



Idaho State
University

Understanding FY24 CEC

The process, the plan, and the calculations!

June 2023

ROAR



FY24 CEC Plan - Goals and Drivers

- Meaningful increases for lower paid employees
 - Legislative drivers and plan requirements
 - External hiring market trends (turnover, market competition)
 - Economic factors (inflation outpacing wages for all; disproportionately impacts living wage for lowest paid employees)
- Manage compression
 - DHR structural shift and increases for lower wage employees creates salary compression
 - Specific plan elements to address compression impacted by increases over the past few years
- Equitable increases across employee types
 - Target equity in overall % increase by salary band for Classified, Non-Classified, and Faculty
- Build a plan that did not exceed the allotted budget (\$5.179M)



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The process. . .

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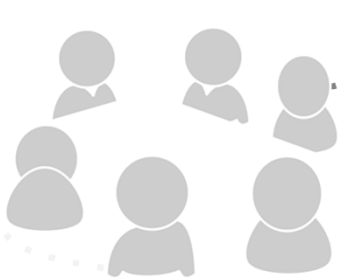
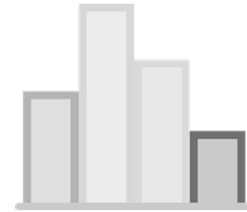
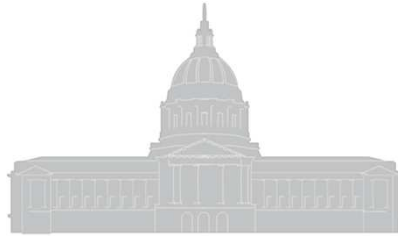
Change in Employee Compensation (CEC)

- CEC is the annual process that determines if benefit eligible faculty and staff receive pay increases (“CEC eligible”)
- One of the most commonly misunderstood processes - quite complex and hard to explain!
- Heavily driven by the State of Idaho legislature, Division of Human Resources (DHR), and Division of Financial Management (DFM); changes yearly
- ISU HR develops and implements CEC plan (if approved) collaboratively with leadership based on guidance from the legislature, DHR, and DFM
- CEC for higher education differs from other state agencies because our funding structure is different



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CEC Timeline



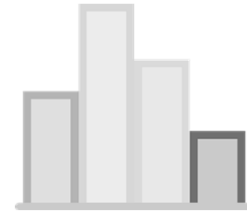
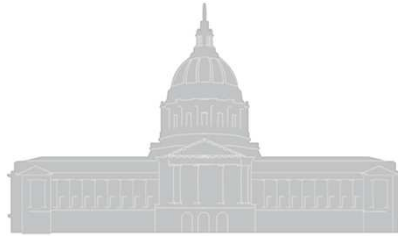
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CEC Timeline

December:
DHR develops
compensation
report and CEC
recommendation
(ISU HR/Finance
reviews)



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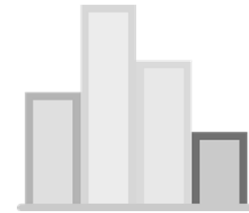


CEC Timeline



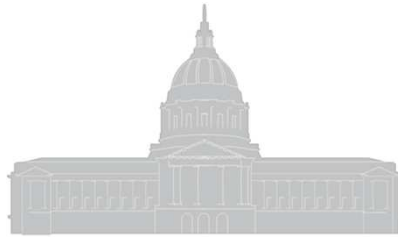
January:
Legislative session
begins; DHR
presents
recommendation;
CEC committee
meets and hears
testimony

**ISU HR supports
testimony and
begins initial
modeling
based on DHR
recommendation**





CEC Timeline



February:

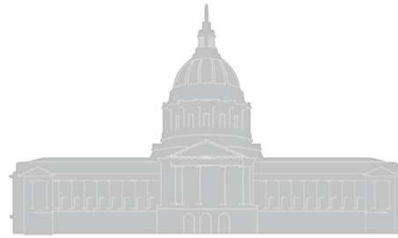
CEC committee
recommendation to
JFAC → legislative
process continues

**ISU HR pulls market
compensation data for
faculty & NC staff;
engages with division
leadership to review
and adjust as needed**





CEC Timeline



March:

DHR finalizes CEC guidance based on legislative approval; sends to agencies

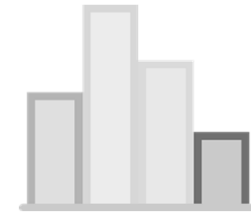
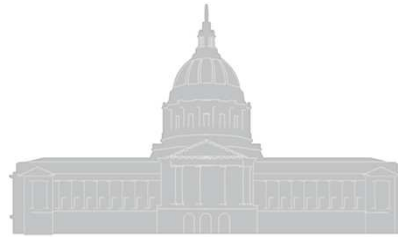
ISU HR/Finance develops initial models to allocate CEC \$ based on the approved requirements from DHR/DFM





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CEC Timeline



April:

DHR and SBOE
meet with
higher ed
HR/Finance

**ISU HR/Finance present
& refine CEC models
with ISU leadership;
develop/submit CEC
plan for approval**

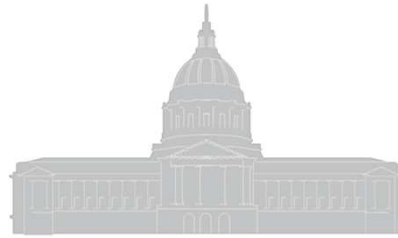


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CEC Timeline



May:

DHR works with
ISU to discuss,
review & approve
ISU CEC plan
(process)

**ISU CEC plan
approved; ISU
budgets due to
SBOE, HR
communicates
CEC plan and
details to campus**

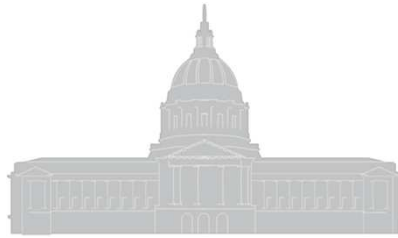


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CEC Timeline



June/July:

