

PROPOSED PROJECT OVERVIEW: ANKENY COMMUNITY SCHOOL DISTRICT

December 7, 2021

Presented By | Jenna Bidwell, Consultant

Carlson Dettmann Consulting
A Division of Cottingham & Butler Insurance Services, Inc.

Cottingham & Butler

Company Overview

Carlson Dettmann Consulting, a Cottingham & Butler Company

- 2018 – Carlson Dettmann Consulting (CDC) of Madison, Wisconsin, was acquired by Cottingham & Butler (C&B)
 - This partnership was created to provide clients a more-well rounded suite of services, specific to Total Rewards
- Cottingham & Butler is the 25th largest insurance broker in the U.S. and is headquartered in Dubuque, Iowa
- The CDC team is comprised of 10 consultants and analysts serving public, private and not-for-profit clients through the Midwest

Cottingham & Butler Total Rewards Framework

TOTAL REWARDS

Compensation

Internal Equity

External Competitiveness

Formal Systems

Benefits

Costs

Compliance

Creating Efficiencies

**Employee
Experience**

Employee Engagement

Performance Management

Talent Development

Why Outsource Compensation/Total Rewards

Strategy

- Identify & Resolve Strategic Elements

Expertise

- Depth & Breadth of Knowledge

Independence

- Removed From Internal Politics

Access to Data

- Reliable (But Expensive) Data Sources

Unbiased

- Not Vested In Promoting Any Agenda

Metric-Focused

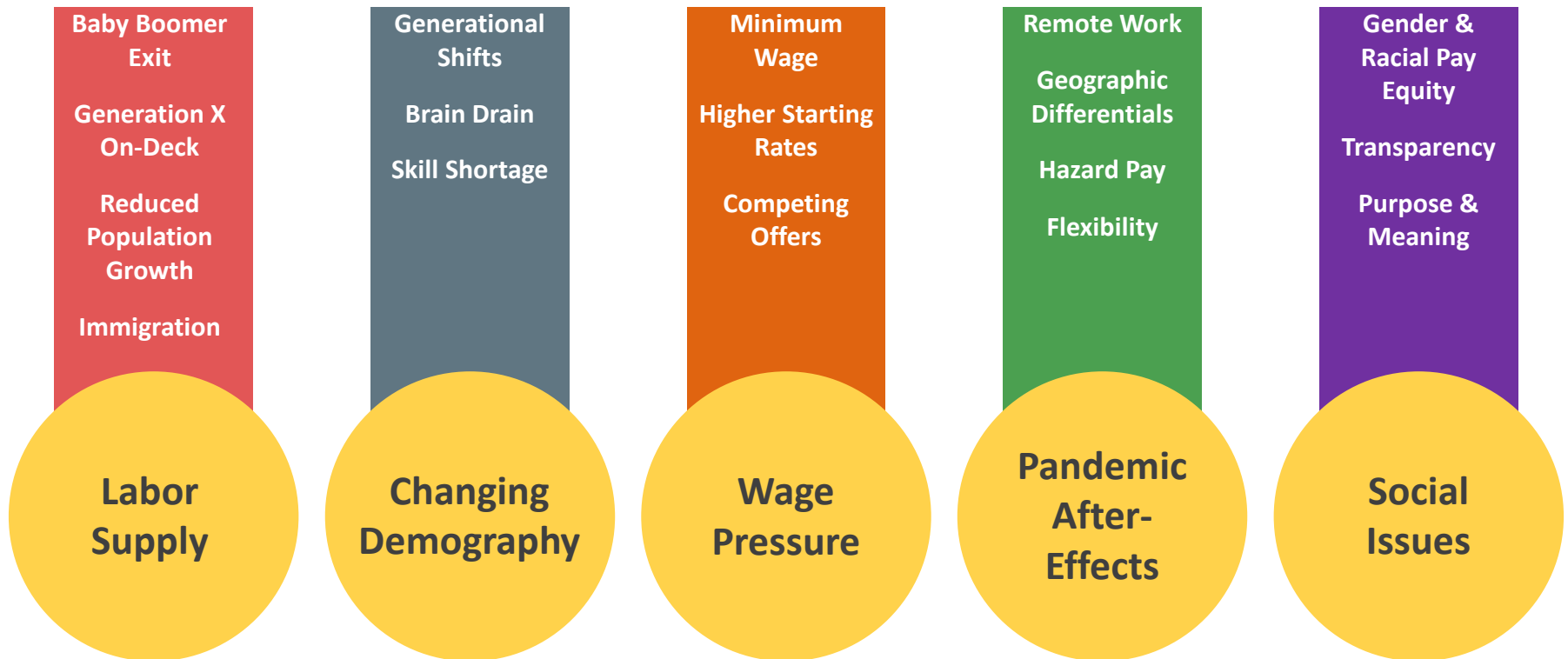
- Focused on Measuring the Right Things

Comprehensive

- Balancing Internal & External Pressures

Workforce Challenges

Many Challenges

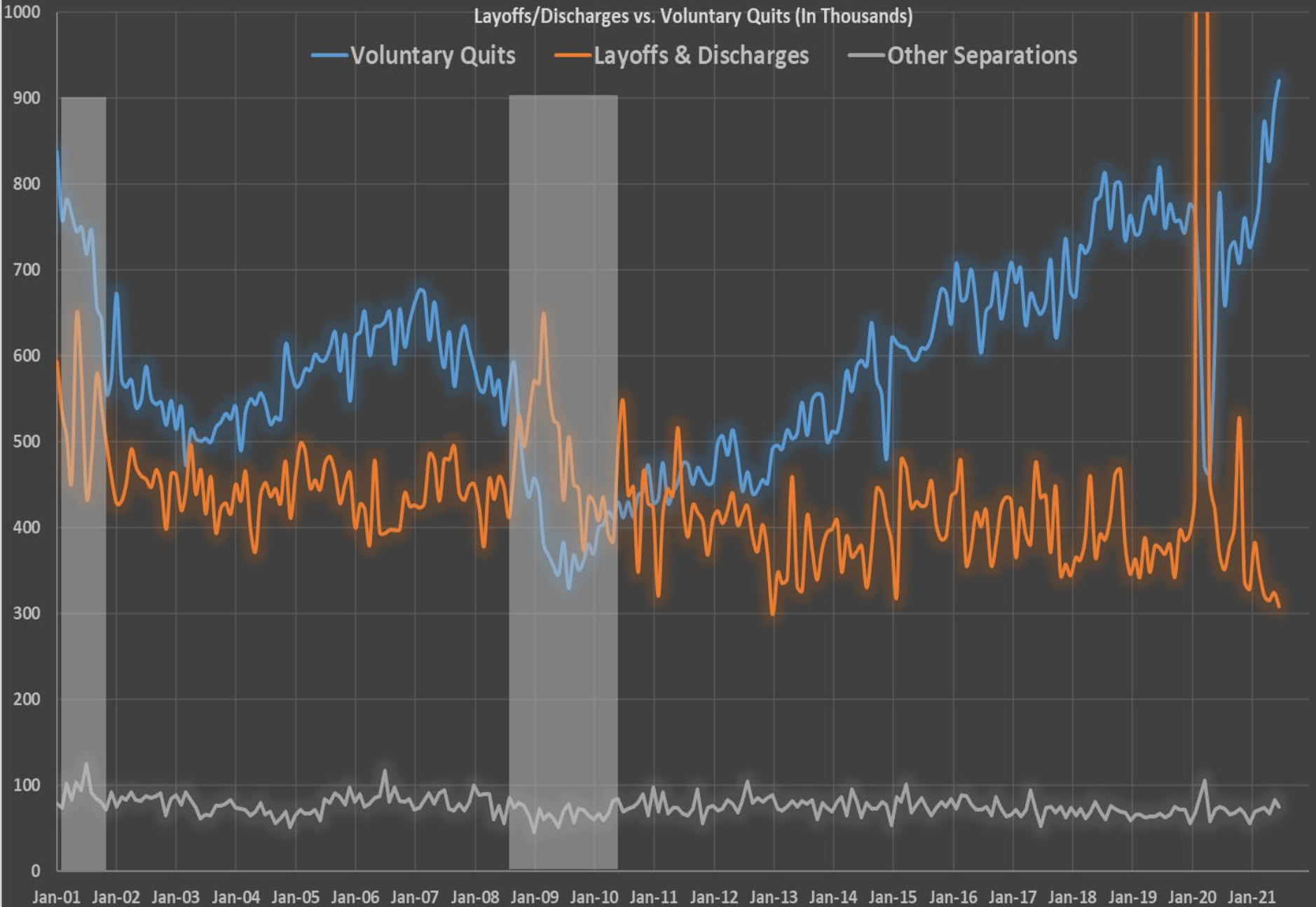


Bureau of Labor Statistics: Job Openings and Labor Turnover Survey
(Midwest Data - Seasonally Adjusted)

3063

Layoffs/Discharges vs. Voluntary Quits (In Thousands)

