



**Human Resources Department Memorandum**

**To:** Interested Parties  
**From:** Jane Whitley, Human Resources Manager  
**Date:** Wednesday, August 26, 2015  
**Subject:** Compensation Study – Q&A

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1. The RFP indicated that a copy of the current compensable factors was attached. There was no attachment – please provide. **Attached**
2. The MaineHousing website indicates that the benefits package offered to employees is very generous (100% subsidy for employee health insurance, employer provided Long Term Care etc.). Is there an expectation that any recommended changes to the compensation system be considered from a total compensation perspective? **Yes**
3. Is MaineHousing considering a need to make changes to the health benefits and/or compensation plans due to concerns about the ACA Cadillac tax? **Yes**
4. The DOL has proposed changes to FLSA overtime rules which are expected to be implemented in 2016. Does MaineHousing expect to reclassify some exempt positions to non-exempt if the proposed rules become effective? **No**
5. Does MaineHousing require a financial impact analysis to be completed as it relates to the proposed changes to the FLSA Rules? **No**
6. Does MaineHousing have a stated compensation philosophy? **Yes, attached**
7. Is there an expectation that a compensation philosophy should be established or revised? **Revisions as needed**
8. The RFP indicates that job descriptions were updated in 2001. What percentage of the 107 job descriptions have been updated since then? **100%**
9. Is there an expectation that job descriptions are sufficiently current to permit credible matching with salary survey benchmarks? **Yes**
10. Does MaineHousing expect survey benchmark matches to be reviewed with HR prior to the completion of the external market study? **Yes**
11. Does MaineHousing participate in any compensation surveys? If so, which ones? **Yes, State of Maine; NCSHA; and as requested by other consultants for various companies**
12. What data sources have been used historically for salary benchmarking purposes? **Other for-profit and non-profit companies, based on responses received**
13. MaineHousing indicates that it has a merit based compensation system, what percent of the available annual salary increase budget is allocated to merit increases? **2 – 4%**
14. Is there a formal goal setting and/or performance evaluation process in place? If so, please provide summary details. **Yes, there is a formal performance evaluation process and two coaching meetings held within a 12-month period.**
15. Is compensation for executives included in this review? **Yes**
16. Will there be any organizational changes during the engagement or will the environment be stable? Are there plans for any new or sun setting any existing programs? **Stable / No**
17. What information will be shared with the public through the Maine Freedom of Access Act? **Final report submitted by the consultant**
18. Will there be an expectation for a presentation to the Board of Trustees? **Yes, as requested by Board**
19. Does MaineHousing have a preferred timetable for the completion of this project (needed for budget, fiscal year, etc.)? **Ideally, by year-end**

## MAINE STATE HOUSING AUTHORITY'S COMPENSABLE FACTORS

Below is a list of factors that are present, to some degree, in each of the jobs at Maine State Housing Authority. The areas of Knowledge, Responsibility, and Communication are deemed by the Executive Committee to be the important factors in deciding the internal structure and pay equity of jobs within the Authority.

POSITION BEING

EVALUATED: \_\_\_\_\_

DIVISION: \_\_\_\_\_

*Please check the box that most appropriately describes the degree to which each factor is present in the job being evaluated.*

### FACTOR 1 - KNOWLEDGE

This factor measures the nature and extent of information or facts that the worker must understand to do acceptable work (i.e. steps, procedures, practices, rules, policies, theories, principles, and concepts). Knowledge may be acquired through years of experiences, technical or specialized training, occupation-specific workshops and conferences, formal education, or a combination.

\_\_\_\_\_ First Degree - Knowledge of basic or commonly used rules, procedures, or operations, typically requiring some previous training or experience. Equivalent to High School and two year of experience.

\_\_\_\_\_ Second Degree - Knowledge of a body of standardized rules, procedures or operations requiring considerable training and experience to perform the full range of standard clerical or technical assignments. Equivalent to H.S., specialized certificate or training, and four years of experience or Associates Degree and two year of experience

\_\_\_\_\_ Third Degree - Knowledge of basic principles, concepts and methodology of a professional or administrative occupation such as might be acquired through a pertinent Bachelor's degree and two to three years of relevant job experience (or a combination of six or seven years of experience, training, and independent study)

\_\_\_\_\_ Fourth Degree - In-depth knowledge of principles, concepts and methodology of a professional or administrative occupation that would be acquired through a pertinent Bachelor's degree and four or five years of relevant job experience (or a combination of eight or nine years of experience, training, and independent study)

\_\_\_\_\_ Fifth Degree - Advanced knowledge of a wide range of concepts, principles, and practices, in a professional or administrative occupation to provide skills necessary to carry out difficult and complex work assignments. Equivalent to Bachelor's degree and six or seven years of experience or a combination of ten or eleven years of experience, education and training.

\_\_\_\_\_ Sixth Degree - Mastery of a professional or administrative field to apply experimental theories and new developments to problems not susceptible to treatment by accepted methods or to make decisions or recommendations significantly changing, interpreting, or developing important policies or programs. Bachelor's Degree and 10+ years of experience

required. Master's Degree and 7+ years of experience strongly recommended but a combination of 14+ years of experience and education would be equivalent.