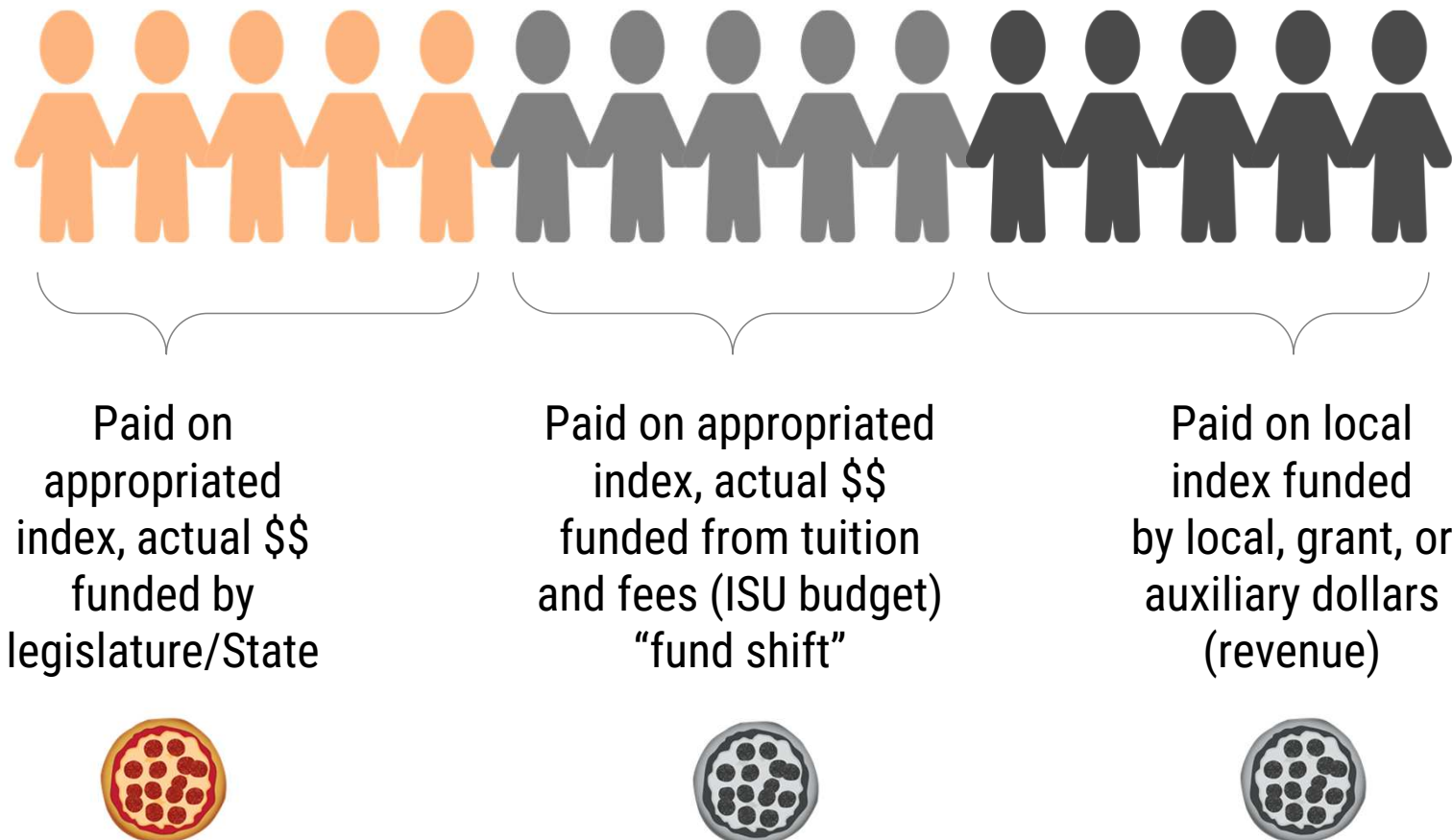
CEC increases implemented for faculty and staff; individual letters & employment contracts emailed to employees detailing raise and new pay rate

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But first - let's talk University budget

- Faculty, classified staff, and non-classified staff pay and benefits are funded at the University from a variety of sources

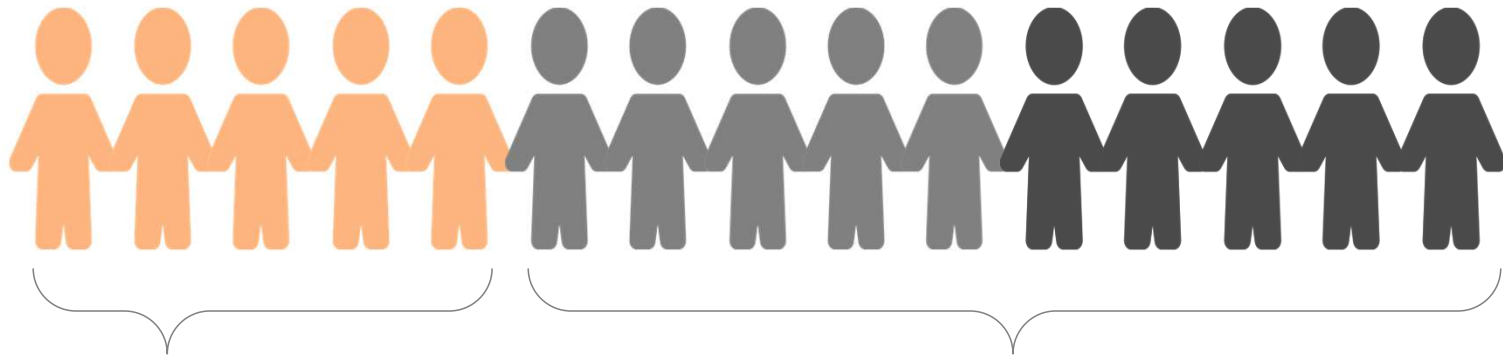


NOTE: graphic not scaled and does not necessarily represent % of employees in each category



But first - let's talk University budget

- Faculty, classified staff, and non-classified staff pay and benefits are funded at the University from a variety of sources



Funding remains relatively stable, and funds approximately 51% of personnel costs

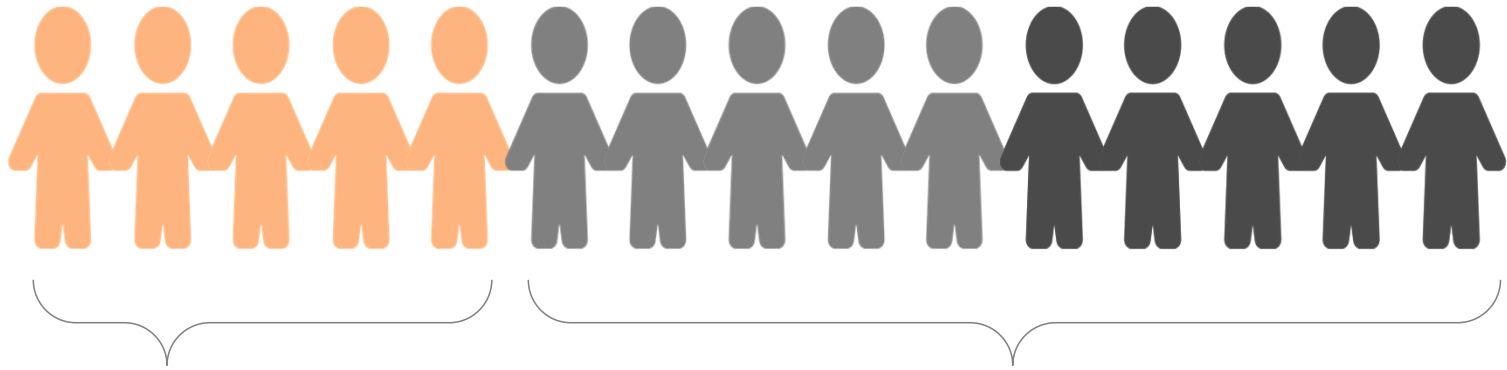
Funding increases or decreases based on enrollment, tuition/fees, research grants, and other local fees/revenues

****NOTE:** graphic not scaled and does not necessarily represent % of employees in each category



The impact this has on CEC

- When State legislature approves CEC and determines the pool of CEC \$ we have available to spend for employee raises, this is how it works



