The Helena Public School District recruits, retains, and motivates a highly qualified workforce through an understandable and competitive compensation structure.

## Compensation Philosophy

Our compensation philosophy supports our mission to educate, engage, and empower each student to maximize his or her individual potential with the knowledge, skills, and character essential to being a responsible citizen and life-long learner through the following objectives:

- Recognize and reward employees through a compensation structure that values professional development, enhanced qualifications, and positive contributions to the organization. Ensure our compensation structure attracts new talent and promotes longevity.
- Maintain external competitiveness to honor our obligations to students, employees, taxpayers, and the community. Ensure the compensation plan is strategic and based on relevant market data and our recruitment and selection experience.
- Ensure compensation planning is fiscally responsible, recognizing local, state, and federal funding sources pose challenges. Strive to align compensation with the needs and goals of the district and our community.
- Ensure compensation for employees reflects experience and levels of organizational responsibility.
- Support employees holistically through benefits that include health insurance, retirement plans, paid leave, and professional development opportunities. Ensure employees feel valued and supported both personally and professionally.
- Ensure our plan adheres to legal standards, including state and federal laws regarding the compensation and benefits of certified and non-certified staff.
- Ensure our plan is tenable and actively promote understanding of the plan among all stakeholders, including employees, supervisors, and the community.
- Honor the collective bargaining process and foster collaborative decision-making.
- Ensure that compensation practices are sustainable, consistent, and respectful of all employees.
- Foster continuous improvement of our compensation system including regularly assessing the market and updating the system to reflect district needs and best practices.

## Pay Plan Rules

Pay Plan Rules ensure consistency, transparency, and fiscal responsibility in compensation practices. The rules will support the uniform administration of employee compensation for employees not covered under a collective bargaining agreement across the District (i.e., administrators and independents), while aligning pay practices with available funding and strategic workforce goals.

*Employee Movement*

When an employee transitions from one employee group to another, the pay rules of the new position become the governing guidelines. This ensures consistency, equity, and alignment with the established compensation structures.

For example, if an employee moves from an independent position into a role covered by a collective bargaining agreement (CBA), the CBA will govern the pay determination and associated benefits. Conversely, if an employee moves from a represented position into an independent role, the Employee Handbook, HPS policies, and Pay Plan Rules become the governing documents for determining pay and benefits.

This framework ensures the appropriate placement of employees according to the rules and standards of the employee group they are joining.

*Salary Matrix and Placement*

The District will maintain a salary matrix for administrative and independent positions (positions not covered by a collective bargaining agreement). Each pay range will include minimum and maximum rates of pay. Assignment of positions to a pay range shall be in accordance with the Helena Public Schools (HPS) Classification Manual that ranks job content based on factors to include knowledge, accountability, and complexity.

*Overtime Eligibility*

HPS will determine whether a position is overtime eligible (non-exempt) or overtime exempt based on assigned duties and responsibilities that meet (or do not meet) criteria for overtime eligibility under federal and state law. Non-exempt employees will be paid their regular hourly rate of pay for all hours worked up to 40 hours in a work week in accordance with the Fair Labor Standards Act (FLSA); hours worked over 40 hours in a work week will be compensated at time and a half (overtime) and requires supervisor approval. Workweeks will normally begin at 12:00 a.m. on Sunday and end at 12:00 midnight the following Saturday unless otherwise designated.

Employees exempt from overtime are not subject to federal or state overtime payment requirements. Compensation is based on the premise that overtime exempt employees

work the hours necessary to provide the public services for which HPS hired them. The salary paid to overtime exempt employees is full compensation for all hours worked.

(Cross reference Policy 5060, Holidays and Policy 5055, Leaves of Absence)

*Initial Pay Assignment (New Hire)*

- A new employee's base wage may not be less than the minimum wage of the assigned grade [unless in conjunction with a training assignment]. Department heads must consult with the Human Resources (HR) Office for salary determination to ensure internal equity. Generally, HPS will extend wage offers that align with the employee's years of experience directly relevant to the position, not to exceed Step 5.
- The Superintendent may grant further advancement above Step 5 in consultation with the HR Director to address issues related to recruitment, retention, or other business-related reasons such as equity, alignment, or competitive market conditions.

*Training assignment*

An employee new to a job may be placed in a training assignment if the employee does not meet the position's minimum qualifications[1]. Before implementing a training assignment, HR must approve the justification and documentation including any base pay adjustments during the training assignment. The pay rate and overtime eligibility are based on the allocated grade of the training assignment (as determined by HR). The step placement will follow pay plan rules. A training assignment:

- may not exceed one year;
- must be documented and signed by the employee, manager, and HR;
- must specify the starting base pay, any planned progression increases, and the ending base pay upon successful completion;
- must describe the training, experience, development goals, and performance-review requirements.

[1] *Training assignments for a non-certified/non-licensed administrator position requires approval by the Superintendent. Certified/Licensed Administrator positions are ineligible for training assignments (certification/licensure requirements can't be waived).*

*Pay Progression*

- Employees on the independent salary matrix will receive an annual step increase effective each July 1 until the employee reaches the top of the salary range (i.e., Step 20) of their assigned grade.
- Employees on the administrator salary matrix will receive an annual step increase effective each July 1 until the employee reaches the top of the salary range (i.e., Step 15) of their assigned grade.