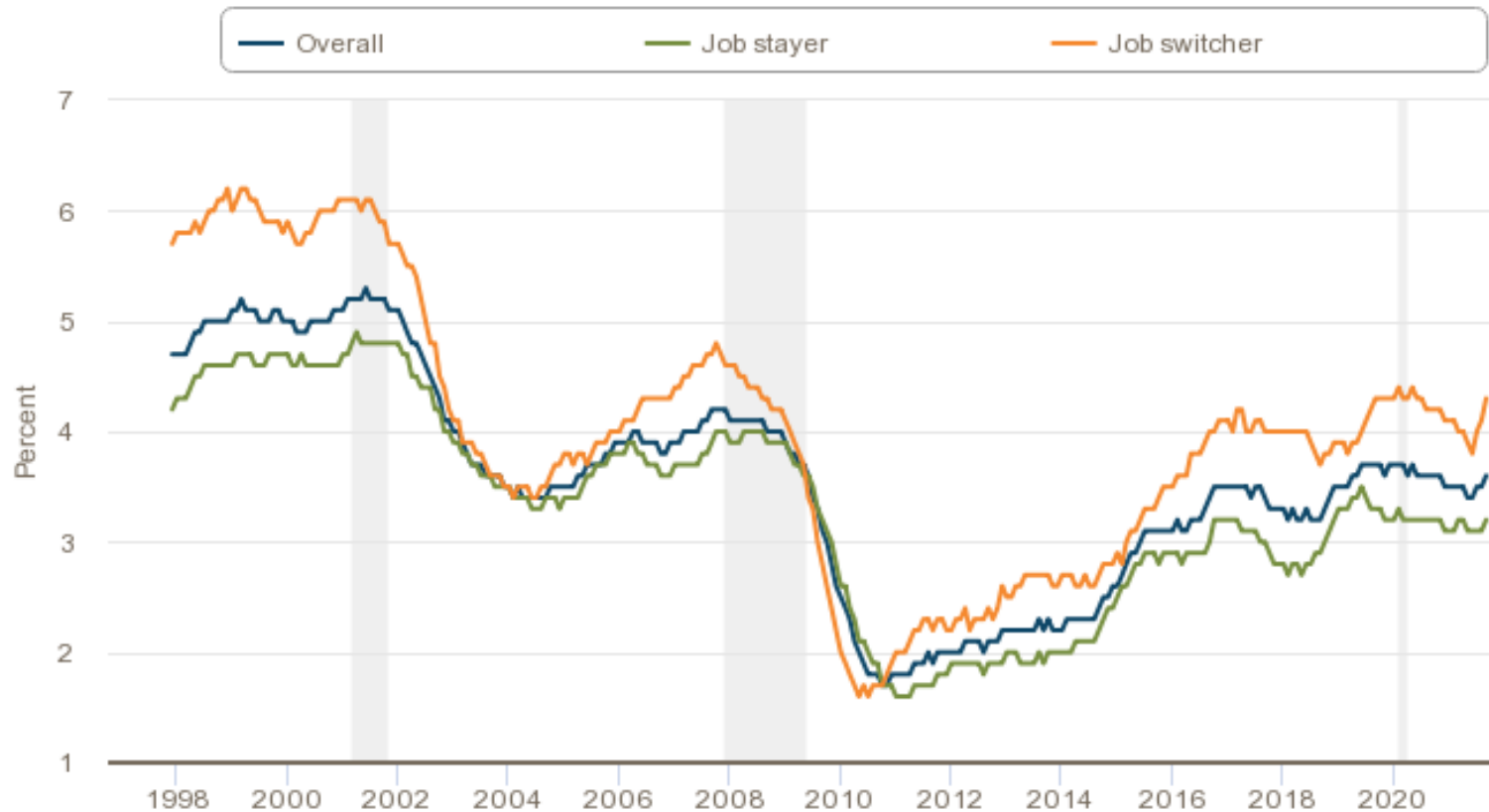
— Voluntary Quits — Layoffs & Discharges — Other Separations



Does Switching Jobs Pay Off?

Wage Growth Tracker by Job Switcher/Stayer

12-month moving average of median wage growth, hourly data



Sources: Current Population Survey, Bureau of Labor Statistics and author's calculations

Methodology Overview

C&B Total Rewards Framework

TOTAL REWARDS

Compensation

Internal Equity

External Competitiveness

Formal Systems

Benefits

Costs

Compliance

Creating Efficiencies

Employee Experience

Employee Engagement

Performance Management

Talent Development

4 Essential Policy Questions/Concerns

Define Market Comparisons

Competitive Market

Comparable Market

Survey(s)



Determine Market Placement

Lead

Meet

Lag



Design Structure

Performance

Step

Hybrid



Develop Implementation Plan

Initial Cost

Sustained Cost

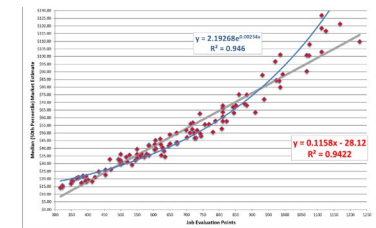
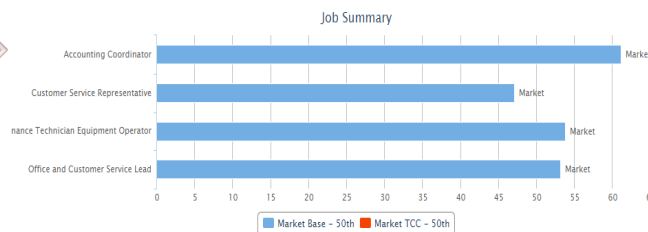
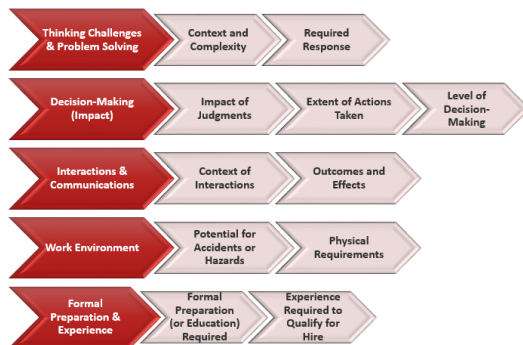
Market/Compression Exceptions