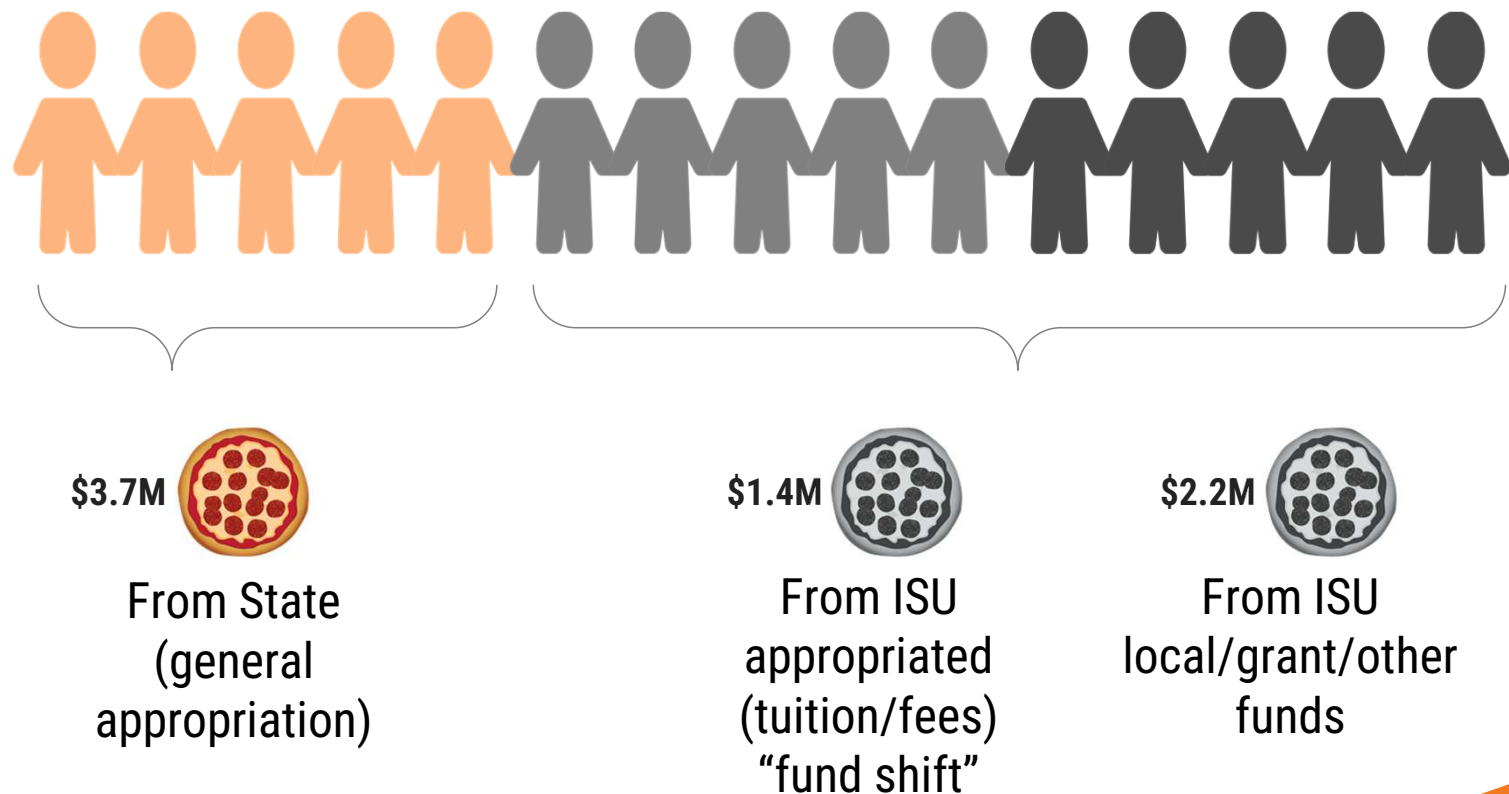
The State calculates our CEC funding pool (“new pizza”) based on this number of employees (general fund appropriation)

ISU does not receive funding from the State for CEC for these employees; instead, they are funded by ISU budget - tuition/fees (“fund shift”), local, grant, or auxiliary dollars



The impact this has on CEC

- When State legislature approves CEC and determines the pool of CEC \$ we have available to spend for employee raises, this is how it works

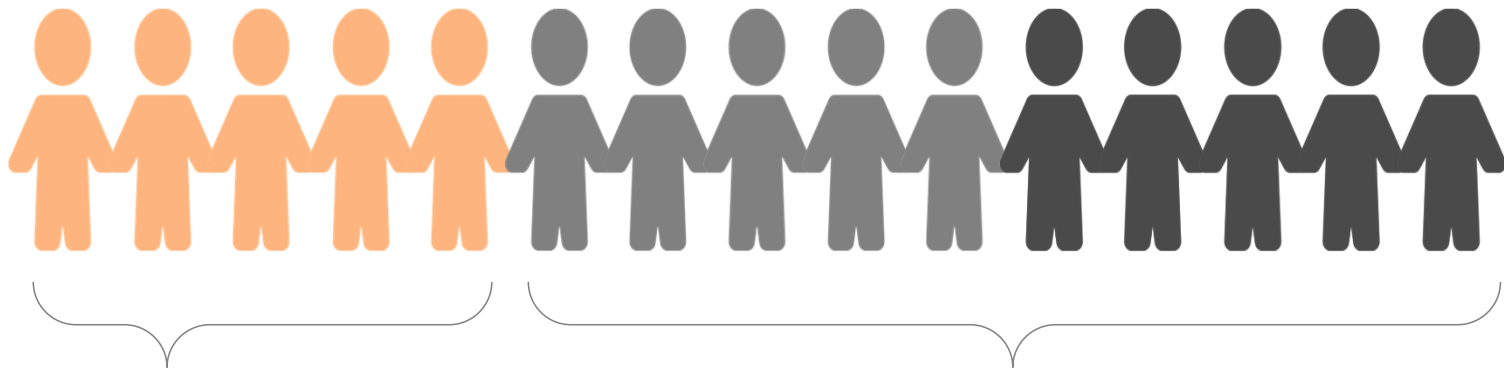


*NOTE: Total cost = \$7.3M which includes blended fringe costs in calculations



The impact this has on CEC

- When State legislature approves CEC and determines the pool of CEC \$ we have available to spend for employee raises, this is how it works



Result:

Everyone still gets extra pizza.

But because our funding structure differs from other state agencies, we work in partnership with the State to match legislative intent with CEC implementation/allocation, but must also internally fund nearly half of the budget dollars spent on CEC.

Therefore design of our CEC plan must work within ISU budget limitations.



What are CEC dollars used for?

- **Increases to pay structures or minimum rates of pay**
- Classified staff pay grade structure is determined by DHR
 - Ex: Custodian, pay grade F

FY24 Hourly Rates

	ISU Minimum	DHR Minimum	Midpoint/"Policy"	ISU/DHR Maximum
F	\$15.00	\$11.68	\$15.58	\$23.37
Animal Laboratory Assistant				
Child Care Provider				
Custodian				

"Policy" or "midpoint" is the pay rate in the middle of a given DHR pay grade

- ISU sometimes includes an increase to our ISU Classified staff minimum(s)
- Can impact ISU non-classified minimum which is based on the minimum of DHR pay grade K (when DHR structure shifts)



What are CEC dollars used for?

- **Merit-based increases**
- State of Idaho is a “pay for performance” state (rather than “pay for longevity”)
 - This is why State code requires each State employee has a completed annual performance review with a rating
 - DHR guidelines always require this merit based component as part of ISU’s CEC plan
- ISU develops a matrix based on market comparison (or compa-ratio) data AND performance evaluation rating
- Respectful Workplace and Cybersecurity training must be complete to receive this and any other performance-based components



What are CEC dollars used for?

- **Pay increases for faculty promotions/advancements in academic rank**
 - T&P processes managed by Colleges/Academic Affairs, and CEC dollars are commonly used to fund any annual faculty promotions/advancements
- **Equity and/or market adjustments (varies by year)**
 - Potential adjustments to manage salary compression



What are CEC dollars NOT used for?

- The following ISU pay increases are **not** funded by CEC dollars, and are requested/funded by departments:
 - Pay increases for temps, student employees, CPIs, or GAs
 - Individual pay increases based on new positions/promotion, addition of duties, reclassification (**SAR or PDQ**)
 - Temporary pay increases for interim/acting positions
 - One-time bonuses for recruitment, retention, or exemplary performance

Let's walk through this year's CEC Plan!

isu.edu/cec






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The plan. . .

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FY24 CEC Plan - Notable This Year

- Legislature approved state agency CEC based on:
 - \$1.20 per hour for appropriated employees to be distributed based on merit
 - DHR Payline shift = Classified pay structure shift
- State funding for CEC does not fully fund these approved components
- ISU budget covers “fund shift” (employees funded by appropriated tuition/fees), and local/grant/other-funded positions:
 -  Approximately 51% of CEC (\$3.7M appropriated funds) from State
 -  Approximately 19% of CEC (\$1.4M appropriated funds from our ISU tuition/fees) for fund shift
 -  Approximately 30% of CEC (\$2.2M of local/all other funds)



FY24 CEC Plan - Goals and Drivers

- Meaningful increases for lower paid employees
 - Legislative drivers and plan requirements
 - External hiring market trends (turnover, market competition)
 - Economic factors (inflation outpacing wages for all; disproportionately impacts living wage for lowest paid employees)
- Manage compression
 - DHR structural shift and increases for lower wage employees creates salary compression
 - Specific plan elements to address compression impacted by increases over the past few years
- Equitable increases across employee types
 - Target equity in overall % increase by salary band for Classified, Non-Classified, and Faculty
- Build a plan that did not exceed the allotted budget (\$5.179M)

Who is Eligible for CEC?

