

Prince George's County Public Schools

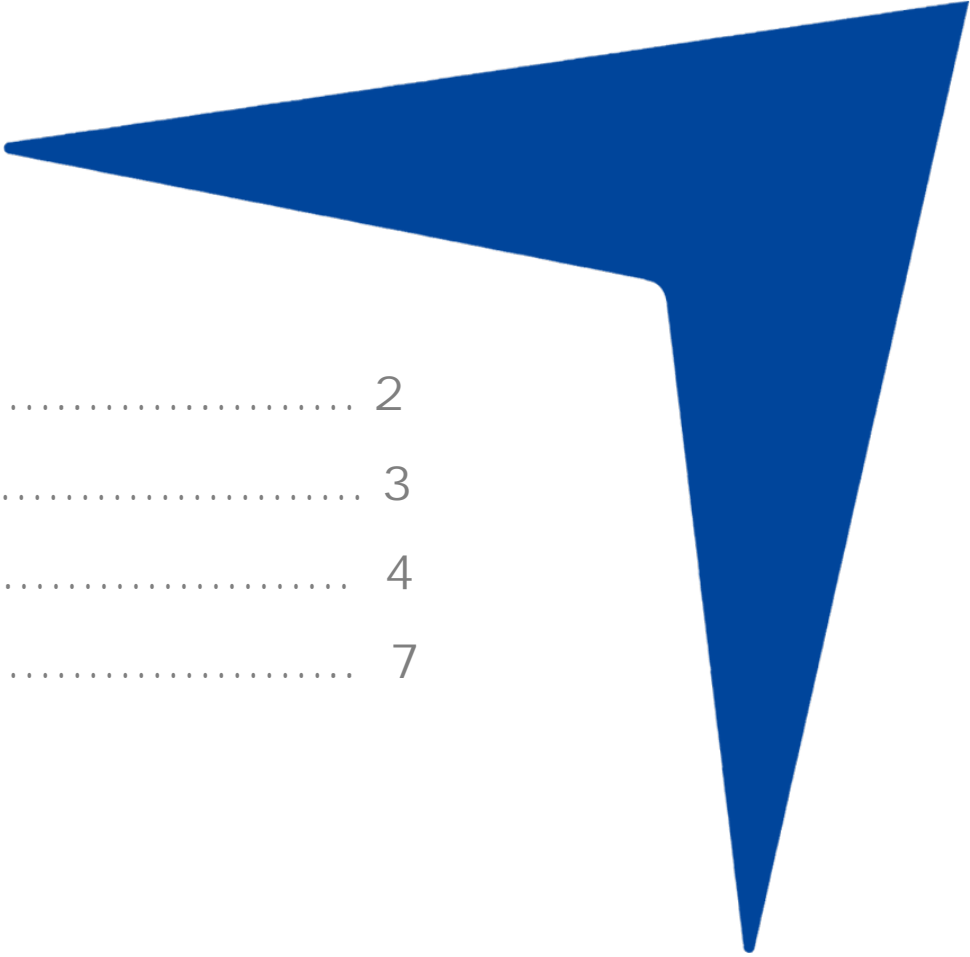
# Compensation Restoration Task Force

Executive Summary of Study Findings

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# Table of Contents

Project Approach.....	2
Methodology.....	3
Study Findings.....	4
Recommendations.....	7



# Project Approach

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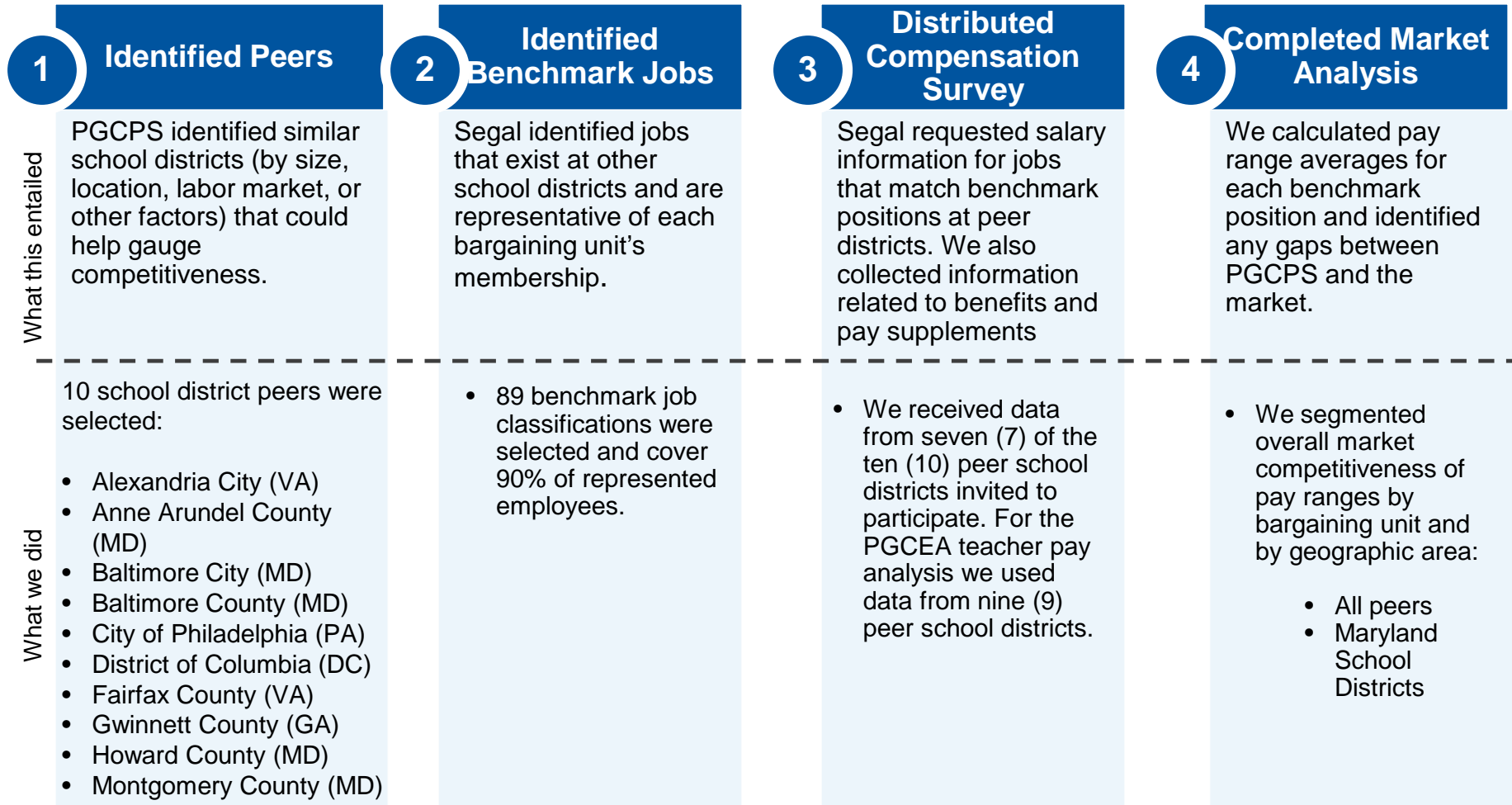
Segal was engaged to examine the cost and impact of restoring step movement lost during the economic downturn.

