

December 16, 2020

**RESCIND BOARD REPORTS 06-1115-RS6 AND 08-0123-EX10  
AND ACCEPT REPORT ON NEW COMPENSATION GUIDELINES FOR NON-UNION EMPLOYEES**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING:**

That the Board accept new compensation guidelines for non-union employees of the Chicago Public Schools as described in the attachment to this Board Report. The new compensation guidelines will be effective January 4, 2021.

**DESCRIPTION:** The attached compensation guidelines are established pursuant to the authority delegated to the Chief Executive Officer in accordance with Board Rules 4-1 a.3 and 4-1 a.5. The compensation plan previously reported in Board Reports 06-1115-RS6 [Resolution Approving Placement of Central and Area Office Employees in Functional Titles Under Compensation Plan and Performance Management or Merit Pay Plan] and 08-0123-EX10 [Report on the Revised Compensation Plan for Non-Represented Employees of the Chicago Public Schools] will be rescinded simultaneously with the effective date of the new compensation guidelines.

The new compensation guidelines outline CPS' commitment to providing a transparent, equitable, competitive, and market-aligned salary structure that will attract and retain a diverse workforce at all levels.

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## **Non-Union Compensation Guidelines**

CPS Talent Office

Effective January 4, 2021



*The guidelines do not apply to unionized positions, positions on a salary schedule, principals and assistant principals, fellows, residency program positions, or miscellaneous employees.*

# CPS Non-Union Compensation Guidelines

## Non-Union Compensation Philosophy

Chicago Public Schools is committed to providing a competitive, equitable, and performance-based compensation package that will attract, retain, and reward diverse, high-caliber employees at all levels. Attracting and retaining highly-qualified and motivated employees is critical to fulfilling our mission to provide a high-quality public education for every child in every neighborhood of Chicago. To support this philosophy, we have established a compensation program for non-union employees that includes a salary structure and guidelines based on the following principles:



1. **Competitive:** Salary grades are based on benchmark data for comparable jobs within the relevant labor market.
2. **Responsive:** The program supports a diverse, complex organization to accommodate differences in job requirements, the job market, and employee qualifications.
3. **Consistent:** Guidelines are provided to support consistent and equitable pay practices across the district.
4. **Transparent:** Managers and employees have access to compensation guidelines and salary grades.
5. **Equitable:** Pay decisions consider the role's scope, complexity of duties, and impact relative to comparable roles across the district.
6. **Performance-based:** Performance is considered in addition to an employee's market position when making salary decisions.
7. **Fiscally Responsible:** The program supports the district's commitment to financial stability, requiring that we serve as good stewards of public and philanthropic funds.

## Job Descriptions

Maintaining accurate and complete jobs descriptions is a key foundation of the compensation program. All positions under these guidelines must have a current job description on file with the Talent Office. The purpose of a job description is to describe the primary responsibilities for the position as well as the necessary skills, competencies, experience, and education needed to perform the job at a fully proficient performance level. Job descriptions are used by the Talent Office to:

- Compare CPS positions to similar positions in the labor market
- Assess the internal relationship of CPS positions relative to each other
- Define the essential functions of the job and the minimum qualifications needed to perform the required duties of the position
- Determine the appropriate title and salary grade for the position

## Job Evaluations

A job evaluation refers to the process of determining the salary grade of a position in the non-union salary structure. Job evaluations are conducted by the Talent Office to ensure positions are assigned a salary grade that is market competitive and internally equitable for the role. A manager or their designee may request a job evaluation when opening a new position or changing the job description of an existing position. A request for a salary review may accompany the job evaluation.

Employees who believe their job description or title does not accurately reflect their responsibilities should reach out to their managers who will determine if a job description change is necessary. Job description changes must be approved by the Talent Office through the job evaluation process.

If a requester disagrees with the results of a job evaluation or salary decision, the Talent Office will meet with the requester to discuss the results. If a resolution cannot be reached, the Chief Talent Officer or their designee will make the final determination.

## Salary Structure

The non-union salary structure is a hierarchy of salary grades used to group jobs for which the complexity, responsibility, and qualification requirements have similar value in the labor market (the “market value”). The range of allowable salaries for each salary grade (the “salary range”) is based on benchmark data collected from salary surveys. Benchmarking is based on job responsibilities and requirements, not titles. Salary survey data includes a cross section of industries in Chicago and the national labor market, including education, general industry, and the public sector.

The Talent Office develops and maintains the non-union salary structure. Salary ranges reflect annual salaries based on a full-time 52-week schedule. Hourly rate calculations may vary depending on the employee’s exemption status (35 hours per week for non-exempt employees who clock out for lunch and 40 hours per week for exempt employees, inclusive of an hour lunch), however, annual rates are used when establishing pay and determining salary adjustments.