Employees meeting the following criteria are eligible for FY24 CEC:

- All benefited employees hired on or before **September 30, 2022** are eligible for performance/market based merit and equity adjustments (components 1 & 2)
 - Must have completed training requirements and have a completed 2022 performance rating of at least “meets expectations”
- All benefited Classified/Non-Classified staff hired on or after October 1, 2022 are eligible for increases to new **ISU minimum** rates of pay (component 2a)
 - Must have completed training requirements and be meeting expectations
- All benefited Classified/Non-Classified staff will move to new FY24 **DHR minimums** regardless of hire date and performance rating (component 3)



Overall CEC Impacts by Employee Type

Approximate total CEC % increases by employee type





When all is said and done. . .

Average Overall % CEC Increases by Pay Band

	Classified	Faculty	Non-classified
\$20-30k	14.9%		
\$30-40k	7.6%	6.2%	6.9%
\$40-50k	6.5%	6.8%	7.0%
\$50-60k	5.3%	6.0%	5.3%
\$60-70k	4.5%	6.3%	4.4%
\$70-80k		5.3%	3.6%
\$80-90k		3.8%	2.9%
\$90-100k		3.2%	3.0%
> \$100k		2.4%	1.5%

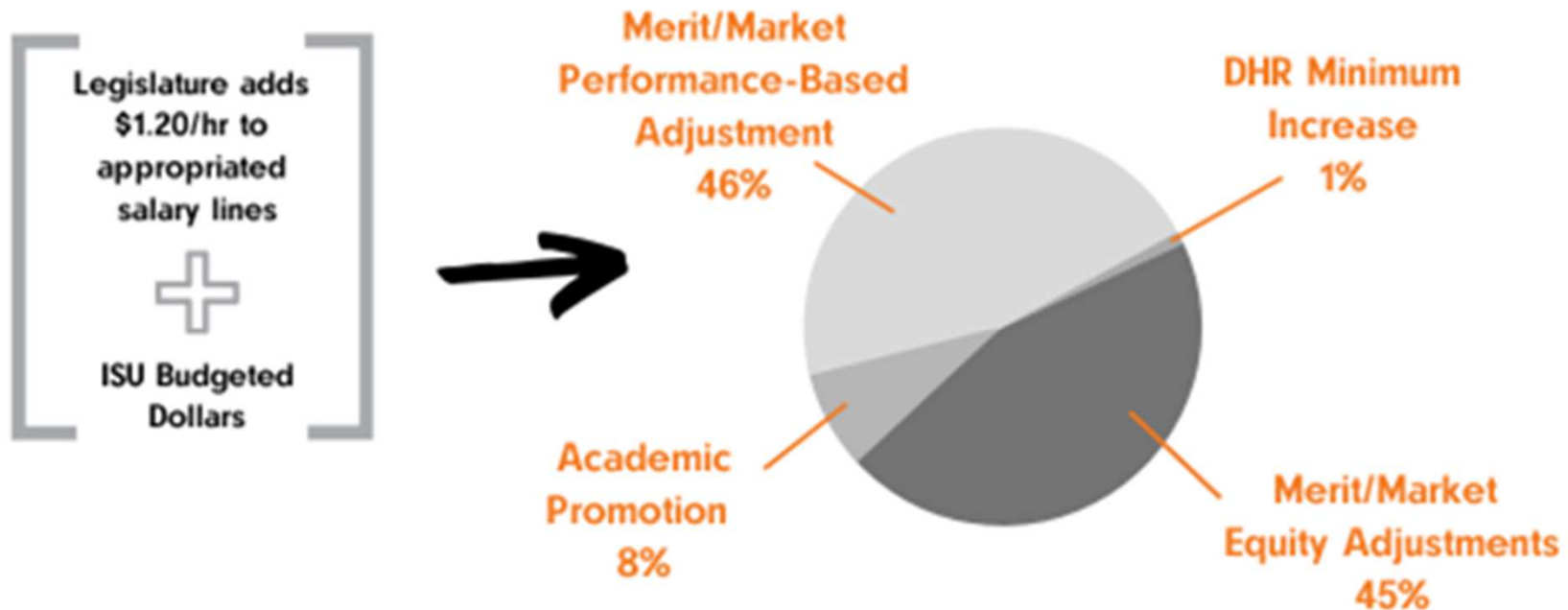


FY24 CEC Plan Components & Sequence

- **Component 1:** Performance/Market-based Merit Increases (F, C, NC)
 - Matrix up to **\$1.10/hr**
- **Component 2:** Performance/Market-based Equity Adjustments (F, C, NC)
 - Classified:
 - (2a) Adjustment to new ISU Classified minimums \$13.00/hr to **\$14.75/hr** (and progressive increases for pay grades F, G, H and lead workers)
 - (2b) Equity adjustment for Classified making more than \$14.42/hr
 - Faculty/Non-Classified:
 - (2a) NC only - adjustment to new ISU minimum salary (based on DHR action) from \$42,500 to **\$46,050**
 - (2b) Structure percentage-based equity adjustment by salary band (0.5% to 4%)
- **Component 3:** Adjustment to DHR Classified Minimums
- **Component 4:** Faculty Academic Rank Advancement



How are CEC dollars spent?





Component 1 - Performance/Market-based Merit Increase

- Matrix based on market/performance
 - Matrix up to **\$1.10/hr** for all faculty and staff
- Eligible if hired by Sept. 30, 2022; merit based on 2022 performance rating
 - Employees hired after Sept. 30, 2022 not eligible for this adjustment
- Market/compa-ratio based on salary as of Dec. 31, 2022*
 - Classified compa-ratio based on FY24 DHR pay structure (pay grades)
 - Employees can identify their market/compa-ratio once they receive individual letters
- State requires completion of mandatory training to receive this component
 - 2022 Respectful Workplace Training
 - 2023 Cybersecurity Training



Component 1 - Performance/Market-based Merit Increase

Compa-Ratio/ Market Comparison	Needs Improv./ DNA (Below Expectations)	Meets Expectations (Achieves Standards)	Exceeds Expectations (Above Expectations)	Consistently Exceeds Expectations (Exceptional)
At or above market/policy	\$0/hr	\$0.50/hr	\$0.60/hr	\$0.70/hr
90-99.9%	\$0/hr	\$0.60/hr	\$0.70/hr	\$0.80/hr
80-89.9%	\$0/hr	\$0.70/hr	\$0.80/hr	\$0.90/hr
75-79.9%	\$0/hr	\$0.80/hr	\$0.90/hr	\$1.00/hr
Less than 75%	\$0/hr	\$0.90/hr	\$1.00/hr	\$1.10/hr



Component 2 - Performance/Market-based Equity Adjustments

- Includes two sub-components for eligible Classified & Non-Class/Faculty
 - Increase to ISU minimum rates of pay (staff) **OR**
 - Dollar value of the equity adjustment component (**whichever is greater**)
- Developed to address:
 - Increase in ISU minimums for Classified/Non-Classified to align with DHR pay shift and recruitment/retention
 - Pay compression for Faculty and Non-Classified Staff a result of previous CEC models, flat-rate matrix, and DHR pay structure increases
 - Equity in overall percentage increases across employee categories
 - Employees in similar pay bands across employee type receive similar overall % raises



Component 2 - Performance/Market-based Equity Adjustments

Classified Staff:

2(a): Increase to new ISU Minimum from \$13/hr to \$14.75/hr for benefit eligible Classified staff (DHR increasing structure, and recruitment/retention)

- Includes progressive minimums for pay grades E, F, G, H (compressed in previous years' plans)

FY 2024 Core Group Compensation Schedule - Effective 6/11/2023

Pay Grade	Minimum Points	Grade Points	Maximum Points	Hourly			Annual		
				Minimum	Policy	Maximum	Minimum	Policy	Maximum
D	Below 110 Points			\$7.25	\$12.50	\$18.75	\$19,500	\$26,000	\$39,000
E	110	119	130	\$10.46	\$13.94	\$20.91	\$21,750	\$29,000	\$43,500
F	131	142	154	\$11.68	\$15.58	\$23.37	\$24,300	\$32,400	\$48,600
G	155	169	184	\$13.16	\$17.55	\$26.32	\$27,375	\$36,500	\$54,750
H	185	201	219	\$14.96	\$19.95	\$29.93	\$31,125	\$41,500	\$62,250
I	220	240	262	\$17.67	\$23.56	\$35.34	\$36,750	\$49,000	\$73,500
J	263	286	312	\$19.69	\$26.25	\$39.38	\$40,950	\$54,600	\$81,900
K	313	341	372	\$22.14	\$29.52	\$44.28	\$46,050	\$61,400	\$92,100
L	373	406	443	\$25.02	\$33.37	\$50.05	\$52,050	\$69,400	\$104,100
M	444	485	528	\$28.49	\$37.98	\$56.97	\$59,250	\$79,000	\$118,500
N	529	578	630	\$31.84	\$42.45	\$63.68	\$66,225	\$88,300	\$132,450
O	631	688	750	\$35.84	\$47.79	\$71.68	\$74,550	\$99,400	\$149,100
P	751	828	904	\$40.75	\$54.33	\$81.49	\$84,750	\$113,000	\$169,500
Q	905	998	1090	\$46.88	\$62.50	\$93.75	\$97,500	\$130,000	\$195,000
R	1091	1176	1292	\$54.09	\$72.12	\$108.17	\$112,500	\$150,000	\$225,000
T	1532	1665	1822	\$63.10	\$84.13	\$126.20	\$131,250	\$175,000	\$262,500
V	2167	2354	2575	\$81.13	\$108.17	\$162.26	\$168,750	\$225,000	\$337,500

ISU only uses
these DHR
Classified pay
grades

Component 2 - Performance/Market-based Equity Adjustments

Classified Staff:

2(a): Increase to new ISU Minimum from \$13/hr to \$14.75/hr for benefit eligible Classified staff (DHR increasing structure, and recruitment/retention)

- Includes progressive minimums for pay grades E, F, G, H (compressed in previous years' plans)

ISU FY23 Minimums

Grade	Minimum
E	13.00
F	13.00
G	13.00
H	14.43
I	16.85
J	19.00
K	21.27
L	24.02
M	27.15

ISU FY24 Minimums

Grade	Minimum
E	14.75
F	15.00
G	15.25
H	15.50
I	17.67
J	19.69
K	22.14
L	25.02

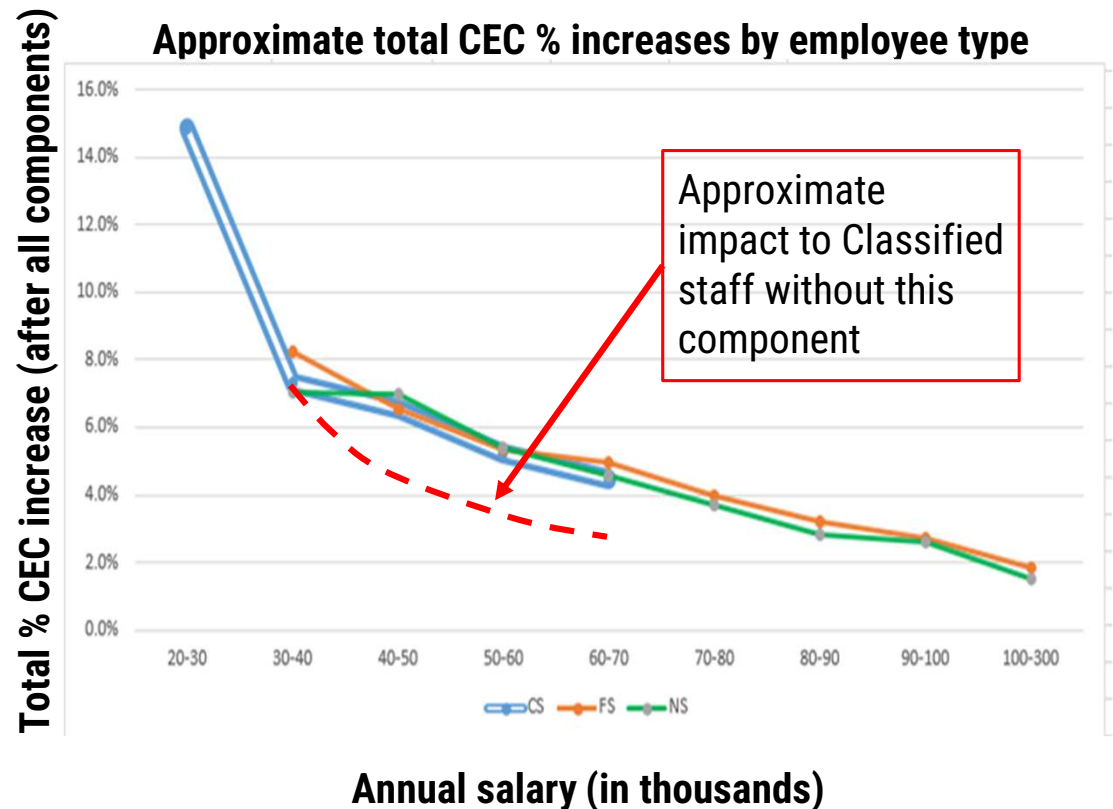
Aligns with
DHR
minimum
starting
here

Component 2 - Performance/Market-based Equity Adjustments

Classified Staff:

2(b): Equity increases for Classified staff currently earning more than \$14.42/hr (\$29,994/yr)

- Aligns overall % increase across employee type
- Requires at least a “meets expectations”





Component 2 - Performance/Market-based Equity Adjustments

Non-Classified Staff:

2(a): Increase to new ISU Minimum from \$42,500/yr to \$46,050/yr for benefit eligible staff (DHR increasing structure)

- Non-Classified staff minimum wage based on minimum of DHR pay grade K
- Does not apply to faculty, resident directors, coaches

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ISU only uses these DHR classified pay grades

New ISU non-classified minimum



Component 2 - Performance/Market-based Equity Adjustments

Non-Classified Staff:

2(b): Equity adjustment for all merit-eligible faculty and non-classified staff

- Addresses compression resulting from DHR/minimum structure shift and recruitment/retention
- Incremental increases based on salary bands
- % increase based on current salary
- Requires at least a “meets expectations”

Salary range	% increase
\$33-43k	3.5 - 4%
\$43-53k	3 - 3.5 %
\$53-63k	2.5 - 3%
\$63-73k	2 - 2.5%
\$73-87.5k	1.3 - 2%
\$87.5- <100k	0.7 - 1.2%
\$100k +	0.5%



Component 3 - Adjustment to Classified Minimum (DHR)

- Only applies **after** components 1 and 2 are determined (minimal impact)
- If any eligible Classified staff are still below the new stated FY24 DHR pay grade minimum, they will be elevated to new FY24 DHR minimum
- Does not require a “meets expectations” performance rating

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ISU only uses
these DHR
classified pay
grades



Component 4 - Faculty Rank Advancement

- FY24 academic rank advancement is funded as part of CEC salary actions
- Promotion and tenure processes determined and facilitated by colleges and Academic Affairs
- List of individuals receiving this increase is provided to HR by Academic Affairs
- Accounts for approximately 8% of overall CEC (\$502,032)



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The calculations!

