within BSC’s budgeted resources/ability to pay.

- Initially, any classified staff increases will likely go toward employee salaries that fall below the minimum of their assigned pay grade, and to employees whose salaries fall substantially below target market rates.
- HEPC is in the process of implementing new software systems (JDXpert) for classified position descriptions. BSC will use JDXpert for our classified position descriptions.
- BSC anticipates developing an on-campus process for maintaining and/or updating classified job descriptions using the new HEPC JDXpert system.
- BSC will continue to monitor HEPC changes to rules, and will update BSC policies and procedures as appropriate.
- BSC is working responsibly so that implementing the new compensation program is fair and transparent. A great deal of work is anticipated to occur over the next 12 months as BSC proceeds with implementing the HEPC Compensation Management Program for BSC classified employees. BSC anticipates working collaboratively with HEPC regarding reviewing BSC current position descriptions as necessary. We want to make sure classified positions are properly classified relative to the newly developed HEPC Master Classification Specifications. We will continue to work closely with HEPC and BSC leadership to make progress with implementing the new HEPC Compensation Management Program.
- We welcome classified employee feedback regarding the HEPC Compensation Management Program. Please feel free to offer suggestions and/or express concerns with:
 - Your Supervisor/Manager/Director
 - Your Cabinet-Level Administrator
 - Your college constituent representatives
 - The Office of Human Resources

Summary

- The HEPC Compensation Management Program offers New and Exciting Opportunities!
- HR administration is Changing
- Shift in “Sameness” to “Differences” between Institutions
 - 19 Institutions = 19 Approaches = 19 Timelines
- Gradual, Phased Approach - Implementation will Take Time!
- No State Funds currently allocated for the new program
- Offers New Flexibilities
- Considers Bluefield State College’s Ability to Pay / BSC Budget