*Promotion to a Position at a Higher Pay Grade*

- Employees receiving a one grade promotion typically advance to the step on the new grade that is nearest (at or above, not below) to 5%, not to exceed the top of the grade. The increase may be higher than 5% if necessary to bring the employee to the minimum of the salary range of the position. For administrators, daily rate will be considered when determining final salary placement.
- Advancement to a step above the typical step described above may be granted by the Superintendent in consultation with the HR Director to address issues related to recruitment, retention, or other business-related reasons such as equity, alignment, multi-grade promotions, or competitive market conditions.

*Demotion to a position at a Lower Pay Grade*

When an independent employee voluntarily moves (e.g., via the competitive recruitment process) to a lower grade independent position, their pay will be set at the step that provides internal equity with other employees in the demoted-to grade.

When an administrator employee voluntarily moves (e.g., via the competitive recruitment process) to a lower grade administrator position, the administrator forfeits the right to pay protection and their pay will be set at the step that provides internal equity with other employees in the demoted-to grade.

When an administrator voluntarily moves (e.g., via the competitive recruitment process) from an administrator position (i.e., Assistant Superintendent, Director, Principal, Assistant Principal) to a Collective Bargaining Agreement or independent position, the administrator forfeits the right to pay protection. Salary placement will be in accordance with the appropriate collective bargaining agreement or Pay Plan Rules.

When an independent employee or administrator is involuntarily moved to a lower graded position because of discipline, their pay will be set between the entry step of the lower grade, up to the step that is closest to, but not exceeding, their current wage in the lower grade. The District will consider internal equity when determining the employee's pay rate.

When a licensed administrator is involuntarily assigned to a position at a lower pay grade because of District reorganization or other business needs, the District will maintain the administrator's daily rate in accordance with MCA 20-4-203. The District will consider and may adjust the number of contract days when determining total salary. If the protected daily rate exceeds the maximum of the daily rate equivalent for the grade of the new position, the rate will be treated as a red-circle rate.

If the protected rate creates a pay inequity within the new grade, the District may freeze the administrator's pay at the protected rate until adjustments to the salary range or the pay of other employees restore appropriate internal pay relationships. In no event will the administrator's daily rate be reduced below the amount required by applicable law.

When a reduction in force results in the reassignment of a licensed administrator to a teaching position, salary placement will be determined in accordance with MCA 20-4-208 and the applicable collective bargaining agreement.

When a non-licensed administrator or independent employee is involuntarily assigned to a position at a lower pay grade because of District reorganization, reduction in force, or other business needs as determined by the Superintendent, the employee's pay will be established at the District's discretion in accordance with these Pay Plan Rules. The District will consider internal equity within the new grade, the employee's qualifications and experience, the circumstances of the reassignment, and other relevant business considerations.

When an employee who was involuntarily moved to a lower grade is subsequently promoted to the employee's previous grade, pay will be established under the applicable promotion rule. However, the employee may not be placed at a higher step than the employee occupied immediately before the involuntary movement unless a higher placement is otherwise authorized under these Pay Plan Rules.

*Transfer to a Position at an Equal Pay Grade*

The employee will typically maintain their current salary. The Superintendent may grant advancement to a higher step of the assigned grade in consultation with the HR Director to address issues related to recruitment, retention, or other business-related reasons such as equity, alignment, or competitive market conditions.

When determining salary for voluntarily movement by an administrator from one administrator position to another administrator position within the same pay grade, a change in the number of contract days may impact the overall annual salary.

*Retention Pay for Existing Employees*

Department heads may make requests for pay exceptions by submitting them via email to the HR Director. The HR Director considers requests on a case-by-case basis, and the department head must provide support for two or more of the following in their request to the HR Director for consideration:

- The employee demonstrates consistent exceptional performance (i.e., demonstrates performance as a "senior contributor").
- The employee is in a critical strategic position (i.e., a unique position critical to organizational operations).
- The employee has knowledge, skills and abilities critical to the organization that would be difficult to replace.
- The HR Department's market data indicate the current wage rate is inadequate.
- The department head provides evidence of a written competing job offer (i.e., an offer letter from a competing local employer).
- The department head provides an internal equity analysis including a comparison of the employee's competency, performance, and tenure to other employees within the department (HR must also review and approve the internal equity analysis).

The department head may include any other relevant information or documentation for consideration.

The HR Director will make a recommendation to the Superintendent for final determination within ten business days of receipt. If HR needs more time to review or gather information, the HR Director will notify the requesting party.

Typically, the HR Director will provide a written determination to the requesting party no later than one week (five business days) from the date of recommendation to the Superintendent. If HR needs more time to review or gather information, the HR Director will notify the requesting party.

Retention Pay generally shall not exceed 15% of the employee's base salary. It may be added to the employee's base salary or paid as a lump sum as described below. An employee may not receive more than 15% of their base salary over a twelve-month period unless recommended by the Superintendent and with the Board of Trustee approval.