ROAR



Calculation Sequence - Determine Baseline

- **Calculation #1:** Determine an employee's base pay (hourly rate)
 - Base rate used for CEC is pay rate as of December 31, 2022 unless pay has increased/decreased since that time
 - Administrative stipends, interim salaries or other temporary adjustments are not considered in base pay



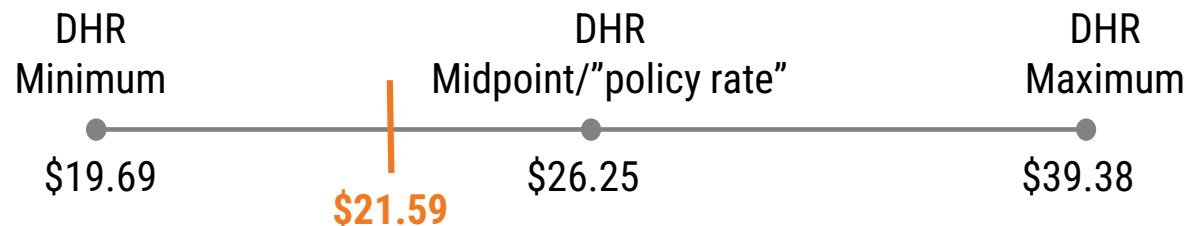
Calculation Sequence - Determine Baseline

- **Calculation #2:** Determine each employee's market ratio - *Classified staff*
 - "Compa-ratio" = how far away from "policy rate" are you?
 - Based on FY24 DHR midpoint/"policy rate"



Example:

Classified Staff DHR pay grade J



$$\text{Current pay rate} \div \text{Policy rate} = \text{Compa ratio}$$
$$\$21.59 \div \$26.25 = 82.2\%$$



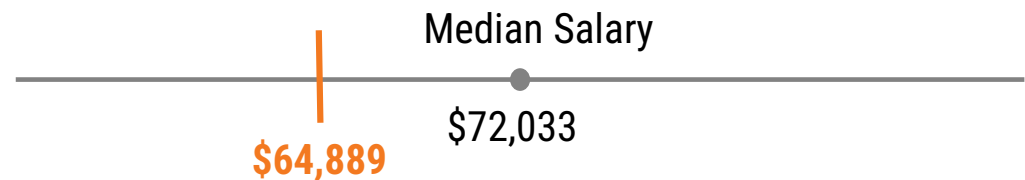
Calculation Sequence - Determine Baseline

- **Calculation #2:** Determine each employee's market ratio - *Non-Classified Staff and Faculty*
 - Market survey among ISU peer institutions by discipline, rank, position title
 - Reviewed data with division/college leadership for alignment with role, position, and discipline



Example:

Associate Professor, Teacher Education



Current pay rate ÷ Median salary = Market ratio

$$\text{\$64,889} \div \text{\$72,033} = 90.0\%$$



Calculation Sequence - Calculate CEC Components

- **Component 1:** Performance/Market-based Merit Increases (F, C, NC)
- **Component 2:** Performance/Market-based Equity Adjustments (F, C, NC)

Classified:

2(a): ISU minimums (if applicable)

2(b): Incremental equity
adjustments (> \$14.42/hr)

Non-Classified and Faculty:

2(a): ISU minimums (if applicable)

2(b): Incremental equity adjustments
(4% to 0.5% by salary band)

- **Component 3:** Adjustment to DHR Classified Minimums (C)
- **Component 4:** Faculty Academic Rank Advancement (F)



Calculation Sequence - Classified Example

- Full-time, classified staff member, DHR pay grade J
 - Current pay: \$19.96/hr
 - Compa-ratio: 76%
 - Evaluation rating: Consistently Exceeds

Calculator:

Base = \$19.96/hr

Comp 1 = **\$1.00/hr**

Comp 2a =

Comp 2b =

Comp 3 =

Comp 4 =

New FY24 rate =



Example:

Classified; pay grade J

Component 1: Performance/market based merit

Compa-Ratio/ Market Comparison	Needs Improv./ DNA (Below Expectations)	Meets Expectations (Achieves Standards)	Exceeds Expectations (Above Expectations)	Consistently Exceeds Expectations (Exceptional)
At or above market/policy	\$0/hr	\$0.50/hr	\$0.60/hr	\$0.70/hr
90-99.9%	\$0/hr	\$0.60/hr	\$0.70/hr	\$0.80/hr
80-89.9%	\$0/hr	\$0.70/hr	\$0.80/hr	\$0.90/hr
75-79.9%	\$0/hr	\$0.80/hr	\$0.90/hr	\$1.00/hr
Less than 75%	\$0/hr	\$0.90/hr	\$1.00/hr	\$1.10/hr



Calculation Sequence - Classified Example

- Full-time, classified staff member, DHR pay grade J
 - Current pay: \$19.96/hr
 - Compa-ratio: 76%
 - Evaluation rating: Consistently Exceeds



Example:

Classified; pay grade J

Component 2a: Is this employee's base below the new ISU minimum?

ISU FY24 Minimums

Grade	Minimum
E	14.75
F	15.00
G	15.25
H	15.50
I	17.67
J	19.69
K	22.14
L	25.02

Calculator:

Base = \$19.96/hr

Comp 1 = \$1.00/hr

Comp 2a = **\$0.00/hr**

Comp 2b =

Comp 3 =

Comp 4 =

New FY24 rate =

Base = \$19.96/hr

**Base pay is already above
new FY24 ISU minimum of
\$19.69.**



Calculation Sequence - Classified Example

- Full-time, classified staff member, DHR pay grade J
 - Current pay: \$19.96/hr
 - Compa-ratio: 76%
 - Evaluation rating: Consistently Exceeds

Calculator:

Base = \$19.96/hr

Comp 1 = \$1.00/hr

Comp 2a = \$0.00/hr

Comp 2b = **\$0.40/hr**

Comp 3 =

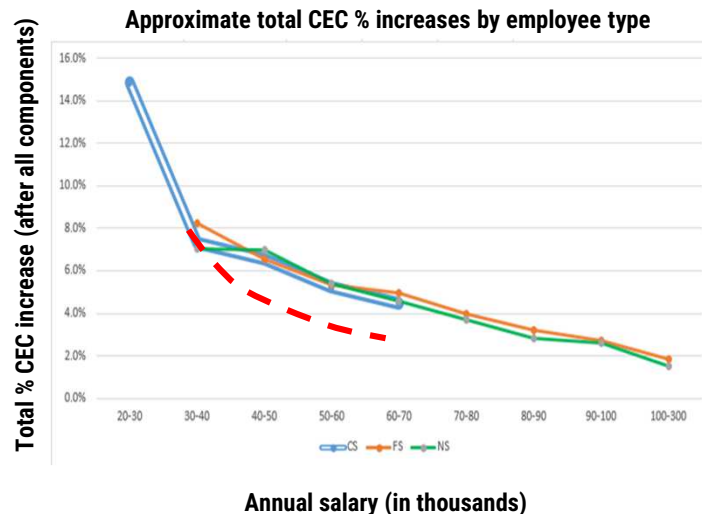
Comp 4 =

New FY24 rate =



Example:
Classified; pay grade J

Component 2b: Eligible for the performance/market based equity adjustment for those over \$14.42/hr?



Base = \$19.96/hr

**Yes. Eligible for an equity
adjustment of \$0.40/hr**



Calculation Sequence - Classified Example

- Full-time, classified staff member, DHR pay grade J
 - Current pay: \$19.96/hr
 - Compa-ratio: 76%
 - Evaluation rating: Consistently Exceeds

Calculator:

Base = \$19.96/hr

Comp 1 = \$1.00/hr

Comp 2a = \$0.00/hr

Comp 2b = \$0.40/hr

Comp 3 = **\$0.00/hr**

Comp 4 =

New FY24 rate =



Example:
Classified; pay grad

Component 3: After components 1 and 2, is this employee still below the FY24 DHR minimum (DHR payline increase)?

