

Texas Tech University System Staff Equity and Compression Review

Executive Summary

February 2022



Headline News

Lubbock

City proposes \$4.2 million in police pay raises

KBCD News, Published: Aug. 6, 2021

El Paso County, TX

El Paso County to increase minimum wage for its workers to \$13 an hour beginning Jan. 9

By Anthony Jackson, El Paso Times

The El Paso Times 2021-12-06

Customer Service Rep

Immediate Credit Recovery Inc 3.1 ★

Remote in San Angelo, TX 76901

\$14.50 an hour Full-time

Apply from your phone

4 days ago

Indeed.com, Feb. 9, 2022

DEC 20, 2021 | FEATURED. COMMUNITY

WT Employees to Get Salary Bump in Spring, Among Other Benefits

Copy by Chip Chandler, 806-651-2124, cchandler@wtamu.edu

West Texas A&M Newsroom - \$15/hour minimum, 50% tuition and fee discount for immediate family members

H-E-B makes pay increase permanent

Mike Copeland Jun 23, 2020 0

Waco Tribune-Herald – will vary per position and tenure, estimated at an average of \$15/hour

Amazon hikes average U.S. starting pay to \$18, hires for 125,000 jobs

By Jeffrey Dastin

Reuters, Published September 14, 2021



Project Definition

Market Study; Market Pay Data

- Survey information on the salaries for a given market, either based on geographical area or industry.
 - Used to determine (or support) institution's compensation philosophy

Pay Compression

- Occurs when a new employee with little or less experience is paid nearly the same as or more than a longer-service employee in the same role.
 - Reasons why this may happen:
 - Increase in the minimum wage.
 - Example: TTU increasing minimum wage to \$13/hour
 - Trends in the market, hard to fill positions, 2% annual increases.
 - There are exceptions, considered outliers.

Equity

- Commonly referred to as “equal pay for equal work” while accounting for other factors such as experience level, job performance, longevity, location, etc.

Pay Grades

- Each university has a salary schedule that covers all positions and corresponds to salary groups and salary ranges. Every position is subject to applicable federal and state laws and regulations.
 - Focus is on entry-level positions



Pay Plans are Complex

Snapshot of the Texas Tech Pay Plan, Before and After New Minimums

Position Class	Position Description	FLSA	Pay Grade	Minimum	Midpoint	Maximum	Annual Pay Range
S1128	Assistant	N	503	\$7.82	\$11.74	\$17.55	\$16,265.60 - \$24,419.20 - \$36,504.00
S1911	Attendant	N	503	\$7.82	\$11.74	\$17.55	\$16,265.60 - \$24,419.20 - \$36,504.00
S1504	Custodian	N	503	\$7.82	\$11.74	\$17.55	\$16,265.60 - \$24,419.20 - \$36,504.00
S1715	Dept Intern	N	503	\$7.82	\$11.74	\$17.55	\$16,265.60 - \$24,419.20 - \$36,504.00
S1914	Service Worker	N	503	\$7.82	\$11.74	\$17.55	\$16,265.60 - \$24,419.20 - \$36,504.00
S2409	Technical Assistant	N	503	\$7.82	\$11.74	\$17.55	\$16,265.60 - \$24,419.20 - \$36,504.00
S0813	Asst Infant/Toddler Teacher	N	504	\$8.45	\$12.68	\$18.95	\$17,576.00 - \$26,374.40 - \$39,416.00
S1210	Cashier	N	504	\$8.45	\$12.68	\$18.95	\$17,576.00 - \$26,374.40 - \$39,416.00
S1606	Food Service Worker I	N	504	\$8.45	\$12.68	\$18.95	\$17,576.00 - \$26,374.40 - \$39,416.00
S1127	Office Assistant	N	504	\$8.45	\$12.68	\$18.95	\$17,576.00 - \$26,374.40 - \$39,416.00
S1503	Sr Custodian	N	504	\$8.45	\$12.68	\$18.95	\$17,576.00 - \$26,374.40 - \$39,416.00
S1913	Sr Service Worker	N	504	\$8.45	\$12.68	\$18.95	\$17,576.00 - \$26,374.40 - \$39,416.00