Compensation System Development

A:
Internally
Equitable

B:
Externally
Competitive

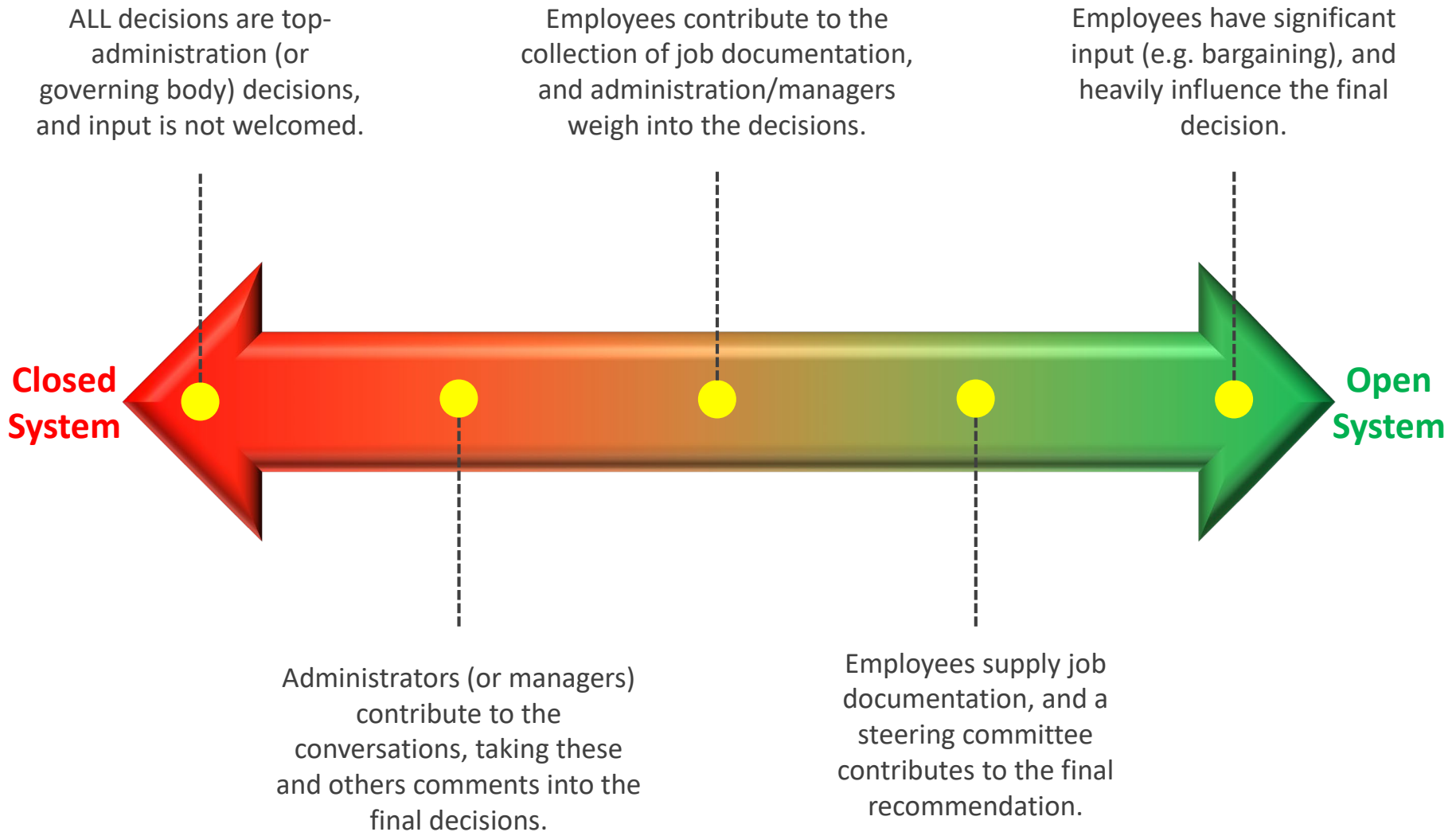
C:
Formal
Sustainable
System



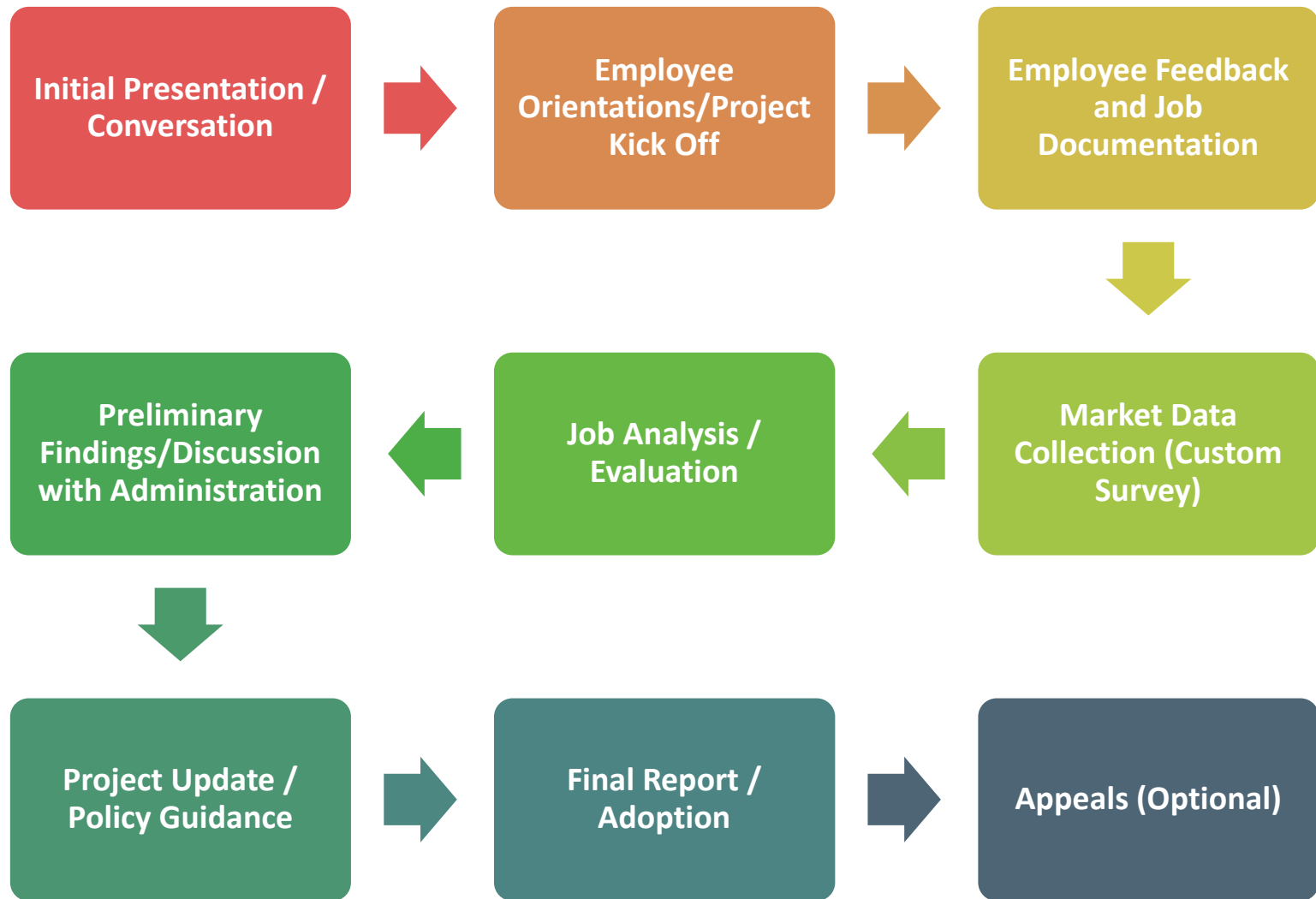
GEOGRAPHICALLY ADJUSTED AT 100.0%

Grade	1st Quintile	2nd Quintile	Midpoint	3rd Quintile	4th Quintile	% Range Spanned
13	\$187,100	\$191,400	\$192,500	\$193,500	\$194,700	30%
12	\$182,000	\$186,300	\$187,400	\$188,400	\$189,600	40%
11	\$176,900	\$181,200	\$182,300	\$183,300	\$184,500	40%
10	\$171,800	\$176,100	\$177,200	\$178,200	\$179,400	47%
9	\$166,700	\$171,000	\$172,100	\$173,100	\$174,300	40%
8	\$161,600	\$165,900	\$167,000	\$168,000	\$169,200	40%
7	\$156,500	\$160,800	\$161,900	\$162,900	\$164,100	40%
6	\$151,400	\$155,700	\$156,800	\$157,800	\$159,000	40%
5	\$146,300	\$150,600	\$151,700	\$152,700	\$153,900	40%
4	\$141,200	\$145,500	\$146,600	\$147,600	\$148,800	40%
3	\$136,100	\$140,400	\$141,500	\$142,500	\$143,700	40%
2	\$131,000	\$135,300	\$136,400	\$137,400	\$138,600	40%
1	\$125,900	\$130,200	\$131,300	\$132,300	\$133,500	40%
0	\$120,800	\$125,100	\$126,200	\$127,200	\$128,400	40%
-1	\$115,700	\$120,000	\$121,100	\$122,100	\$123,300	40%
-2	\$110,600	\$114,900	\$116,000	\$117,000	\$118,200	40%
-3	\$105,500	\$109,800	\$110,900	\$111,900	\$113,100	40%
-4	\$100,400	\$104,700	\$105,800	\$106,800	\$108,000	40%
-5	\$95,300	\$99,600	\$100,700	\$101,700	\$102,900	40%
-6	\$90,200	\$94,500	\$95,600	\$96,600	\$97,800	40%
-7	\$85,100	\$89,400	\$90,500	\$91,500	\$92,700	40%
-8	\$80,000	\$84,300	\$85,400	\$86,400	\$87,600	40%
-9	\$74,900	\$79,200	\$80,300	\$81,300	\$82,500	40%