## FACTOR 2 - RESPONSIBILITY

This factor is broken down into several categories that address the amount of supervision/guidance that is received, the responsibility to supervise or manage other people, the complexity and scope of the work, and the effect of any errors in the work.

**Supervision Received:** this area measures how closely work is supervised

- \_\_\_\_\_ First Degree – The supervisor makes specific assignments that are accompanied by clear, detailed, and specific instructions and is almost always present and available for questions. Work is closely controlled either through the nature or process of the work itself, or through review by the supervisor or others.
- \_\_\_\_\_ Second Degree – The supervisor provides assignments by indicating generally what is to be done, limitations, quality and quantity expected, deadlines, and priority of assignments. The employee uses initiative in carrying out recurring assignments independently without specific instruction, but refers deviations, problems, and unfamiliar situations to the supervisor for decision or help. The supervisor assures that finished work and methods used are technically accurate and in compliance with procedure.
- \_\_\_\_\_ Third Degree – The supervisor makes assignments by defining objectives, priorities, and deadlines and assists the employee with unusual situations that do not have clear precedents. The employee plans and carries out the successive steps and handles problems and deviations in the work assignment in accordance with instructions, policies, previous training, or accepted practices in the occupation. Completed work is usually evaluated for technical soundness, appropriateness, and conformity to policy and requirements. The methods used in arriving at the end result are not usually reviewed in detail.
- \_\_\_\_\_ Fourth Degree – The supervisor sets the overall objectives and resources available. The employee and supervisor, in consultation, develop the deadlines, projects, and work to be done. The employee is responsible for planning and carrying out the assignment, resolving most of the conflicts which arise, coordinating the work with others as necessary, and interpreting policy on his or her own initiative. In some assignments, the employee also determines the approach to be taken and the methodology to be used. The employee keeps the supervisor informed of progress, potentially controversial matters, or far-reaching implications. Completed work is reviewed only from an overall standpoint in terms of feasibility, compatibility with other work, or effectiveness in meeting requirements or expected results.
- \_\_\_\_\_ Fifth Degree – The supervisor provides administrative direction with assignments in terms of broadly defined missions or functions. The employee has responsibility for planning, designing, and carrying out programs, projects, studies, or other work independently. Results of work are considered technically authoritative and are normally accepted without significant change. If the work is reviewed, the review concerns such matters as fulfillment

of program objectives, effect of advice and influence on the overall program, or the contribution to the advancement of technology. Recommendations for new projects and alteration of objectives are usually evaluated for such considerations as availability of funds and other resources, broad program goals, or organizational priorities.

**Supervision of Others:** this area measures level of responsibility for others.

- \_\_\_\_\_ First Degree – No responsibility for work of others. May show other employees how to perform a task or assist in orientation or training of new staff.
- \_\_\_\_\_ Second Degree – Guides and instructs other employees – may assign, check, and maintain flow of work, but does not have official authority to hire, discipline, evaluate or terminate.
- \_\_\_\_\_ Third Degree – Supervises a department or team (2 or more) of employees with responsibility for assignment of work, coaching and training, and making recommendations for hiring, termination, and salary increases, where full accountability for results and departmental operations rests with next higher level of supervision.
- \_\_\_\_\_ Fourth Degree – General supervision and coordination of the operations of two or more departments or teams through subordinate managers who in turn are responsible for supervision.

**Complexity:** this area measures the nature, variety and intricacy of tasks performed.

- \_\_\_\_\_ First Degree - The work consists of tasks that are clear-cut and directly related. There is little or no choice to be made in deciding what needs to be done. Actions to be taken or responses to be made are readily discernible. The work is quickly mastered.
- \_\_\_\_\_ Second Degree - The work consists of duties that involve related steps, processes, or methods. The decision regarding what needs to be done involves various choices requiring the employee to recognize the existence of and differences among a few easily recognizable situations. Decisions involve some judgement, but the standardization of the duties limits the planning and independent action to minor decisions since the choices are limited.
- \_\_\_\_\_ Third Degree - The work includes various duties involving different and unrelated processes and methods. The decision regarding what needs to be done depends upon the analysis of the subject, phase, or issues involved in each assignment. The chosen course of action may have to be selected from several alternatives, within the limits of standard procedures, but involves some judgment.
- \_\_\_\_\_ Fourth Degree - The work typically includes varied duties requiring many different and unrelated processes and methods such as those relating to management of a team or program. Decisions regarding what needs to be done include the assessment of unusual circumstances, variations in approach, and incomplete or conflicting data. The work requires making many decisions concerning such things as the interpretation of considerable data, planning of the work, or refining the methods and techniques to be used. Considerable ingenuity and judgment are required to diagnose and remedy trouble, devise methods, modify or adapt standard procedures to meet new conditions, or make decisions based on policy and previous practice.