FT POS CODE	PT POS CODE	POSITION CLASS TITLE	FLSA	PAY GRADE RANGE	HOURLY PAY RANGE	ANNUAL PAY RANGE
S1128	P1128	Assistant	Nonexempt	503	13.00 - 15.28 - 17.55	27,040.00 - 31,772.00 - 36,504.00
S1911	P1911	Attendant	Nonexempt	503	13.00 - 15.28 - 17.55	27,040.00 - 31,772.00 - 36,504.00
S1504	P1504	Custodian	Nonexempt	503	13.00 - 15.28 - 17.55	27,040.00 - 31,772.00 - 36,504.00
S1715	P1715	Department Intern	Nonexempt	503	13.00 - 15.28 - 17.55	27,040.00 - 31,772.00 - 36,504.00
S1914	P1914	Service Worker	Nonexempt	503	13.00 - 15.28 - 17.55	27,040.00 - 31,772.00 - 36,504.00
S2409	P2409	Technical Assistant	Nonexempt	503	13.00 - 15.28 - 17.55	27,040.00 - 31,772.00 - 36,504.00
S0813	P0813	Assistant Infant/Toddler Teacher	Nonexempt	504	13.52 - 16.24 - 18.95	28,121.60 - 33,768.80 - 39,416.00
S1210	P1210	Cashier	Nonexempt	504	13.52 - 16.24 - 18.95	28,121.60 - 33,768.80 - 39,416.00
S1606	P1606	Food Service Worker I	Nonexempt	504	13.52 - 16.24 - 18.95	28,121.60 - 33,768.80 - 39,416.00
S1127	P1127	Office Assistant	Nonexempt	504	13.52 - 16.24 - 18.95	28,121.60 - 33,768.80 - 39,416.00
S1503	P1503	Senior Custodian	Nonexempt	504	13.52 - 16.24 - 18.95	28,121.60 - 33,768.80 - 39,416.00
S1913	P1913	Senior Service Worker	Nonexempt	504	13.52 - 16.24 - 18.95	28,121.60 - 33,768.80 - 39,416.00



Salary Study

Institution	# of employees reviewed	Utilizes Pay Grades	Salary Review Process (Fall 2021)
Texas Tech	3,295	Y	Internal Review of Pay Grades based on a \$13 Minimum Wage and Position Class Title Compression based on new Pay Grade Minimums and Years In Position
Angelo State	469	Y	Market Study of Staff Positions and an Internal Review of Pay Grades, Years In Position, and Salary Range Penetration
Midwestern State	468	Y	Internal Review of Pay Grades and Entry-level Positions
TTUHSC	2,981	Y	Market Analysis and Review of Full-time Staff
TTUHSC El Paso	484	Y	Market Analysis for El Paso Region and Internal Review of Pay Ranges within Grades
TTU System Offices	210	Y	Internal Review of Pay Grades based on a \$13 Minimum Wage and Position Class Title Compression based on new Pay Grade Minimums and Years In Position



Minimum Wage

Institution	Current Minimum Wage⁽¹⁾	Proposed Minimum Wage⁽¹⁾	Effective Date
Texas Tech	\$13.00	n/a	Sep. 1, 2021
Angelo State	\$9.83	\$13.00	Sep. 1, 2022
Midwestern State	\$9.55	n/a	n/a
TTUHSC	\$13.00	n/a	Sep. 1, 2018
TTUHSC El Paso	\$11.50	\$13.00	Sep. 1, 2022
TTU System Offices	\$13.00	n/a	Sep. 1, 2021

⁽¹⁾Minimum wage for fulltime employees; does not include student assistants.