-10	\$69,800	\$74,100	\$75,200	\$76,200	\$77,400	40%
-11	\$64,700	\$69,000	\$70,100	\$71,100	\$72,300	40%
-12	\$59,600	\$63,900	\$65,000	\$66,000	\$67,200	40%
-13	\$54,500	\$58,800	\$59,900	\$60,900	\$62,100	40%
-14	\$49,400	\$53,700	\$54,800	\$55,800	\$57,000	40%
-15	\$44,300	\$48,600	\$49,700	\$50,700	\$51,900	40%
-16	\$39,200	\$43,500	\$44,600	\$45,600	\$46,800	40%
-17	\$34,100	\$38,400	\$39,500	\$40,500	\$41,700	40%
-18	\$29,000	\$33,300	\$34,400	\$35,400	\$36,600	40%
-19	\$23,900	\$28,200	\$29,300	\$30,300	\$31,500	40%
-20	\$18,800	\$23,100	\$24,200	\$25,200	\$26,400	40%
-21	\$13,700	\$18,000	\$19,100	\$20,100	\$21,300	40%
-22	\$8,600	\$12,900	\$14,000	\$15,000	\$16,200	40%
-23	\$3,500	\$7,800	\$8,900	\$9,900	\$11,100	40%

The “Employee Voice” in the Process



Sample Project Process Overview



Job Analysis & Evaluation

Laying The Groundwork for the Policy Questions

Why Job Documentation Matters

Classification & Compensation

- Job Evaluation; Job Analysis; Matching to Market/Surveys

Recruitment

- Setting Minimum Qualifications; Communicating Duties to Applicants

Performance Management

- Properly assessing performance against what was expected

Legal Compliance

- FLSA, ADA, EEO, etc.

Employee Engagement

- Answers one of the core elements: clear employee expectations

Promotion/Demotion/Transfer

- Clarifies differences in levels of jobs; Allows for a comparison / contrast between similar jobs in different departments

Discipline/Termination

- Especially in performance-related matters: Did the employee really know what was expected?

Who Completes the JDQ?