To accomplish this we:

- Met with the Compensation Restoration Taskforce at the start of the project and periodically provided them with status updates.
- Met with stakeholders to better understand the recruitment and retention challenges facing PGCPs. Our findings were presented to the Compensation Restoration Taskforce on March 12<sup>th</sup>.
- Distributed a total compensation survey to ten (10) peer school districts (eight are within Washington-Baltimore Metropolitan area, two are large school districts on the East Coast). The survey collected information related to pay, paid time off, health benefits, retirement benefits & compensation practices.
- Analyzed market data for PGCPs' five (5) bargaining units as well as the prevalence of health, retirement, paid time off & compensation practices.
- Market data was compared on a geographically unadjusted and adjusted basis. Geographically unadjusted data reflects pay ranges found in peer school districts' pay schedules. Geographically-adjusted data (see **Appendix C**) reflects the impact of differences in the cost-of-labor between PGCPs and the locations of the peer school districts.
- Identified the cost impact of restoring frozen steps during the three (3) year period that included FY10 – FY12.
- Met with the Compensation Restoration Taskforce to review preliminary findings and discuss any questions.

# Methodology - Compensation Survey Process Recap

Compensation studies measure the market gap between an organization and its peer group.



# Study Findings

Based on our analysis of the **geographically-unadjusted** market data, we found:

## Non-Teacher Pay:

- While individual benchmark market competitiveness varies, on an overall basis, the pay ranges for jobs represented by the all (5) bargaining units are market competitive at the pay range midpoint. However, the pay range minimum (starting salaries) for ASASP III and PGCEA non-classroom jobs are below market.

Bargaining Unit	Total Number of Benchmark Jobs Selected	PGCPS as % of Market Average		
		Pay Range Minimum	Pay Range Midpoint	Pay Range Maximum
ACE-AFSCME	31	103%	118%	128%
ASASP II	12	110%	105%	102%
ASASP III	24	94%	102%	107%
PGCEA (non-classroom jobs only)	13	93%	98%	101%
SEIU	8	102%	109%	114%
<b>Overall</b>	<b>88</b>	<b>100%</b>	<b>105%</b>	<b>109%</b>

## Study Findings (Continued)

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- **Teacher Pay (Salary Scales):** PGCPS is market competitive compared to Maryland school districts, however, compared to the overall market, PGCPS is less competitive.
- **Teacher Pay (25-Year Career Earnings):** From career - earnings perspective, PGCPS is slightly above market when compared to Maryland school districts and slightly below the overall market average.
- **Step Restoration Cost:** The estimated the cost to restore steps for current employees impacted by the FY10 – FY12 step freezes is \$40.8 million dollars. This estimate does not include any salary-related fringe benefits.

## Study Findings (Continued)

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- **Vacation:** PGCPs' vacation accrual, vacation carry-over, vacation cash-out, sick leave accrual are generally less generous than peer school districts. However, the number of paid holidays are more generous compared to the market.
- **Health:** The PGCPs weighted average annual total employer contribution towards health benefits is \$12,144. This is slightly below the market average of \$12,360.
- **Retirement:** The employee contribution (as % of pay) towards the defined benefit plan is slightly above the market average. The market average employer contribution (as a % of pay) varies by benchmark job.
- **Compensation Practices:** PGCPs' compensation practices are generally aligned with prevailing market practices.
- **Supplemental Pay:** Bilingual pay, commuter benefits, and hiring bonuses are extremely rare or nonexistent among the responding peer school districts. Supplemental pay for leadership roles, additional professional licenses/certification attainment, and referral bonuses are offered by some peer school districts. Tuition assistance programs are common and offered by almost every respondent.
- **Teacher Supplemental Pay:** PGCPs offers teachers more forms of supplemental pay than any other surveyed district.

## Recommendations

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- Starting salaries for ASASP III and PGCEA (non-classroom) jobs are below the market average. PGCPS should consider:
  - PGCPS should consider hiring incentives for hard-to-fill ASASP III & PGCEA non-classroom positions.



# Segal Project Team Members

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