Staff Equity and Compression: Phase One

Institution	Minimum Wage Adjustment	Salary Grade Minimums/ Compression Adjustments	Market Equity Adjustments	# of employees impacted	Cost to implement	Proposed implementation date
Texas Tech		X		1,348	\$4.18 million	March 2022
Angelo State	X	X		294	\$576,724	Sep 2022
Midwestern State		X	X	116	\$148,403	Sep 2021
TTUHSC			X	1,694	\$2.58 million	Sep 2022
TTUHSC El Paso ⁽¹⁾	X	X		356	\$1.87 million	Sep 2022
TTU System Offices		X		14	\$17,066	March 2022

⁽¹⁾TTUHSC EP will implement phases 1 and 2 concurrently



Staff Equity and Compression: Phase Two

Institution	Description	Proposed implementation date
Texas Tech	<ul style="list-style-type: none"> - Using the new pay plan pay grade minimums and compression adjustments, colleges and departments will review internal equity within their organizational chart structure and career ladders to determine if additional adjustments are required 	Beginning May 2022
Angelo State	<ul style="list-style-type: none"> - Adjust pay grades and starting salaries in conjunction with the increase in institutional minimum wage. - Continue to review internal equity to ensure pay equity. 	Beginning Dec 2022
Midwestern State	<ul style="list-style-type: none"> - Adjust baseline salary for all paygrades by 1%. - Perform market equity adjustment of baseline salary for next two paygrades (106, 107). - Provide individual position adjustments to address equity and salary compression. 	September 2022
TTUHSC	<ul style="list-style-type: none"> - Perform annual market study to guide initial recruitment and related compression 	September 2022
TTUHSC El Paso	<ul style="list-style-type: none"> - Review compression; review internal equity for years of service 	Beginning Sep 2022
TTU System Offices	<ul style="list-style-type: none"> - Using the new pay plan pay grade minimums and compression adjustments, departments will review internal equity within their organizational chart structure and career ladders to determine if additional adjustments are required 	Beginning May 2022



Staff Equity and Compression: Phase Three

Institution	Description	Proposed implementation date
Texas Tech	<ul style="list-style-type: none"> - Review need to conduct market study for specific job titles/areas on a case-by-case basis (police, info tech, hospitality) where market demand is resulting in recruitment and retention issues 	TBD
Angelo State	<ul style="list-style-type: none"> - Leverage staff market study to implement a strategic plan of action with administrative and professional positions. - Consider further increases to institutional minimum wage and strategic impact to non-exempt positions. 	TBD
Midwestern State	<ul style="list-style-type: none"> - Adjust baseline salary for all paygrades by 1%. - Perform market equity adjustment of baseline salary for next two paygrades (108, 109) - Provide individual position adjustments to address equity and salary compression. 	September 2023
TTUHSC	<ul style="list-style-type: none"> - Formalized market salary adjustment policy effective each odd numbered fiscal year 	September 2024
TTUHSC El Paso	<ul style="list-style-type: none"> - Initial communications with Vice Presidents and Deans in Spring 2022 (Phase 3) - Review internal equity within Pay Grades and Position Class titles (Phase 4) 	TBD
TTU System Offices	<ul style="list-style-type: none"> - Determine the need to conduct market study for specific job titles/areas - Assess available funding 	TBD





TEXAS TECH UNIVERSITY SYSTEM™

Texas Tech University

Current

- Utilizes a Pay Plan that complies with applicable state and federal compensation laws; uses Pay Grades 500-800 for faculty/staff
- Implemented a \$13 Minimum Wage plus a 1% Equity Pool effective Sep. 1, 2021

Salary Review

- Fall 2021, conducted an Internal Review of Pay Grades based on \$13 Minimum wage, and Position Class Title Compression based on New Pay Grade Minimums and Years in Position
- Number of Staff Employees Reviewed: 3,295

Proposal

Phase	Description
1	Establish new Minimum Pay Ranges in Grades 503-516; adjust for compression using a 1% multiplier for years of service; compression increase capped at 10% Implementation Date: March 2022 Employees impacted: 1,348 Cost to Implement: \$4.18 million
2	Using the new pay plan pay grade minimums and compression adjustments, colleges and departments will review internal equity within their organizational chart structure and career ladders to determine if additional adjustments are required Implementation Date: May 2022 (may require more time)
3	Review the need to conduct a market study for specific job titles/areas on a case-by-case basis (police, info tech, hospitality) where market demand is resulting in recruitment and retentions challenges Implementation Date: TBD



Angelo State University

Current

- Utilizes a Pay Plan that complies with applicable state and federal compensation laws; uses Pay Grades S04-S20
- Effective 9/1/2021, conducted a market-based adjustment for 142 staff positions; budget impact of \$268,786.

