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FY25 Pay Ranges and Market Pay Updates [1]

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In this month's People and Culture section, we delve into the important topic of pay ranges and the CU System Administration's compensation philosophy. Understanding what a pay range is and how it fits into our broader compensation strategy is crucial for appreciating how we ensure fair and competitive compensation for our employees.

What is a pay range?

A?pay range?refers to a spread of pay established from professionally sourced market data that signifies?reasonable?and competitive compensation for a position. At System Administration, we map each job to a ?career level [3],?job family, and sub-function [4]?to ensure that its pay range accurately reflects the market for the expected work. More simply, each pay range is a career level combined with a sub-function.

Why we use pay ranges

Pay ranges allow us to determine the external market value of our positions efficiently and consistently at System Administration. It enables us to be confident that we pay all our roles competitively to similar work performed at other organizations. Pay ranges also allow us to plan for career progression.

Compensation Philosophy

After establishing the pay range, we need to determine how an employee is paid within that range. A?compensation philosophy?helps guide us to determine what each employee should be paid within their mapped range. This philosophy typically includes factors such as competitive market analysis, internal equity, experience and education, and the overall organizational budget. A well-defined compensation philosophy helps in attracting, retaining, and motivating employees by ensuring that their pay aligns with the company's values, goals, and market standards.

The compensation philosophy for employees at System Administration is to pay competitively and equitably for the work performed. To support this, the Compensation team ensures every role has an updated job description (JD), is mapped to an appropriate pay range to value the position correctly and guides the department to the appropriate amount to pay within the

range to be externally competitive and internally equitable.

FY25 Market Pay Range Update

For FY25, we have undertaken an extensive market pay range update process to ensure our compensation remains competitive and equitable. Here are some key steps and insights from this process:

- **Data Collection and Benchmarking:** We gathered and updated over 1,900 professionally sourced market survey data responses that match the duties and levels of our established ranges, which are supported by 2-5 unique sources for each pay range.
- **Benchmarking Scope:** Our benchmarking covers both within and outside higher education institutions and is set in the greater Denver/Boulder metro area, including all 11 job families, 63 specialized sub-functions, and each of the 13 career levels.
- **Surveys Used:** Our sources included PayScale, Mercer IT, CUPA, Employers Council, and Wamser (Advancement specific).
- **Market Trends:** Averaging across all 1,900+ sources of data, the market cost of our labor has increased a historically normal amount and indicates a stabilization after a few outlier years. The most significant increases were seen in External Relations, IT, and Communications roles. Remember, this change is NOT an inflation index but a real-time valuation change of System Administration positions within the labor market.
- **What's next:** The pay ranges were updated effective July 1st, and the Compensation team will be working with departments to share the impact of the increased ranges. Our priority is to ensure everyone remains compensated in alignment with our Compensation Philosophy. We will use this information to help plan out upcoming year-end increases and budgeting for future years.

We are committed to maintaining fair and competitive pay ranges to ensure we attract, retain, and motivate our talented workforce. This market pay update process is a crucial part of that commitment, aligning our pay practices with market trends and ensuring equity across the board.

If you have any questions or need further information, please feel free to reach out to the Compensation team [5]. You can reach the team by email at SystemHR.Compensation@cu.edu [6].

Want to learn even more? Keep an eye out for updates to our SharePoint site and upcoming trainings in Fall 2024 as we help drive more transparency and understanding around these important concepts. Please be sure to visit our CU System Compensation SharePoint site [5] for more detailed information regarding all compensation matters at System

People & Culture [7], system hr [8], compensation [9]
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