Individual Employee

- In jobs with a single incumbent (i.e. only person in the job), the employee must fill out the JDQ.
- This is very common with Exempt and/or Administrator roles.

Administration

- In some cases, administration may be the lead facilitator (and scribe) for completing the JDQ.
- Other instances, such as vacancies, new positions, or inexperienced employees may require administration completion.

Appointed "Scribe"

- Typically assigned to an employee experienced with the work.
- Scribe writes the first draft, but seeks input from teammates.

Team Meeting

- One or more sessions, with several / all teammates, where everyone has input.
- Care must be taken so that stronger voices do not dominate the conversation.

Consolidated JDQ

- Multiple employees may desire to complete their own JDQ.
- Determination must be made regarding the best response from each JDQ to complete a final version.
- Who is responsible?

The Road to Internal Consistency: Job Evaluation

Documentation

Written documentation (or other evidence of duties and requirements) is crucial to the analysis.



Objective Analysis

Great care is taken to remove as much bias from the process as possible. Things such as performance, personality, and other subjective factors are not taken into account.

Comparisons

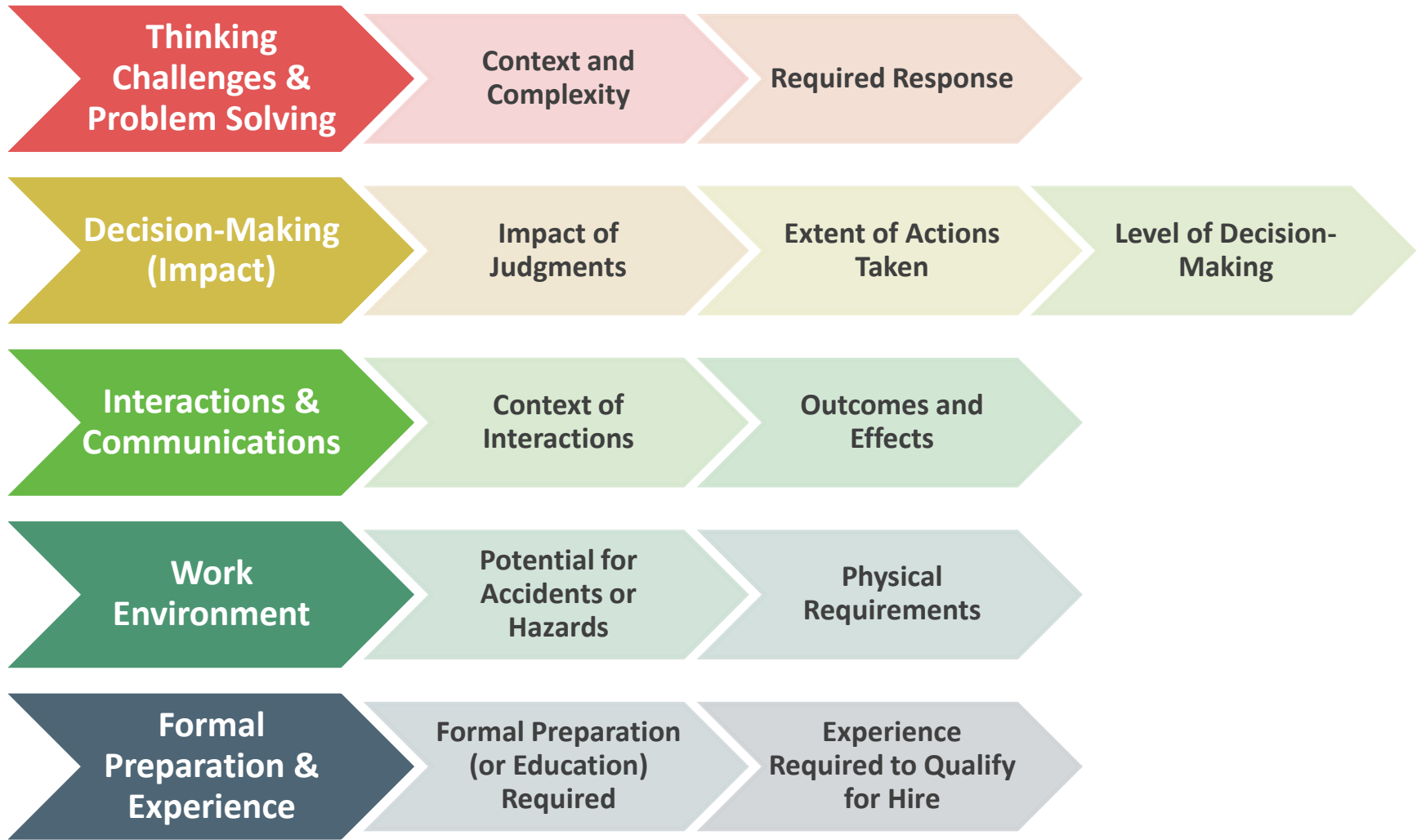
The goal to use a tool to not only compare dissimilar jobs across the organizations, but also similar jobs which may have “levels”.



Formal System

Formal, systematic process for ordering a set of an employer's jobs into a hierarchy based on the value or worth of jobs in the organization. Said procedure is designed to aid in establishing pay differentials among the organization's jobs.

