

KACA

SALARY SURVEY

2004-2005

**Prepared for Kentucky's
Community Action Agencies
January 2005**



Kentucky Association for Community Action, Inc. (KACA)
Helping People. Changing Lives.
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MEMO

To: KACA Board Members
From: Kip Bowmar *KB*
Re: 2004-2005 Salary Survey
Date: January 12, 2005

Enclosed with this memo is the 2004-2005 Kentucky Association for Community Action Salary Survey. The survey is a comprehensive wage comparability tool that examines the average and median salary of over 50 positions in 10 different areas as well as examines a variety of benefit issues. The survey also examines the average number of years someone has been in the position.

The survey includes an executive summary that talks about many of the issues and also compares this years findings with the 2002-2003 salary survey. This should be a helpful tool as Head Start is requiring a wage comparability survey for its agencies this year.

Any salary survey though is only as good as the data provided and the participation rate of the agencies involved. I am pleased to announce that we had over 90% of the agencies participate in the process. Thank you for assistance.

If you have any questions about the survey, please feel free to contact me.

Website: www.kaca.org

23 MEMBER AGENCIES
"Serving the Commonwealth of Kentucky"

Audubon Area Community Services
Owensboro

Bell-Whitley CAA
Pineville

Big Sandy Area CAP
Paintsville

Blue Grass CAA
Frankfort

Central KY CAC
Lebanon

CAC for Lexington-Fayette,
Bourbon, Harrison & Nicholas
Lexington

Daniel Boone Development
Council
Manchester

Gateway CSO
West Liberty

Harlan County CAA
Harlan

KY Communities Economic
Opportunity Council
Barbourville

KY River Foothills
Development Council
Richmond

LKLP CAC
Red Fox

Lake Cumberland CAA
Jamestown

Licking Valley CAP
Flemingsburg

Louisville Metro CAP
Louisville

Middle KY River ADC
Jackson

Multi-Purpose CAA
Shelbyville

Northeast KY ADC
Olive Hill

Northern KY CAC
Covington

Pennyrile Allied Community
Services
Hopkinsville

Community Action of
Southern KY
Bowling Green

Tri-County CAA
LaGrange

West KY Allied Services
Mayfield

"AN EQUAL OPPORTUNITY
EMPLOYER - M/F/D"

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This report was prepared and printed in part with funds from the Community Services Block Grant through a contract with the Kentucky Cabinet for Families and Health Services

Executive Summary

Overview: The Kentucky Association for Community Action (KACA) last completed a salary survey in January 2003. Many agencies used that report to update their wage practices and policies in the human resource development area. That certainly was one of the goals of both the previous survey and the current one. I hope that this report is broad enough in scope to be of use because it looks not just at salaries, but also a host of benefit and personnel issues as well.

Benefits of a Salary Survey: This is an important issue for Community Action Agencies as any organization is only as good as the people it employs. Therefore, Community Action Agencies need to know that their salary and benefit structures are competitive and that they are not a hindrance in attracting and retaining the best employees. If an agency is dramatically underpaying its best employees, it may not be able to retain them. The other benefit of this tool is that it allows local agencies the opportunity to look around and see what their counterparts are doing for comparable positions in other areas of the state.

Another benefit of the survey is that for the 16 agencies that have Head Start programs, this can be used as a tool to help those program since HHS is requiring that grantees do some type of wage comparability survey.

High Response Rate equals clearer picture: Another goal was to have as high a response rate as possible to increase the statistical reliability of the survey and to paint a true picture when it comes to salaries and benefits in Community Action in Kentucky. I believe that we succeeded in that goal. It took us a few mailings, several phone calls and a few months, but we did receive completed surveys from 21 of 23 agencies, which is a response rate of 91%. The response rate was up slightly from the last time KACA undertook the process when we had an 87% response rate. Special thanks go out to all of the agencies who took the time and participated in this process.