\_\_\_\_\_ Fifth Degree - The work includes varied duties requiring many different and unrelated processes and methods applied to a broad range of activities or substantial depth of analysis, typically related to management of a division. Decisions regarding what needs to be done include major areas of uncertainty in approach, methodology, or interpretation and evaluation processes resulting from such elements as continuing changes in program, technological developments, unknown phenomena, or conflicting requirements. The work requires originating new techniques, establishing criteria, or developing new information.

**Scope and Effect:** this area measures how work affects others in the organization and the consequence of any errors.

\_\_\_\_\_ First Degree: The product of work or service delivered is required to facilitate the work of others but it is informational or factual in nature and has little impact beyond the department or team. An error is readily apparent in the normal course of work and correction involves little loss of time or money. Errors result from inattention or carelessness.

\_\_\_\_\_ Second Degree: The product of work or service delivered affects the accuracy, reliability or acceptability of further processes or services within the division. While errors are apparent in later steps or procedures, and are usually caught before work leaves the division, they can cause loss of time, client dissatisfaction and difficulty in back-checking.

\_\_\_\_\_ Third Degree: The product of work or service delivered affects the accuracy, reliability or acceptability of programs in *other* divisions. Errors are not apparent at the time and may result in holding up production, loss of money or accounts, or have adverse effects on clients or employees. Errors usually result from poor judgement.

\_\_\_\_\_ Fourth Degree: The product of work or service delivered affects the operation of systems or programs throughout the agency or activities of other organizations. Incorrect decisions or faulty performance can result in adverse effects on a substantial number of clients, loss of income to agency or fines/legal action levied against agency, major damage to the agency's reputation and major problems in the operation of one or more divisions.

### FACTOR 3 – COMMUNICATION

This factor measures the level and scope of verbal and original written communication skills needed to perform the job.

\_\_\_\_\_ First Degree: Communication is with employees within the organization and/or the general public in a structured settings for the purpose of obtaining, clarifying or giving facts or information. Most communication is verbal.

\_\_\_\_\_ Second Degree: Communication is with employees within the organization and individuals or groups from outside the organization in a moderately structured setting (i.e. contacts are on a routine basis, where purpose of contact is clear). The intent of the communication is to plan, coordinate, or advise on work efforts or to resolve operating problems. Communication may be verbal or written (letters, brochures, RFP's)

\_\_\_\_\_ Third Degree: Communication is with management within the organization and individuals or groups from outside the organization in an unstructured setting (i.e. the purpose and extent of each contact is different). The purpose of the contact is to influence, motivate, interview, teach or control persons or groups. The employee must be skillful in approaching the individual or group in order to obtain the desired effect, such as gaining compliance with established policies and rules by persuasion or negotiation, or gaining information or cooperation by establishing rapport. Written communication may include manuals, grants, and lectures.

\_\_\_\_\_ Fourth Degree: Communication is with high-ranking officials from outside the organization for the purpose of justifying, defending, negotiating, or settling matters involving significant or controversial issues. Work at this level involves active participation in conferences, meetings, hearings, or presentations involving persons with diverse viewpoints, goals, or objectives requiring the employee to achieve a common understanding of the problem and a satisfactory solution by convincing them, arriving at a compromise, or developing suitable alternatives. Written communication may include speeches, theses or presentations.

\_\_\_\_\_

Person completing evaluation

\_\_\_\_\_

Date

\_\_\_\_\_

Division Director

\_\_\_\_\_

Date

\_\_\_\_\_

Human Resources Manager

\_\_\_\_\_

Date

\_\_\_\_\_

Director or Deputy Director

\_\_\_\_\_

Date

MaineHousing strives to provide a fair, equitable, and competitive wage program based on performance of duties along with position requirements and responsibilities. MaineHousing maintains a position classification structure with established pay grades and ranges. This structure and associated policies are reviewed by the Human Resources Manager to insure internal equity and external competitiveness.

### **Compensation Philosophy**

MaineHousing recognizes that competitive salaries are the cornerstone for recruiting, retaining, and motivating employees to fulfill its mission.

MaineHousing appreciates the dedication and commitment of its employees. It is our goal to reward employees for merit, based on the external market and internal equity.

#### *Market Adjustment*

The compensation program is reviewed from time to time as needed by the Human Resources Manager who may recommend an adjustment to the pay grades or ranges based on inflation, cost of living, external market, and other factors. Any changes to the pay structure need approval of the Director.

#### *Salary Cap*

An employee may not continue to receive merit increases that would put their salary above the maximum of the pay range for their position. The base salary of an employee will be capped when they reach the maximum, until the ranges are adjusted.

#### *Promotion*

A promotion is a change from one position to another position in a higher pay grade. When an individual is promoted, the Department Director along with the Human Resources Manager may recommend a new salary based on the pay range for the new position. An employee asked to perform responsibilities of a position in a higher pay grade, may receive a temporary promotion and salary adjustment.

#### *Demotion*

A demotion is a change from one position to another position (voluntary or involuntary) in a lower pay grade. In general, if an individual's salary falls within the new pay grade then no change is made. If an individual's salary is already above the maximum of the new pay grade, the salary may be reduced to the maximum of the range.

#### *Transfer*

A transfer is a change from one position (voluntary or involuntary) to another position in the same pay grade. There is typically no change in salary.