

To: Montgomery College Employees

From: Krista Leitch Walker, Vice President/Chief Human Resources Officer

Subject: **FY21 Compensation Market Study**

Date: March 3, 2021

The Office of Human Resources and Strategic Talent Management (HRSTM), in partnership with Segal Consulting, is conducting a market study of the College's compensation system. The purpose of this memorandum is to provide detailed information on this College initiative.

Purpose and Context

Montgomery College [Policies & Procedures 33001, Maintenance of the Classification System](#), stipulates that every twelve to twenty-four months, or as needed, a group of "benchmark jobs" will be reviewed. This study is essential to validate that Montgomery College's current salary structure reflects its compensation philosophy, aligns with relevant labor markets, remains internally equitable, and is fiscally sustainable.

Although external challenges -- such as the COVID-19 pandemic -- currently exist, it is imperative now, more than ever, that the College maintain continuity of sound business practices. A significant percentage of the College's budget is allocated to employee compensation, and therefore, it is critical that our pay practices reflect the job market and are financially sustainable over time. Consistent, periodic assessment of our compensation practices ensure the College maintains a current, relevant, and competitive compensation and total rewards program for employees.

Study Methodology and Stakeholder Engagement

The compensation market study will capture data and trends experienced by other similarly situated organizations. The College has followed best practices for choosing "benchmark jobs" and aligning with external (market) data. Benchmark jobs are those jobs that reflect MC's workforce, are easily matched to external data sources and have similar job responsibilities and requirements. A rigorous analysis was conducted to select benchmark jobs that reflect a cross-section of our job families, job levels, organizations (i.e., areas, departments, units), and bargaining status. Also considered are jobs identified through the strategic workforce study and positions that were previously submitted for classification review. As a best practice, 50% of employees should be represented in benchmark jobs when conducting a compensation study. Montgomery College's study will exceed that with 61% of the staff and 55% of the administrators represented in the benchmarked jobs.

An important element of this study is communication, outreach, and employee engagement opportunities. To ensure that stakeholders have an embedded path for providing thoughts and insights into this work, HRSTM has established employee constituency advisory committees. With these groups, the compensation specialists will gain perspectives that will help to increase their knowledge and awareness and inform their analysis and recommendations. Additionally, the project team has a very robust communications plan. This includes activities such as presenting project overviews to governance and collective bargaining groups, conducting virtual informational forums (webinars) to the College community, and posting periodic project updates in the HRSTM weekly e-newsletter, *Employee Matters*, and social media.

Methodology: Faculty Positions

Market information for the faculty study will be gathered from numerous relevant sources, including higher education’s leading compensation database, the College and University Professional Association for Human Resources (CUPA-HR), as well as custom surveys and research of peer institutions with which MC competes for talent and which are similar to MC in terms of size, student population, Carnegie classification, program offerings and other characteristics. Prevailing compensation practices including salary scales based on education credentials, rank levels, and a single pay range, will also be reviewed.

Methodology: Staff and Administrator Positions

Market data for the staff and administrator studies will be gathered from a series of third-party higher education and professional salary surveys and other sources such as Montgomery County Public Schools and Montgomery County government. Additionally, an internal job alignment analysis will confirm that the College’s jobs reflect internal worth and the appropriate relationship to one another.

Timeline

Activity	Faculty	Staff and Administrators
Collegewide announcement	Winter 2021	Winter 2021
Introduction meetings	Winter 2021	Winter 2021
Data collection	Spring - Summer 2021	Winter 2021
Analysis and recommendations	Fall 2021	Spring 2021
HRSTM submits implementation plan	December 2021	Summer 2021

If there are any changes to the staff and administrator salary structure and/or an employee’s pay grade, we anticipate HRSTM will submit an implementation plan by June 30, 2021. While some of the activities for the staff and faculty studies will be performed concurrently, due to additional complexity and analysis required for faculty data, it is anticipated that HRSTM will submit an implementation plan for full-time faculty by December 31, 2021.

Moratorium on Individual Classification Reviews

The College's position descriptions form the basis for alignment with external (market) data sources. To maintain the integrity of this process, effective immediately, there will be a moratorium on individual position classification reviews until the study is complete. Changes to position classifications due to an approved recruitment or a major organizational change will be considered with the endorsement of the division's senior vice president and the approval of the vice president/chief human resources officer.

Information and Resources

Information and resource materials including Frequently Asked Questions (FAQs), compensation philosophy, and more can be accessed on the [FY21 Compensation Market Study webpage](#). Specific questions may be sent to [classification and compensation](#).

HRSTM will continue to provide updates throughout the process. Thank you for supporting this important initiative.