CDC Job Evaluation (i.e. Compensable) Factors



Sample Organization

Job Title	Thinking Challenges Rating	Decision-Making Rating	Interactions / Communications Rating	Work Environment Rating	Formal Preparation & Experience Rating	Total Points
Administrator	6D	5DP	5D	1L	7G	1310
Director	5D	5CP	5D	2L	6+F	1095
Manager	5D	4+B+P	4+C+	2L	6E	888
Supervisor	4C+	4BP	4C	1L	6D	703
Professional	3C	3A+P	3B	1L	6C	532
Technician	3C	2+AS	3B	3M	4D	487
Administrative Assistant	2B+	2+AS	3B	1L	4C	409
Receptionist / Secretary	2A+	2AA	2A+	1L	3B	324

Policy Question #1: Market Comparisons

Two Marketplaces

Comparable Marketplace

Who is like us?

- Traditional approach

More Data Driven

- Proximity, Community Population, Student Enrollment, Staff Size, etc.

Self-Alignment

- Other K-12 School Districts

Final Result is a Pool of Organizations
Similar in Size/Scope

Competitive Marketplace

Who is trying to take our talent?

- Big vs small; public vs private; etc.

Employee Considerations

- Commute Time, Organizational Culture, Company Growth, Career Opportunities, Meaning, Hours of Work, Level of Job

There Will, Undoubtedly, Be Cross-
Over with the Comparable
Marketplace

Final Result is a More Diverse Pool of
Organizations, More Likely to Truly
Reflect the Options Facing Employees

Market Analysis: CDC Goals/Targets

Benchmark (Comparable) Employers

- 10 to 20+ Benchmark (Comparable) Employers
- Non-Exempt Jobs = more local labor market
- Administrator/Exempt Professional/Technical Jobs = more regional labor market

Benchmark Jobs

- 40% to 60%+ of the studied jobs covered by the comparable employers and/or market data

Covered Employees

- 50%+ of the covered employees represented by the benchmarks

Policy Question #2: Market Placement

Pay Structures: WorldatWork Survey Findings

	2010	2016	2019
Base Salaries at (or near) 50th Percentile	88%	89%	87%
Structure With Established Grades (as Opposed to Broadbands, etc.)	73%	89%	86%
Bonuses (e.g. Sign-on, Retention)	56%	81%	86%
More Than One Salary Structure	59%	73%	74%

Source: WorldatWork, Compensation Programs and Practices Survey, 2010, 2016, & 2019

Policy Question #3:

Pay Structure Design & Administration

Variables to Consider in Structure Design

Employee
Movement in
Structure

Internal
Hierarchy / JE
Ratings

Compression
Concerns

Unique Market
Pressures

Number of
Desired
Structures

Financial /
Budget
Pressures

Connection to
Performance

Other Elements
of Pay

Recruitment /
Retention
Strategy

Sample Pay Structures

80.0% 82.5% 85.0% 87.5% 90.0% 92.5% 95.0% 97.5% 100.0% 102.5% 105.0% 107.5% 110.0% 112.5% 115.0% 117.5% 120.0%

Single-
Rate
Model

C/P

Step-Based Model

Min

C/P

Max

Performance-Based Model

Min

C/P

Max

Combination (i.e. Hybrid) Model

Min

C/P

Max

Structural Adjustment vs Movement Through the Structure

Example: 2% Structural Increase

Step-Based Structure

87.5%	90.0%	92.5%	95.0%	97.5%	100.0%	102.5%	105.0%	107.5%	110.0%	112.5%
\$21.88	\$22.50	\$23.13	\$23.75	\$24.38	\$25.00	\$25.63	\$26.25	\$26.88	\$27.50	\$28.13

87.5%	90.0%	92.5%	95.0%	97.5%	100.0%	102.5%	105.0%	107.5%	110.0%	112.5%
\$22.31	\$22.95	\$23.59	\$24.23	\$24.86	\$25.50	\$26.14	\$26.78	\$27.41	\$28.05	\$28.69

**Maintains Competitive
Balance with Market
(and Purchasing Power)**

**Maintains Internal
Balance (Performance,
Tenure, etc.)**

Benchmarking: CDC Annual Wage Increase Survey (2021/2022)

PUBLIC

Group	2021 Structure		2022 Structure
Non-Exempt (NU)	1.9	vs	2.2
Exempt (NU)	1.8	vs	2.2
Non-Exempt (NU)	2.8	vs	2.8
Exempt (Salaried)	2.4	vs	2.5

PRIVATE

2021 Budget		2022 Budget
2.3	vs	2.5
2.2	vs	2.6
3.3	vs	3.2
2.9	vs	3.2

2021/2022 Full-Report Available from Carlson Dettmann

Policy Question #4: Plan Implementation

Challenges With Implementing Pay Structures

Budget

- Recognized limits; anticipated sustainability challenges

Fairness

- Contrasted with Happiness
- Formula-Driven Fairness

Size of Increase

- Short-Term Increase vs. Long-Term Increase

Length of Service

- Rarely a Viable Consideration
- Unintended Compression Possible

Exceptions

- Slippery Slope
- Chain Reaction

Classification Appeals/Review - Optional

What Is An (or Isn't) Appeal?

An Appeal Is ...



- ☐ A review of the grade placement to which the job is assigned.
- ☐ An opportunity to provide a final layer of review to ensure the hierarchy is as accurate as possible.
- ☐ A chance to further clarify job documentation and/or details of the job which weren't otherwise apparent.
- ☐ A chance to “re-calibrate” jobs that may have changed during the study.

An Appeal Isn't ...



- ☐ Intended to undermine any of the policy decisions made by the governing body.
- ☐ A chance to reward employees for superior performance.
- ☐ A chance to modify the step placement (i.e. implementation strategy) approved by the governing body.
- ☐ An opportunity to change the marketplace (i.e. comparables) adopted by the governing body.