The results showed that 61.9% of the agencies bank their annual leave and 38.1% do not. Of those agencies who banked their annual leave, only 52.3% of them said that the pool they had established covered all of their potential liabilities. On the sick leave side only 14.3% said that they banked their sick leave and 85.7% did not. Of those who banked their sick leave, only 4.7% said that it covered all of their liabilities. There are three possible solutions for agencies which could help with the situation and some agencies might try a combination of them.

Option #1-The first is to start banking sick leave, where you charge the funding source one day a month for sick leave time as it is earned and then build a pool to help offset potential liabilities when that leave is taken in the future. Many agencies have not done this because sick leave does not have a cash value when the employee leaves the agency. Option #2 would help deal with this issue to some extent.

Option #2- Is to pay employees for unused sick leave time at the end of the year. This would create a liability at the end of the year and would give the agencies a reason to bill for sick leave time as they do for annual leave time.

Option #3- Is to put caps on the amount of sick leave time that employees may accrue and many agencies are already doing this. More on that a little bit later in the Executive Summary.

Agencies put some caps on the amount of leave that may be accrued- The survey found that 19.8% of agencies cap sick leave at 240 hours, 9.5% cap it at 360 hours, 14.4% cap it at 480 hours, 9.5% cap it between 550-600 hours, 14.4% cap it between 700-780 hours, 4.7% cap it at 1,040 hours, and 28.5% put no caps on sick leave time that may be accrued. In summary 66.8% of the agencies capped sick leave time at 780 hours or less. The average sick leave cap was 501 hours and the median sick leave cap was 480 hours. 14.3% of agencies also employees to have a small number of personal days (three was the typical number). A minority of agencies allowed employees to roll unused sick leave time over to the retirement system, (42.8%) while 57.2% did not allow that. Of those who allowed the time to roll over 67.8% allowed six months of time to roll over, 21.1% allowed approximately 600 hours, and 11.1% allowed 720 hours. The average number of hours allowed to be rolled over was 985 and the median was 1040.

picture was painted. The average payroll increased from 188 to 189, but the median dropped from 200 staff to 150, a 25% reduction. This means that while agencies are growing rapidly they are working to put the money into services and not into building payroll for the sake of building payroll.

Fewer agencies giving raises and raises are smaller - In 2002-2003 survey 90% of responding agencies said that they were giving COLA raises that year. For the 2004-2005 year that percentage of agencies giving raises to all staff fell to 71.4%. The size of that average raise was down significantly as well from 3.66% in 2003 to 2.79% in 2005. The median COLA this year was 3%. There was also a significant decrease in the number of agencies that were giving merit raises than in the past. This year 57.1% of agencies said that were giving merit raises and that the highest average merit raise they gave this year was 6%. The median highest merit percentage increase was 5%. This compares with 70% of agencies giving merit raises with an average highest merit raise of 7.1% in 2002-2003.

More retirement plans offered- One of the other interesting trends in this survey was the number of agencies that were offering a wide arrange of employee benefits including job sharing, additional retirement plans, flex time, and tuition assistance. As in the last two surveys, the large majority of agencies participate in the Kentucky Retirement System (KRS). In this survey that number was 95.3% of survey respondents. More agencies are offering different types of retirement plans in addition to the KRS system. In the last survey, 25% of the agencies said they offered an additional retirement plan such as 401K, 403B, 457, or Kentucky Deferred Compensation. This year that figure nearly tripled as 71.4% said they offered such plans. Some agencies offered more than one type of additional retirement package. The figures were as follows: 46.6% said they offered a 401k, 40% said they offered Kentucky Deferred Compensation, 13.3% offered a 403B plan, 13.3% offered a 457 plan, and 6.7% offered an annuity for employees who chose not to participate in the KRS. The percentages exceeded 100% because some agencies offered more that one type pf alternative plan.

The percentages of agencies granting flex time and job sharing also decreased markedly going from 50% and 35% respectively in 2002-2003 to 42.8% for allowing flex time and 14.3% for job sharing in 2004-2005. In the last survey 10% of agencies said they provided paid maternity leave (beyond the leave time the employee had accrued and could use). This survey no agency said that they provided that benefit.