Each Central Office and Citywide job is assigned a salary grade based on the market value of the job and equity considerations. Salary ranges have minimum, midpoint, and maximum values which represent the market ranges of the jobs within each salary grade. Quartiles within the salary range are used as a guide when setting salaries, as described in the Salary Range table below. The salary ranges have been designed to be wide enough to accommodate a variety of experience and expertise levels from entry level to expert.



## Salary Structure (Continued)

All CPS employees covered under these guidelines are to be paid within the salary range of the salary grades. Any exception requires the approval of the Chief Talent Officer or their designee. Employees scheduled for fewer than 52-weeks may be paid below the minimum of their salary range as long as the 52-week equivalent falls within the salary range. The 52-week equivalent may not exceed the maximum of their salary range. If an employee's salary is above the maximum of the salary range, the employee's salary will be frozen until such time that the salary ranges are adjusted and the employee's salary falls below the range maximum or the employee is promoted to a higher salary grade.

All non-union offers and salary adjustments, including school-based roles, must be approved by the Talent Office.



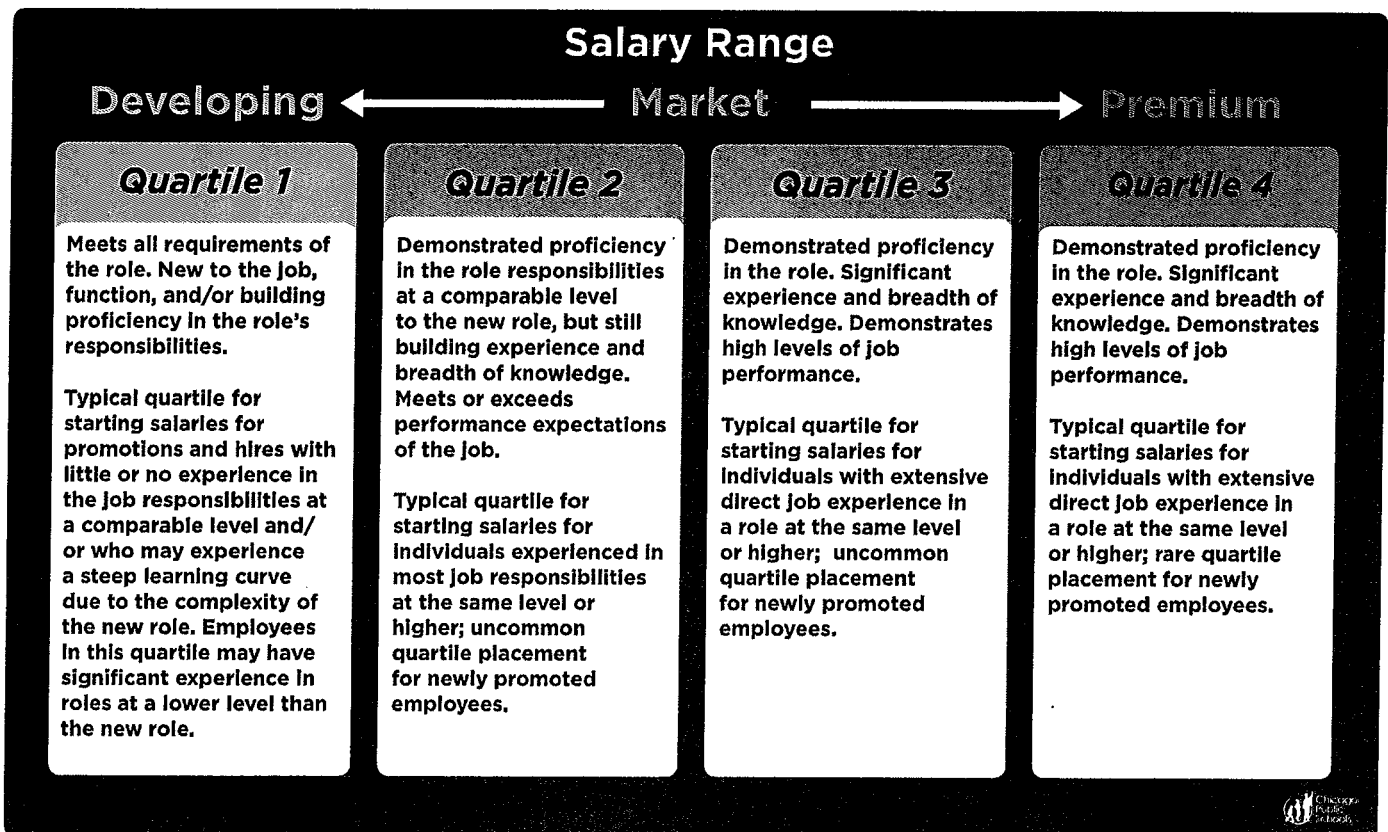
### Establishing Salaries

An employee's salary may fall in one of four quartiles of the salary range based on the qualifications, experience level, and skill of the employee. Other factors used to determine an employee's salary include:

- labor market pay rates for similar jobs (i.e. the job's salary range)
- the qualifications, experience level, and skill of the candidate
- the employee's position in the salary range
- pay equity relative to employees in comparable roles
- the existing budget for salaries



The following information reflects general guidelines when setting employee pay.



## Salary Adjustments

### **Promotions**

A promotion occurs when an employee moves into a new position which includes more responsibilities, a greater level of accountability, and results in moving to a role in a higher salary grade. A salary grade that is a result of an increase in the market value for the role is not considered a promotion. The Talent Office will partner with managers to review and approve promotional increases.

- Promotional increases should take effect once the Talent Office has evaluated the position. Promotional increases may not result in a salary that exceeds the maximum of the position's salary grade.
- Employees hired within 90 days of the beginning of a review cycle, receive an unsatisfactory summative evaluation rating, or are on an active performance improvement plan or other discipline are not eligible for a promotion.

### **Lateral moves**

A lateral move occurs when an employee moves into a position requiring a comparable level of qualifications, skills, and responsibilities to their current position. A lateral move is defined as moving an employee to a role in the same salary grade.



Employees that complete lateral moves will generally be transferred into the new role at their current salary. If the employee's salary exceeds the grade maximum, then a reduction of salary may be implemented.

On a case-by-case basis, Talent will determine whether a salary change is warranted. This is determined by evaluating the employee's salary against internal and external benchmarks.



### **Demotions and salary grade decreases**

A demotion occurs when an employee is assigned to a position that has fewer responsibilities and a lower level of accountability than their prior position. A demotion is defined as moving an employee to a role in a lower salary grade. Lateral moves to a role in a lower salary grade or salary grade decreases related to changes in the job's labor market value are not considered demotions.

An employee who is demoted or otherwise accepts a position with a lower salary grade will be paid according to the responsibilities of the new job. The employee's new salary should not exceed the maximum salary for the new position unless approved by the Chief Talent Officer or their designee.

### **Acting Pay**

Employees assigned on an interim basis to a vacant position at the director level or above will receive a supplemental bi-weekly payment of ten percent (10%) of their bi-weekly base salary. Acting pay will be terminated at which point the position the employee is covering on an interim basis is filled, closed, eliminated or otherwise no longer requires the employee's oversight.

**Acting Pay (continued)**

An acting assignment is subject to review after 6 months at which time the Officer of the functional area and the Chief Talent Officer or their designee will jointly determine a final date for the interim assignment. Acting pay will not be provided for covering short-term leaves of absence. All acting pay determinations must be approved by the Chief Talent Officer or their designee.

**Merit Pay**

The annual allocation of funds available for a merit pool is determined by the Chief Executive Officer or their designee. The Talent Office will establish a merit pay timeline subject to approval by the Chief Executive Officer. The timeline, method(s) for the distribution of merit pay, and merit guidelines will be evaluated annually considering financial feasibility and budget constraints.

Employees who are hired within 90 days of the beginning of a review cycle, receive an unsatisfactory summative evaluation rating, or are on an active performance improvement plan or other disciplinary process are not eligible for merit pay.

The following factors are used to determine merit increases:

- the allotted merit pool
- employee performance
- the employee's position in the salary range
- pay equity relative to employees in comparable roles, considering relative experience, performance, and time in the position
- the amount and date of the employee's last salary increase

Merit pay above the maximum of the employee's salary range would not be added to the employee's base salary. Requests for merit pay outside of established guidelines must be approved by the Chief Talent Officer or their designee.

Requests for salary adjustments outside of a defined merit cycle are considered off-cycle and are subject to approval by the Chief Talent Officer or their designee.

**Compensation Program Maintenance**

The salary structure and employee salaries will be evaluated at least once every two years and adjustments may be implemented to ensure equity and continued competitiveness. Any exceptions to the guidelines will be reviewed on a case-by-case basis and will require the approval of the Chief Talent Officer or their designee.

**Positions Excluded from These Guidelines**

- Unionized positions
- Positions on a salary schedule
- Principals and Assistant Principals
- Fellowships and residency program positions
- Miscellaneous positions