Typical Appeals Process

Adoption

- Board of Education takes formal action on the recommended plan. Said action creates the basis for an appeal.

Employee Requests Appeal

- Employee are asked to outline the specific areas over which their appeal is based (i.e. what has changed in their role since the study began). Supervisors are expected to confirm or deny the facts behind the appeal.

Review and Recommendation

- Our consulting team will review the documentation, meet with the appropriate leader, and consider all of the information and concerns presented as part of the appeal. A final recommendation will be made to the District.

Approval

- Top Administrators responsible for the management of the compensation program — consider the information provided and makes a final approval (or rejection) of the recommendations made to the organization.

In Closing

Cottingham & Butler

Proposed Scope of Services

- Review and analyze the District's relevant organizational values and concerns to determine the needs in regards to a classification and compensation system
- Create and deploy a custom internal survey to staff to collect feedback on compensation, benefits, and culture
- Utilize the CDC Job Description Questionnaire and our Job Evaluation System to quantitatively analyze, document, evaluate and validate up to 65 roles
- Create and deploy a custom survey to collect relevant data related to administrator specific benefits along with the collection of base compensation data
- Analyze base salary market data for benchmark positions and use information to create and design a new compensation system
- Develop a first draft implementation costing estimate for use by the District
- Present an overall plan and final presentation that is clear and understandable, summarizes the process, outlines our recommendations for moving forward
- Optional:
 - Provide a high-level review of the District's benefits programs.
 - Conduct appeals after plan adoption

Why Carlson Dettmann Consulting?

Public Sector Advocates

- We believe in the value of the work done by public employees
- We have worked in public sector organizations

Depth of Knowledge

- We know the roles we are reviewing
- Our experiences allow us to comment on emerging trends and historical occurrences
- We're aware of, and sensitive to, the financial constraints placed on public sector organizations

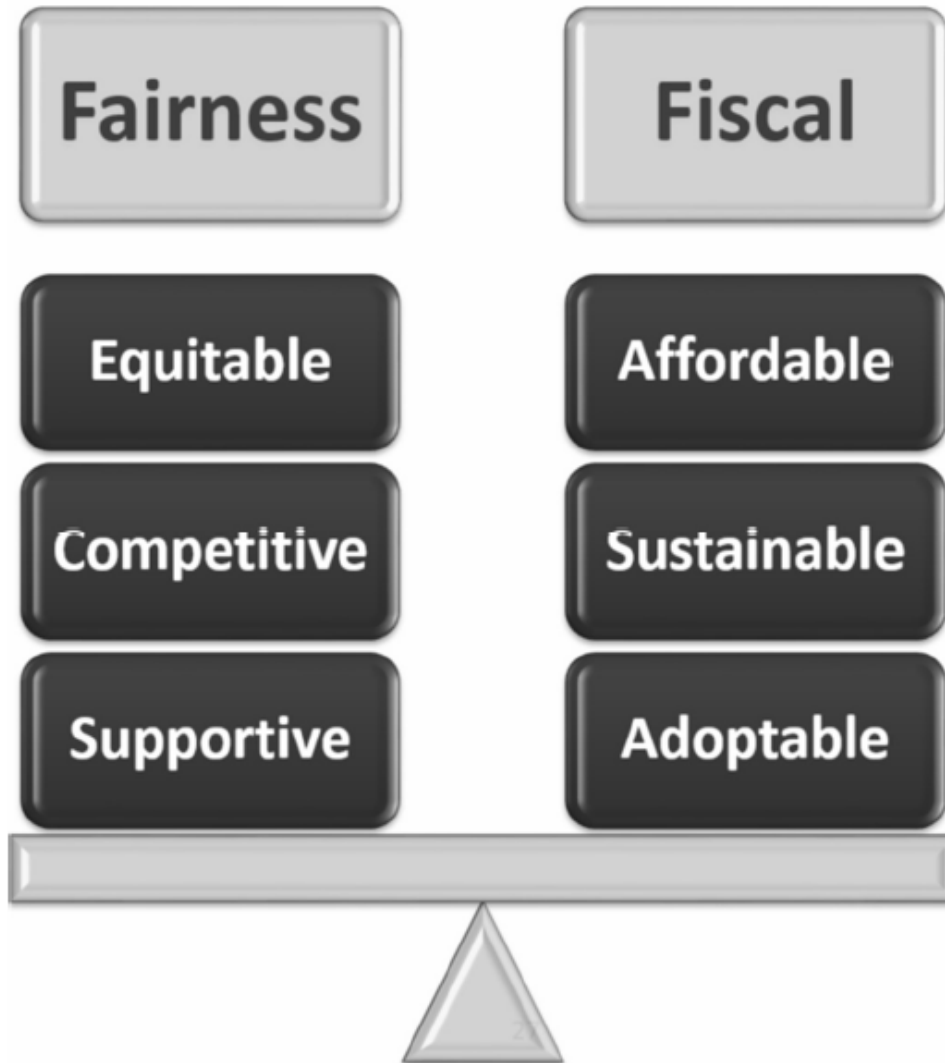
Flexibility

- Results are tailored to meet the clients' needs and not just to fit a pre-determined result

Total Rewards

- We understand that employee compensation is more than base pay
- We have the tools to advise clients on their complete rewards package

CDC Recognizes the Delicate Balancing Act



Contact Information



JENNA BIDWELL

Consultant

jenna.bidwell@carlsondettmann.com

715.315.1058