

STEVENSON

Stevenson School

Pebble Beach and Carmel, CA

Grades PK-12 Coed Boarding and Day School

785 students

Contributors

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Case Study Focus

Implementing a Salary Pay Scale for Faculty

Background

Stevenson School has long been committed to a mission described by three central aims: to prepare students for success in school and their lives beyond school; to foster their passion for learning and achievement; and to help them shape a joyful life. Now seven decades after its founding in 1952, the school's central project remains remarkably consistent with the aspirations that inspired its founding. Its core values, student handbooks, honor code, motto, song and prayer all serve as guideposts in this regard.

To work at Stevenson is to be part of a collaborative community of educators, administrators and staff members who are inspired by a sense of shared purpose to deliver an exceptional educational experience that delivers on this mission.

Stevenson's core values of safety, trust, respect, belonging and inclusion infuse all aspects of community life.

At the 2023 NBOA Annual Meeting in Los Angeles, DiYanni and Khanna presented Stevenson's work to implement a new salary pay scale for faculty. They shared several reasons for establishing a new salary scale, including:

1. Updating their compensation model to be more consistent and equitable.
1. Helping facilitate placement of newly hired teachers at the appropriate level.
2. Ensuring gender equity in teacher pay.
3. Protecting the school from unfair wage claims, especially in California.

Stevenson School brought together a collaborative team consisting of the chief financial and operating officer, the director of human resources, and the controller.

This team worked together to develop and implement the salary scale using eight key steps:

1. **Establish a Basic Scale** using the school’s existing salary spread as a guide. The team designed a step-based salary scale. Each step in the scale corresponds to a specific salary amount, and faculty members are placed on a step based on their relevant teaching experience and academic qualifications.
2. **Test the Scale** by grouping faculty into cohorts based on similar levels of experience and degrees earned. This was used to further inform scale development and appropriate step placement in a new model. Faculty members receive one step for each year of relevant teaching experience. This is a standard way to recognize years of service within the profession. Faculty members receive additional steps based on their academic degrees. A master's degree adds one step, and a doctorate adds an additional two steps. The team also considers specialized expertise when determining faculty salaries. Teachers with unique skills or experience that are highly valuable to the school may receive additional compensation beyond the scale.
3. **Draft Step Assignments** for each faculty member according to years of relevant experience and degrees earned. The team evaluates each faculty member's resume, relevant experience and academic qualifications to determine their step on the salary scale. This process ensures that faculty members are placed appropriately on the scale, reflecting their qualifications and experience.
4. **Review Overall Scale** to ensure appropriate placement of each teacher. Some faculty members may be earning salaries above or below their designated step on the scale.
5. **Determine Outliers** (over/under) by looking at actual salary versus assigned step. To address these discrepancies, the team employs different strategies. Here are examples of teachers aligned and misaligned to their step:

FACULTY NAME	FY21 SALARY	FY22 STEP	FY22 STEP \$	FY22 SALARY	\$ RAISE	% RAISE	OVER / (UNDER) STEP
Teacher 1	\$ 57,000	6	\$ 59,000	\$ 59,000	\$ 2,000	3.5%	\$ -
Teacher 2	\$ 55,000	6	\$ 59,000	\$ 56,900	\$ 1,900	3.5%	\$ (2,100) (A)
Teacher 3	\$ 59,000	6	\$ 59,000	\$ 60,000	\$ 1,000	1.7%	\$ 1,000 (B)

(A) - Since Teacher 2 will be \$2,100 under their FY22 Step amount, they will receive an additional \$1,100 this year and an additional \$1,000 next year (catch-up over 2 years).

(B) - Since Teacher 3 is currently at Step 6 salary amount, they will receive a smaller raise this year and next year in order to bring them in-line with the scale.