Salary Review

- Fall 2021, conducted a Market Study of Staff Positions, and an Internal Review of Pay Grades, Years in Position, and Salary Range Penetration
- Number of Staff Employees Reviewed: 469

Proposal

Phase	Description
1	Increase minimum wage to \$13 hour Implementation Date: September 2022 Employees impacted: 294 Cost to Implement: \$576k
2	Adjust pay grades S04-S11 and starting salaries in conjunction with the increase in institutional minimum wage; continue to review internal equity to ensure pay equity. Implementation Date: December 2022
3	Leverage staff market study to implement a strategic plan of action with administrative and professional positions; consider further increases to institutional minimum wage and strategic impact to non-exempt positions. Implementation Date: TBD



Midwestern State University

Current

- Utilizes a Pay Plan that complies with applicable state and federal compensation laws, uses Pay Grades 102-205
- Sep. 1, 2021, provided internal equity adjustments to 97 staff employees with a budget impact of \$120k; perform market equity adjustment for lowest three pay grades (102, 103, 104) impacting 19 staff with a budget impact of \$28k

Salary Review

- Fall 2021, conducted an Internal Review of Entry-level Positions and Pay Grades
- Number of Staff Employees Reviewed: 468

Proposal

Phase	Description
1	Complete (see current above) Implementation Date: Sep 2021 Employees impacted: 116 Cost to Implement: \$148k
2	Adjust baseline salary for all paygrades by 1%; perform market equity adjustment of baseline salary for next two bottom paygrades (106, 107); provide individual position adjustments to address equity and salary compression. Implementation Date: September 2022
3	Adjust baseline salary for all paygrades by 1%; perform market equity adjustment of baseline salary for next two bottom paygrades (108, 109); provide individual position adjustments to address equity and salary compression. Implementation Date: September 2023



TTU Health Sciences Center

Current

- Utilizes a Pay Plan that complies with applicable state and federal compensation laws; uses 500-800 for faculty/staff
- In September 2018, implemented a \$13 minimum wage; adopted a compensation philosophy of performance-based adjustments every even numbered fiscal year and-market based adjustment ever odd numbered fiscal years.

Salary Review

- Fall 2021, conducted a Market Analysis and Review of fulltime staff
- Number of Staff Employees Reviewed: 2,981

Proposal

Phase	Description
1	Mandatory 3% increase for all employees at <85% of Market Median for their position; additional market related increases allowable Implementation Date: Sep 2022 Employees impacted: 1,694 Cost to Implement: \$2.58 million
2	Perform annual market study to guide initial recruitment and related compression Implementation Date: Sep 2022
3	Formalized market salary adjustment policy effective each odd numbered fiscal year Implementation Date: Sep 2024



TTUHSC El Paso

Current

- Utilizes a Pay Plan that complies with applicable state and federal compensation laws; uses Pay Grades 500-800 for faculty/staff
- Have performed reviews of specific job titles and areas as needed.

Salary Review

- Fall 2021, conducted a Market Analysis for El Paso region and Internal Review Pay Ranges within Grades
- Number of Staff Employees Reviewed: 484

Proposal

Phase	Description
1 & 2	(1) Adjust minimum hourly rates for pay grades 503-511; (2) adjust for pay grade compression and years of service Implementation Date: Sep 2022 Employees Impacted: 356 Cost to Implement: \$1.87 million
3	Initial communications with Vice Presidents and Deans Implementation Date: Spring 2022
4	Review internal equity with Pay Grades and Position Class titles Implementation Date: TBD

