

AGENDA ITEM 4.

FY2006 SALARY RANGE ADJUSTMENTS

Submitted for:

Action

Summary:

While the Commission has delegated decision-making authority to the Executive Director on most compensation matters including annual merit compensation pay plans, staff historically has sought Commission approval on agency pay range adjustments and market-based salary increases.

A pay range adjustment was last approved by the Commission in September, 2001 to improve the alignment of staff salaries within their respective pay grades and to forestall compression within each pay grade.

Without periodic pay range adjustments, long-term staff can reach the top of their pay grade and then lose eligibility for annual merit increases. Therefore, a range adjustment would impact staff who are at the maximum salary level in their pay grade by allowing them some upward movement. Adjustments in pay ranges also impact any staff at the minimum of a pay range by moving them up to the new minimum.

At this time, staff is recommending a salary range adjustment of 10.0 percent. This would immediately affect seven employees who are at or near the minimum of their pay grade. These employees would have their salaries increased to the new minimum of their grade. The annualized cost of such action is estimated to be approximately \$2,000, which can be afforded due to estimated savings derived from turnover and hiring lag. This proposed pay range adjustment would also impact three ISAC employees who are at the maximum of their pay range because they would now become eligible for merit salary increases. The cost of this increase is already covered by the FY2006 appropriation, which was developed to include funding for a 2.5 percent salary increase for all staff.

Action requested:

That the Commission approve a salary range adjustment of 10.0 percent for ISAC pay grades A through T and Information Services pay grades 1 through 16 as shown in Table 1.

**ILLINOIS STUDENT ASSISTANCE COMMISSION
FY2006 SALARY RANGE ADJUSTMENTS**

Periodic pay range adjustments are needed to properly align staff salaries within their respective pay grades and to forestall compression within each pay grade. Pay ranges at ISAC have not been revised in four years, thus staff recommends that an adjustment be made at this time. Any type of range adjustment could potentially impact staff who are at the maximum salary level in their pay grade by allowing them some upward movement, and staff who are at or near the minimum of a pay range by moving them up to the new minimum level.

TABLE 1

FY2006 Proposed Monthly Pay Ranges

Pay Grade	# of Staff Affected by Minimum	# of Staff Affected by Maximum	New Minimum	New Midpoint	New Maximum
A/1	0	0	\$1,238	\$1,548	\$1,858
B/2	0	0	\$1,323	\$1,656	\$1,987
C/3	0	0	\$1,416	\$1,770	\$2,125
D/4	0	0	\$1,513	\$1,891	\$2,270
E/5	0	0	\$1,621	\$2,027	\$2,432
F/6	0	0	\$1,731	\$2,165	\$2,598
G/7	0	0	\$1,909	\$2,385	\$2,862
H/8	0	0	\$2,097	\$2,621	\$3,145
I/9	0	0	\$2,307	\$2,751	\$3,458
J/10	4	0	\$2,539	\$3,172	\$3,807
K/11	3	0	\$2,793	\$3,333	\$4,189
L/12	0	0	\$3,073	\$3,992	\$4,910
M/13	0	0	\$3,443	\$4,268	\$5,500
N/14	0	0	\$3,857	\$5,008	\$6,160
O/15	0	0	\$4,320	\$5,610	\$6,899
P/16	0	3	\$4,837	\$6,281	\$7,726
Q	0	0	\$5,706	\$7,411	\$9,114
R	0	0	\$6,732	\$8,744	\$10,755
S	0	0	\$7,944	\$10,317	\$12,690
T	0	0	\$9,375	\$12,175	\$14,975

Staff has determined that a salary range adjustment of 10.0 percent for pay grades A through T and Information Services grades 1 through 16 (technical positions), as seen in Table 1 above, would impact three employees in the pay grades who are at the maximum of their pay range. These employees

would become eligible for merit salary increases for which ISAC received funding in the FY2006 appropriation. This 10.0 percent adjustment would also impact seven other employees who are at or near the minimum pay level in their current pay grade. In this case, all of the affected employees fall in the J and K ranges where the new minimum salaries would range from \$2,539 to \$2,793 per month. These employees would have their salaries increased to the new minimum of their grade. While some employees- who are currently at the exact minimum of their range – would qualify for the full 10.0 percent, the adjustment for others – who are somewhere in between the old minimum and the new minimum – would be less. The annualized cost of this 10.0 percent pay range adjustment is approximately \$2,000, which can be afforded due to savings to be accrued from turnover and hiring lag in FY2006.

Staff also suggests that future salary range adjustments be considered on an annual basis in conjunction with proposed merit increases.

Recommended Action

ISAC staff recommends that the Commission approve a salary range adjustment of 10.0 percent for ISAC pay grades A through T and Information Services pay grades 1 through 16 as shown in Table 1.