6. **Adjust Accordingly** to allow for “catch up” and “slow down.” Faculty members earning below their designated step may receive catch-up increases over time to bring them in line with the scale. These increases may be distributed over multiple years to manage budgetary constraints. It is worth noting that Stevenson did not freeze any salaries during the transition, which proved helpful in terms of change management.
7. **Adjust for Annual Inflation** to provide appropriate year-over-year increases each year as faculty members advance through the scale. The salary scale is adjusted annually to account for changes in the cost of living and other relevant factors. Stevenson School adjusts each step in the scale by 2.5% to reflect cost-of-living increases. This allows faculty members to move to a higher step each year, thus receiving a raise in line with inflation.
8. **Communicate** through a formal announcement to the entire faculty and staff community and offer individual conversations for those who request them.

Budget Considerations

They cautioned that when implementing a new salary scale, schools need to carefully consider next-year and multi-year budget implications. Regarding the “next-year” budget, there will be two increases to manage: (1) the annual increase percentage to cover inflation and cost of living increases, and (2) the significant real-dollar amount needed to align all teachers with the new salary scale step appropriate for each. This may not be possible to accomplish in one year and therefore the “catch up” corrections may need to be accomplished over a few years. And of course, the compounding impact of the new salary scale, the annual increases and the catch-up increases will combine to have significant long-term compensation budget implications that schools will need to be able to both manage and sustain.

Stevenson School did not reduce salaries for teachers who were determined to be above their newly-assigned step or freeze their salaries, but rather opted to slow down their salary growth by reducing their annual percentage increases over a few years, in order to close the gap and regain equality for all.

Challenges

In regard to key challenges the team faced during implementation, DiYanni and Khanna acknowledged that several difficult conversations were required with outliers. Positively, approximately 45% of faculty were at their appropriate salary step, whereas 40% required “catch-up” adjustments and 10% required “slow-down” adjustments. 5% were special circumstance cases that didn’t fit in any of these categories. The “catch up” commitments impacted the budget, and it became abundantly clear that maintaining strict discipline to the new model, and minimizing exceptions or “unique” arrangements, would be essential to its long-term success.

They found that the school’s compensation transparency was appreciated by the vast majority of faculty during and following the implementation. Only minimal issues arose when teacher compensation was corrected for those not in agreement with their newly-assigned step(s).

Examples of Frequently Asked Questions for Faculty

School leaders used a series of FAQs to assist with their communication and implementation efforts.

<p><i>Why did we change to a new compensation system?</i></p>	<ul style="list-style-type: none"> • Old system had become outdated. • We wanted to ensure salary equity for all faculty.
<p><i>How does the new salary scale/step system work?</i></p>	<ul style="list-style-type: none"> • 1 step per year of relevant professional experience. • 1 step for a master's degree, 2 additional steps for a doctorate. • Total number for each teacher plotted on scale ranging from step 1 (no experience or advanced degree) to step 45 (senior-most teachers).
<p><i>How does the school determine annual salary increase?</i></p>	<p>Increases are impacted by factors including enrollment, tuition rates, financial markets, inflation, employment levels and school's spending priorities.</p>
<p><i>How are the salary steps determined?</i></p>	<p>The value and range of salary bands are benchmarked against data provided by CAIS, NAIS, local public school districts and available independent school salary information.</p>
<p><i>Will the steps/point values change each year?</i></p>	<p>Yes. Step amounts will be reviewed annually to account for cost of living and other current market factors.</p>
<p><i>Why must some adjustments be spread over more than one payroll cycle?</i></p>	<p>It was necessary from a financial resource perspective to spread some teacher adjustments over two payroll cycles (12 months).</p>

<p><i>If I received a larger increase as an adjustment, does that mean I have been underpaid?</i></p>	<p>No. Adjustments are the consequence of establishing equitable and consistent ranges for each step and quantifying the value of advanced degrees as a result of transitioning to a new compensation system.</p>
<p><i>Are there factors other than professional experience and advanced degrees that can increase my step?</i></p>	<p>Yes, an additional step may be awarded for completing a series of specifically designated professional development courses.</p>
<p><i>Can I increase my compensation outside the salary scale?</i></p>	<p>Yes. Faculty who take on additional responsibilities (e.g. department head or varsity head coach) may be eligible for monetary stipends.</p>
<p><i>Upon hire will new teachers be placed on the scale?</i></p>	<p>Yes. Each teacher is placed at the appropriate salary step based on relevant teaching experience and education.</p>