Community Action Agencies for management consultants was also up considerably over the 2002-2003 reporting period,

The cost of obtaining an OMB A-133 audit has actually gone down slightly in the last two years. In 2000 the median cost was approximately \$20,000. It increase 60% by 2002-2003 to \$32,000. But in 2004-2005, the median actually fell to \$26,750, a reduction of nearly 20%. While the median is down the average is up slightly. The average now stands at \$34,156 as opposed to \$32,822 in 2002-2003. It is also worth noting that 20% of the respondents spent \$66,000 or more for auditing services in 2004-2005, which is a significant increase over the last time the survey was conducted.

Challenges- a minority of the agencies (47.3%) said that had difficulty filling at least one position with in the agency in the last 12 months and that low salaries were the problem in about 30% of the vacancies and that a lack of qualified applicants was the problem in about 70% of the positions that the agencies found hard to fill.

Kip Bowmar, Executive Director

1/11/05

KACA SALARY SURVEY **RESULTS & FINDINGS**

January, 2005

Data used from the Fiscal Year that ended June 30, 2004

These results were compiled from 21 of Kentucky's 23 Community Action Agencies (or 91%) who completed the salary and benefit survey that was mailed out in October, November, and December. I thank all agencies who took the time to complete the detailed survey and share the information with their colleagues. The survey allowed us to look at the average and median salaries for over 50 positions in 10 different program areas as well as a variety of benefits and policies in place at local CAAs.

Median vs. Average- Many responses will give both the median and average salary for a position or a median and average cost for a benefit. Average is a term that we hear all the time and most people know what it means. Median is also a term that people frequently hear, but are probably not as familiar with it. The median is the point where half of the numbers are at or above that point and half of the numbers are at or below that point. According to researchers, a median is considered more accurate and tells a more complete story than an average because it will not be skewed or altered by either one very high or one very low response. If you have five test scores of 13, 14, 15, 16, and 100, the median is 15 because half of the scores are at or above that point and half of the scores are at or below that point. But the average is 31.6. Which number is more accurate reflection of the test scores? Clearly the median is the more informative gauge. Many government programs, particularly in the housing area want to know the area median income, not the area average income. The reason that they seek that is that if poor people happened to live in the same county as Bill Gates, the founder of Microsoft, they would likely never be eligible because he would raise the average area income too high. Here's another example to illustrate the point. If you have 10 homes on a street and nine of them sell for \$100,000 and the tenth one sells for \$1 million, the average is \$190,000, but the median is \$100,000 because that is the value where half of the homes are at or below and half are at or above. The median gives you a better picture of what houses on the street are worth. In most positions, the median and average were

8. Exempt Versus Non Exempt.

76.1% of Kentucky's Community Action Agencies have personnel policies that divide employees into "exempt" and "non-exempt" categories. Those agencies have a range of 5% of employees who are exempt to 60% of employees who are exempt.

For those agencies who made the distinction:

Exempt: 35.8% Non-Exempt: 64.2%

Section B. Average Salaries in Local Agencies

Position/Job Title	Average Salary	Median Salary	Average Years in Position
ADMINISTRATION			
Executive Director	\$86,395	\$89,440	13.51
Deputy Director	\$68,637	\$64,225	8.17
Finance/Fiscal Director	\$52,079	\$50,729	9.92
Human Resources/Personnel Director	\$41,955	\$34,236	5.28
Information Systems/Technology Manager	\$39,934	\$35,000	3.72
Grant Writer/Development Specialist	\$41,464	\$40,830	2.67
Administration Assistant	\$30,545	\$23,004	8.17
Administration Secretary	\$23,539	\$26,000	10.58
Bookkeeper	\$25,561	\$26,796	5.27
Accounts Payable/Receivable Clerk	\$27,288	\$24,972	6.8
Payroll Clerk	\$29,162	\$27,331	7.55
Receptionist	\$18,752	\$17,954	2.7
CSBG			
CSBG Coordinator/Director	\$39,599	\$33,646	5.71
Local Coordinator	\$26,722	\$26,790	20.52
Local Secretary	\$22,928	\$23,100	8.20
Outreach/Case Manager	\$21,354	\$21,299	13.40
Compassion Capital Coordinator	\$32,877	\$32,550	1.13