FY 2024 Core Group Compensation Schedule - Effective 6/11/2023

Pay Grade	Minimum Points	Grade Points	Maximum Points	Hourly		
				Minimum	Policy	Maximum
D	Below 110 Points			\$7.25	\$12.50	\$18.75
E	110	119	130	\$10.46	\$13.94	\$20.91
F	131	142	154	\$11.68	\$15.58	\$23.37
G	155	169	184	\$13.16	\$17.55	\$26.32
H	185	201	219	\$14.96	\$19.95	\$29.93
I	220	240	262	\$17.67	\$23.56	\$35.34
J	263	286	312	\$19.69	\$26.25	\$39.38
K	313	341	372	\$22.14	\$29.52	\$44.28
L	373	406	443	\$25.02	\$33.37	\$50.05

Base = \$19.96/hr

Comp 1 = \$1.00/hr

Comp 2 = \$0.40/hr

= \$21.36

**Already above FY24 DHR
Minimum of \$19.69.**

****this won't apply to many****



Calculation Sequence - Classified Example

- Full-time, classified staff member, DHR pay grade J
 - Current pay: \$19.96/hr
 - Compa-ratio: 76%
 - Evaluation rating: Consistently Exceeds

Calculator:

Base = \$19.96/hr

Comp 1 = \$1.00/hr

Comp 2a = \$0.00/hr

Comp 2b = \$0.40/hr

Comp 3 = \$0.00/hr

Comp 4 = **NA**

New FY24 rate = \$21.36/hr



Example:

Classified; pay grade J

Component 4: Does this employee qualify for a faculty promotion or advancement in academic rank?

No, not applicable.



Calculation Sequence - Non-Classified Example

- Full-time, non-classified staff member
 - Current base salary: \$43,000/yr
 - Market-ratio: 94%
 - Evaluation rating: Exceeds

Calculator:

Base = \$43,000/yr

Comp 1 = **\$0.70/hr (\$1,456/yr)**

Comp 2a =

Comp 2b =

Comp 3 =

Comp 4 =

New FY24 rate =



Example:
Non-Classified

Component 1: Performance/market based merit

Compa-Ratio/ Market Comparison	Needs Improv./ DNA (Below Expectations)	Meets Expectations (Achieves Standards)	Exceeds Expectations (Above Expectations)	Consistently Exceeds Expectations (Exceptional)
At or above market/policy	\$0/hr	\$0.50/hr	\$0.60/hr	\$0.70/hr
90-99.9%	\$0/hr	\$0.60/hr	\$0.70/hr	\$0.80/hr
80-89.9%	\$0/hr	\$0.70/hr	\$0.80/hr	\$0.90/hr
75-79.9%	\$0/hr	\$0.80/hr	\$0.90/hr	\$1.00/hr
Less than 75%	\$0/hr	\$0.90/hr	\$1.00/hr	\$1.10/hr



Calculation Sequence - Non-Classified Example

- Full-time, non-classified staff member
 - Current base salary: \$43,000/yr
 - Market-ratio: 94%
 - Evaluation rating: Exceeds

Calculator:

Base = \$43,000/yr

Comp 1 = \$0.70/hr (\$1,456/yr)

Comp 2a = **\$3,050/yr**

Comp 2b =

Comp 3 =

Comp 4 =

New FY24 rate =

Component 2a: Is this employee's base below the new ISU non-classified staff minimum?



Example:
Non-Classified

FY 2024 Core Group Compensation Schedule - Effective 6/11/2023

Pay Grade	Minimum Points	Grade Points	Maximum Points	Hourly			Annual		
				Minimum	Policy	Maximum	Minimum	Policy	Maximum
D	Below 110 Points			\$7.25	\$12.50	\$18.75	\$19,500	\$26,000	\$39,000
E	110	119	130	\$10.46	\$13.94	\$20.91	\$21,750	\$29,000	\$43,500
F	131	142	154	\$11.68	\$15.58	\$23.37	\$24,300	\$32,400	\$48,600
G	155	169	184	\$13.16	\$17.55	\$26.32	\$27,375	\$36,500	\$54,750
H	185	201	219	\$14.96	\$19.95	\$29.93	\$31,125	\$41,500	\$62,250
I	220	240	262	\$17.67	\$23.56	\$35.34	\$36,750	\$49,000	\$73,500
J	263	286	312	\$19.69	\$26.25	\$39.38	\$40,950	\$54,600	\$81,900
K	313	341	372	\$22.14	\$29.52	\$44.28	\$46,050	\$61,400	\$92,100
L	373	406	443	\$25.02	\$33.37	\$50.05	\$52,050	\$69,400	\$104,100
M	444	485	528	\$28.49	\$37.98	\$56.97	\$59,250	\$79,000	\$118,500
N	529	578	630	\$31.84	\$42.45	\$63.68	\$66,225	\$88,300	\$132,450

Base = \$43,000/yr

New min = \$46,050

Yes, this employee would be eligible for increase to minimum of **\$3,050/yr**



Calculation Sequence - Non-Classified Example

- Full-time, non-classified staff member
 - Current base salary: \$43,000/yr
 - Market-ratio: 94%
 - Evaluation rating: Exceeds



Example:
Non-Classified

Calculator:

Base = \$43,000/yr

Comp 1 = \$0.70/hr (\$1,456/yr)

Comp 2a = \$3,050/yr

Comp 2b = **\$0.00/yr**

Comp 3 =

Comp 4 =

New FY24 rate =

Component 2b: Eligible for the performance/market based equity adjustment (greater than 2a)?

Salary range	% increase
\$33-43k	3.5 - 4%
\$43-53k	3 - 3.5 %
\$53-63k	2.5 - 3%
\$63-73k	2 - 2.5%
\$73-87.5k	1.3 - 2%
\$87.5- <100k	0.7 - 1.2%
\$100k +	0.5%

Base = \$43,000/yr x 3.5%

Yes, this employee would be eligible for increase of
\$1,505/yr

BUT, because component 2a was greater than \$1,505, the employee receives no additional for component 2b



Calculation Sequence - Non-Classified Example

- Full-time, non-classified staff member
 - Current base salary: \$43,000/yr
 - Market-ratio: 94%
 - Evaluation rating: Exceeds

Calculator:

Base = \$43,000/yr

Comp 1 = \$0.70/hr (\$1,456/yr)

Comp 2a = \$3,050/yr

Comp 2b = \$0.00/yr

Comp 3 = **NA**

Comp 4 =

New FY24 rate =



Example:

Non-Classified

Component 3: After components 1 and 2, is this employee still below the FY24 DHR minimum (DHR payline increase)?

Not applicable:

This only applies to Classified staff



Calculation Sequence - Non-Classified Example

- Full-time, non-classified staff member
 - Current base salary: \$43,000/yr
 - Market-ratio: 94%
 - Evaluation rating: Exceeds

Calculator:

Base = \$43,000/yr

Comp 1 = \$0.70/hr (\$1,456/yr)

Comp 2a = \$3,050/yr

Comp 2b = \$0.00/yr

Comp 3 = NA

Comp 4 = **NA**

New FY24 rate = \$47,506/yr



Example:

Non-Classified

Component 4: Does this employee qualify for a faculty promotion or advancement in academic rank?

Not applicable:

This only applies to faculty.