In advance of authorizing a lump sum retention payment, express conditions in writing for the payment must be agreed upon. The conditions must include a specified period of employment or continued employment. Any lump sum payment under this section must only be made after services have been rendered in accordance with conditions established

by HPS and become part of the employee's annual compensation for work performed prior to receipt of any funds.

*Comparability Adjustments*
Comparability increases may be used to adjust individual salaries *and/or* the pay ranges for each grade in the salary matrix. Typically, the entire pay range is adjusted for comparability, and existing employee pay is adjusted by the same percentage to avoid pay compression. However, pay ranges may be adjusted without adjusting individual employee pay or vice versa. These types of adjustments are based on economic indicators and funding availability. The District will evaluate pay information obtained through an appropriate market comparison and may consider pay compression or inversion when evaluating internal equity.

An evaluation of salary information and associated comparability data will be used to establish and adjust the pay ranges for each grade. Employee pay may be moved with range adjustments within available funding, but there is no guarantee that it will. Pay adjustments may be made at any time there is a need, including responding to shifts in the market, recruitment, retention, or equity issues. Changes to rates for individual positions must be approved by the Superintendent.

The Board approves adjustments to the pay ranges and general wage increases for all employees, including the effective date.

*Effective Dates*
If HR determines that a position should be reallocated to a different grade (higher or lower) as a result in a significant change in the majority of job duties, the effective date will be the first day of the full pay period after the HR Office formally received the request. For example (based on a monthly pay period ending mid-month), if a formal request is received October 12, the effective date would be October 16th (the first day of the pay period following the request). If the request is received October 18th, the effective date would be November 16th.

A formal request is an updated job description from a department head or a written request from an employee that provides a detailed description of the change in job duties.

The HR Office will strive to complete classification reviews within thirty (30) calendar days of receiving the formal request and will provide a status update if additional time is needed beyond thirty calendar days.

## *Definitions*

*Additional information and definitions are outlined in the Classification Manual.*

**Administrator:** An employee serving in a position designated by the District as an administrative position and assigned to the administrator salary matrix. An administrator has managerial or organizational leadership responsibilities and may serve in either a licensed/certified administrative position or a non-licensed administrative position, as applicable under Montana law and District requirements.

**Compression**: Occurs when there is an insufficient salary differential between the subordinate and the supervisor or between grade levels when considering career progression.

**Demotion**: Movement of an employee to a position with a lower job grade assignment than their current position. Demotion may be voluntary by the employee for a position with less responsibility, or involuntary as a result of discipline or organizational restructuring.

**Exempt Employee:** An employee whose job duties, responsibilities, and method and level of compensation meet the requirements for exemption from overtime under applicable federal and state law. An exempt employee is generally paid on a salary basis and is not entitled to overtime compensation for hours worked over 40 in a work week.

**General Wage Increase:** An across-the-board percent increase approved by the Board of Trustees to the salary matrix.

**Independent Employee:** An employee serving in a position that is not covered by a collective bargaining agreement, is not designated as an administrative position, and is assigned to the independent salary matrix.

**Inversion:** When the salary of the subordinate is higher than that of the supervisor.

**Market Comparison:** The market used to compare job content and salary to other positions. Market comparison will include other AA Districts and organizations in the Helena area.

**Non-Exempt Employee:** An employee who is covered by applicable federal or state minimum-wage and overtime requirements. A non-exempt employee must accurately record all hours worked and receives overtime compensation for hours worked over 40 in a workweek. A non-exempt employee is typically paid on an hourly basis.

**Salary Matrix:** A chart that shows salary ranges based on Grade and Step and is used in determining salary placement. A salary matrix is adjusted based on approved general wage increases, and may be adjusted based on comparability analysis.

**Promotion:** Movement of an employee to a higher job grade than their current position, and not due to a market adjustment in salary. A multi-grade promotion is when an employee advances more than one grade in the salary matrix.

**Reallocation**: The assignment of a position to a different grade on the salary matrix. Reallocations are typically based on changes to job content affecting the Complexity, Knowledge, and Accountability or significant changes in the market.

**Red Circle Rate:** A pay rate that is above the maximum range assigned to the job grade. Employees who are "red circled" are usually not eligible for additional pay increases until the range maximums are increased above the individual pay rate or the employee transfers to a job with a higher pay range.

**Training Assignment:** A temporary, formally documented, and approved placement of an employee new to a job into a training assignment (typically at a lower grade than the job classification) when the employee does not yet meet the position's minimum qualifications. The training assignment defines the steps necessary for the employee to acquire the competencies necessary to perform the position and will include at least one of the following:

- On-the-job training (knowledge and skill developed through experience).
- Classroom or field instruction.
- Courses conducted by an educational institution, vocational school, or professional training organization; or
- Written, oral, and/or practical examination(s).

The training assignment will not exceed twelve months (the maximum duration of an employee's probationary period).

**Transfer:** Movement of an employee to a position in the same job grade as their current position.