Position/Job Title	Average Salary	Median Salary	Average Years in Position
FAMILY PRESERVATION PROGRAM & FAMILY REUNIFICATION PROGRAM			
Director	\$45,334	\$41,040	7.42
Secretary	\$21,485	\$22,762	7.28
Therapist	\$27,223	\$28,000	6.02
WEATHERIZATION			
Director	\$35,270	\$32,280	8.94
Field Supervisor	\$27,395	\$26,208	8.73
Crew Supervisor	\$21,677	\$21,011	6.56
Laborer	\$16,790	\$17,196	5.42
WORK FORCE INVESTMENT ACT			
Director	\$37,318	\$35,402	8.27
Secretary	\$18,714	\$17,591	6.41
Intake Worker	\$17,822	\$16,753	2.57
Case Manager	\$21,520	\$22,152	5.45

Section C. Salary Increases

10. Cost of Living Allowance (COLAs) Raises

71.4% of agencies awarded COLAs in 2004-2005.

28.6% Did not award COLA

Average Increase 2.79 %

Median Increase 3%

11. Merit Increases

57.1% of agencies awarded Merit raises in 2004-2005.

42.9% Did not award Merit Raises

Highest Average Merit Increase 6 %

Median Merit Increase 5%

12. Profit Sharing

0 % of Local Community Action Agencies reported having a profit sharing plan with employees.

13. Average and median expenses for auditors, attorneys, and management consultants and the percentage of agencies who reported expenses in these categories:

	% Using Services	Avg. expense	Median Expense
Auditors	100%	\$34,156	\$26,750
Attorneys	61.9%	\$12,883	\$10,000
Management Consult.	57.1%	\$62,589	\$14,205

These figures represent substantial increased use of attorneys and management consultants over the 2002 salary survey. The management consultant line is example of why the median is considered a more accurate gauge than the average, particularly in a smaller subset. The average was over 400% higher than the median because one respondent spent a larger portion. The median figure for management consultants, however, is till 40% higher than the 2002-2003 survey.

The audit average is about the same with the 2004-2005 average of \$34,156 being about 4.7% higher than the 2002-2003 figure. It is worth noting, though that the median of \$26,750 is about 20% less than the 2002-2003 amount.

31.2% of local CAAs pay a percentage of dependent care coverage for dental insurance. 68.8% do not pay a percentage of dependent care coverage for dental insurance.

Agencies that do pay for a portion of dependent care coverage for dental insurance pay 72% on average for dependent care coverage

68.8% pay nothing towards dependent care coverage

25% pay 70-75% of family coverage

6.2% pay 100% of family coverage

Life Insurance

76.2% of local CAAs do offer health insurance to their employees

23.8% of local CAAs do not offer life insurance to their employees

Agencies who offer life insurance to their employees pay 100% on average of the cost of the single plan.

Disability Insurance

61.9% of local CAAs do offer disability insurance to their employees

38.1% of local CAAs do not offer disability insurance to their employees

69.2 % of the agencies that offer disability insurance to their employees pay 100% of the cost of the single plan.

31.8% of the agencies who offer disability insurance pay 0% of the cost of the single plan.

Other Insurance

In addition, 19% of agencies offer other forms of insurance including cancer insurance and 5% of the agencies offer long term care insurance.

16. Paid Holidays

Average: 11.78 Median 12

Range: 9-14

19% of CAAs had 13-14 paid holidays

33.5% of CAAs had 12-12.5 paid holidays

28.5% of CAAs had 11-11.5 paid holidays

14.3% of CAAs had 10 paid holidays

4.7% of CAAs had 9 paid holidays