Calculation Sequence - Faculty Example

- Full-time, 9-month faculty member
 - Current base salary: \$69,773/yr
 - Market-ratio: 90%
 - Evaluation rating: Exceeds (Above expectations)

Calculator:

Base = \$69,773/yr

Comp 1 = **\$0.70/hr (\$1,456/yr)**

Comp 2a =

Comp 2b =

Comp 3 =

Comp 4 =

New FY24 rate =



Example:
Associate Professor

Component 1: Performance/market based merit

Compa-Ratio/ Market Comparison	Needs Improv./ DNA (Below Expectations)	Meets Expectations (Achieves Standards)	Exceeds Expectations (Above Expectations)	Consistently Exceeds Expectations (Exceptional)
At or above market/policy	\$0/hr	\$0.50/hr	\$0.60/hr	\$0.70/hr
90-99.9%	\$0/hr	\$0.60/hr	\$0.70/hr	\$0.80/hr
80-89.9%	\$0/hr	\$0.70/hr	\$0.80/hr	\$0.90/hr
75-79.9%	\$0/hr	\$0.80/hr	\$0.90/hr	\$1.00/hr
Less than 75%	\$0/hr	\$0.90/hr	\$1.00/hr	\$1.10/hr



Calculation Sequence - Faculty Example

- Full-time, 9-month faculty member
 - Current base salary: \$69,773/yr
 - Market-ratio: 90%
 - Evaluation rating: Exceeds (Above expectations)

Calculator:

Base = \$69,773/yr

Comp 1 = \$0.70/hr (\$1,456/yr)

Comp 2a = **NA**

Comp 2b =

Comp 3 =

Comp 4 =

New FY24 rate =



Example:

Non-Classified

Component 2a: Is this employee's base below the new ISU non-classified staff minimum?

Not Applicable:

The non-classified minimum does not apply to faculty, resident directors, or coaches (based on State and Federal guidelines).



Calculation Sequence - Faculty Example

- Full-time, 9-month faculty member
 - Current base salary: \$69,773/yr
 - Market-ratio: 90%
 - Evaluation rating: Exceeds (Above expectations)

Calculator:

Base = \$69,773/yr

Comp 1 = \$0.70/hr (\$1,456/yr)

Comp 2a = NA

Comp 2b = **\$1,536/yr**

Comp 3 =

Comp 4 =

New FY24 rate =



Example:
Non-Classified

Component 2b: Eligible for the performance/market based equity adjustment (greater than 2a)?

Salary range	% increase
\$33-43k	3.5 - 4%
\$43-53k	3 - 3.5 %
\$53-63k	2.5 - 3%
\$63-73k	2 - 2.5%
\$73-87.5k	1.3 - 2%
\$87.5- <100k	0.7 - 1.2%
\$100k +	0.5%

Base = \$69,773/yr x 2.2%

Yes, this employee would be eligible for increase of **\$1,536/yr**

And, they receive the increase in 2b because calculation in 2a (\$0) was less.



Calculation Sequence - Faculty Example

- Full-time, 9-month faculty member
 - Current base salary: \$69,773/yr
 - Market-ratio: 90%
 - Evaluation rating: Exceeds (Above expectations)

Calculator:

Base = \$69,773/yr

Comp 1 = \$0.70/hr (\$1,456/yr)

Comp 2a = NA

Comp 2b = \$1,536/yr

Comp 3 = **NA**

Comp 4 =

New FY24 rate =



Example:

Non-Classified

Component 3: After components 1 and 2, is this employee still below the FY24 DHR Classified minimum (DHR payline increase)?

Not applicable:

This only applies to Classified staff



Calculation Sequence - Faculty Example

- Full-time, 9-month faculty member
 - Current base salary: \$69,773/yr
 - Market-ratio: 90%
 - Evaluation rating: Exceeds (Above expectations)

Calculator:

Base = \$69,773/yr

Comp 1 = \$0.70/hr (\$1,456/yr)

Comp 2a = NA

Comp 2b = \$1,536/yr

Comp 3 = NA

Comp 4 = **\$0.00**

New FY24 rate = \$72,765



Example:

Non-Classified

Component 4: Does this employee qualify for a faculty promotion or advancement in academic rank?

No - this faculty member did not receive a promotion in academic rank in FY23.



CEC FAQs

- **Question 1:** Was cost of living and location considered in this CEC process?
 - Yes. HR reviewed market data and living wage calculators for areas where ISU campuses are located. This was factored into the development of elevated ISU Classified minimums for all campus locations, which are higher than State minimums.
 - Beyond minimums, location-based cost of living has not been a practice to consider in CEC implementation.
- **Question 2:** Why do higher paid non-classified staff and faculty receive a smaller percentage increase?
 - FY24 legislative guidance and ISU CEC plan goals drive additional dollars to our lower paid employees. This is where we have seen significant turnover, have struggled most with recruitment/retention, and they are disproportionately impacted by inflation (living wage).
 - If percentages were similar across the board, would disproportionately favor higher paid employees dollar for dollar
(4% of \$33k = \$1,320 and 4% of \$100k is \$4,000)



CEC FAQs

- **Question 3:** How can non-classified staff and faculty find their pay grade group or peer survey median salary to determine their market ratio component 1?
 - Once you have your individual letter, you'll be able to see what was calculated for each component. Look at the calculation for component 1, and you can determine what your market/compa-ratio is:

Compa-Ratio/ Market Comparison	Needs Improv./ DNA (Below Expectations)	Meets Expectations (Achieves Standards)	Exceeds Expectations (Above Expectations)	Consistently Exceeds Expectations (Exceptional)
At or above market/policy	\$0/hr	\$0.50/hr	\$0.60/hr	\$0.70/hr
90-99.9%	\$0/hr	\$0.60/hr	\$0.70/hr	\$0.80/hr
80-89.9%	\$0/hr	\$0.70/hr	\$0.80/hr	\$0.90/hr
75-79.9%	\$0/hr	\$0.80/hr	\$0.90/hr	\$1.00/hr
Less than 75%	\$0/hr	\$0.90/hr	\$1.00/hr	\$1.10/hr



CEC FAQs

- **Question 4:** Why are newly hired classified employees hired on at the new hourly minimum prior to CEC going into effect for the rest of us? Example - AA1 hired in at \$15.50 in May 2023, when the current minimum is \$14.43.
 - For recruitment purposes, we hire at the new minimum rates when our CEC plan is finalized and approved. New employees are not eligible for any other components of the CEC (equity or merit/market) that existing employees hired before Sept. 30, 2022 are, and those who started after Oct. 1 will be elevated to new minimums (with “meets”).
- **Question 5:** Why does HR determine my raise?
 - HR certainly calculates your raise in the end, but HR/Finance develop the plan to use the limited pool of funds, following the DHR/legislative guidance and decisions, and working in collaboration with ISU leadership to identify and refine plan elements based on priorities.



CEC FAQs

- **Question 6:** If someone is due the promotional raise, but also qualifies for a performance raise, will they get both?
 - Those achieving tenure/academic promotions in will receive their promotional increase (Component 4) in addition to the merit/market increase (Component 1).
 - Other promotions due to acceptance of new positions or other types of salary increases (outside of the CEC process) may have the FY24 CEC increase built into offer letter. If this is the case, this will be articulated in the employee's individual salary letter, which will be sent in the coming weeks.
- **Question 7:** Why is the “adjustment to DHR Classified minimum” applied after merit and equity?
 - The order of calculations was required by the State CEC guidance. ISU factored this in with development of component 2 which was designed to address some of the compression this caused.



Next Steps and Contacts

- **Effective Dates for CEC Actions**

- Classified Staff: adjustments effective June 11 (pay date July 7)*
- Non-Classified Staff* and 12-month faculty: adjustments effective June 25 to coincide with FY contract dates (pay date July 21)
- Faculty (9, 10, or 11-month contracts): adjustments effective July 23 (pay date August 18)

**Classified and Non-Classified staff on deferred pay may have different effective dates depending on their FY23 deferred pay contract selection*

- **HR is preparing and sending letters to all individual employees in the coming weeks (in order of effective date)**

- **For questions, please email: compensation@isu.edu**