

## COMMITTEE ON COMPENSATION

### Block 4 Minutes

December 2, 2009

Present: Ann DeStefano, Karen Klein, Chris Melcher, Rongson Pongdee, Shaleen Prehm, Chad Schonewill, Patti Spoelman, Alex Vargo, Diane Westerfield, Armin Wishard, Barbara Wilson and Dan Johnson (chair)

#### Introduction

The meeting was called to order at 2:30. Dan apologized for substituting the Block 3 meeting with a conference call with Gallagher Benefits about cafeteria-style benefits programs, especially since he was not able to attend while away on College business.

Two recommended changes to College policy were passed since the last official meeting, voted by email and recorded officially on October 22. They are included here for record-keeping purposes:

1. By a unanimous vote of 8 to 0 in favor, the Compensation Committee approved the following recommendation:

The College should offer paid sick leave to less-than-12-month non-exempt part-time staff, bringing them into accordance with our sick leave policy for all other employees of the College. Further, we recommend that the College offer vacation leave accrual to our less-than-12-month non-exempt staff, bringing them into accordance with our 12 month non-exempt staff.

We estimate that the cost of offering sick leave to all employees currently not covered by sick leave policy will amount to \$1701.08 per year. We estimate that the cost of offering vacation leave accrual to our less-than-12-month non-exempt staff will total \$12770.48 per year. While we would like to extend this vacation leave policy to less-than-12-month exempt staff as well, we recognize that the costs are prohibitive at this point, and there remain issues about how to deal with specific groups within exempt staff (such as paraprofessionals and interns). The full details of the proposal, as voted, are attached.

2. By a vote of 7 to 1 in favor (with 1 abstention), the Compensation Committee approved the following recommendation:

The cost-of-living adjustment to which the College commits each year should be the CPI correction to one representative employee's salary, evaluated as a dollar figure and applied in that dollar figure to all other salaries at the College.

The intent is to calculate the increased cost of living for a representative individual who might be most affected by rising costs (e.g. someone earning a living wage), and to recognize

that the increase in their costs of living should be reflected by that same dollar amount in all salaries at the College. The full text is attached, to explain a sample calculation, and will be followed by a minority opinion if the dissenting group wishes to write one.

With this recommendation, the Compensation Committee is advising that the College withdraw from an implicit commitment to offer full CPI-based raises as the first (and sometimes only) aspect of compensation recognized. Unfortunately, our commitment to raise staff salaries and faculty salaries by the same full CPI adjustment has eliminated virtually all opportunity for staff salaries to recognize any other objectives, including personal progression or merit or market forces. The Committee is therefore proposing this alternative means to officially recognize increased costs of living, while permitting room for other objectives.

The Compensation Committee intends to spend serious deliberation in the months ahead on the details of how the remainder of the compensation resources should be deployed most effectively. The Committee is aware that for the time being, this recommendation places enormous discretionary power in the hands of those staff who adjudicate pay raises, as it makes more of the allocation of the salary pool ‘discretionary’ as opposed to ‘CPI-rule-based’. The Committee treats this concern very seriously, and will now turn its attention to recommendations in favor of transparency of employee evaluations, and of the compensation impacts of those evaluations. The Committee is only acting on this piece first in order to allow the Budget Planning Team to do its work, and in order to set up the structure that allows the Compensation Committee to focus on the issues of staff progression and merit and job classification recommendation (which are otherwise meaningless, as no resources are allocated to deal with them).

Note that this recommendation does not need to have any impact at all on the current faculty salary structure. The AAUP could very well advise that over and above a baseline raise for ‘cost of living of our College’s representative employee’, the remainder of the salary pool be devoted to dealing with inflation among all faculty. Alternatively, the AAUP could advise that faculty combine that objective alongside progression through the ranks, precisely as it has recommended in previous years. The only change recommended by the Committee here is a semantic one, one that recognizes the common increases in the costs of living that all residents of Colorado Springs face, while allowing faculty raises based on inflation to continue above that level if that is the faculty’s choice of how to allocate their remaining faculty salary resources. In other words, faculty can still choose to honor a purely CPI-based rule for salary increases, or a median-peer-catchup rule, if they so choose.

### **Parental Leave Policy**

The parental leave team led discussion and vote on the parental leave proposal, with attendant costs. It was approved unanimously for recommendation. The next step is for Dan to forward

the recommendation and costs to Faculty Executive Committee, Dean and VP Finance. The proposal is attached here for record-keeping purposes:

**Parental Leave Policy – Comparison Table (December 3, 2009)**

EMPLOYEE	12-MONTH	9-MONTH
Exempt Birth Mother	<p><b>Proposal</b> 8 weeks paid leave if taken immediately after the birth. Vacation-eligible, 12-month staff with reduced summer hours will be paid for 8 weeks leave based on reduced summer scheduled hours worked the previous summer.</p> <p><b>Current</b> 6-8 weeks paid medical leave (time determined by what is medically certified). Vacation may be used for time off that is not medically certified.</p>	<p><b>Proposal</b> 8 weeks paid leave if taken immediately after the birth and only if it occurs during “regular” appointment period, i.e. during the 9-month appointment, not the break.</p> <p><b>Current</b> 6-8 weeks paid medical leave (time determined by what is medically certified and “regular” appointment period), Paid leave is available only if it occurs during "regular" appointment period, i.e. during the 9-month appointment, not the break. Any additional non-medically certified FMLA time is unpaid.</p>
Non-Exempt Birth Mother	<p><b>Proposal</b> 8 weeks paid leave if taken immediately after the birth. Vacation-eligible, 12-month staff with reduced summer hours will be paid for 8 weeks leave based on reduced summer scheduled hours worked the previous summer.</p> <p><b>Current</b> 6-8 weeks paid (time determined by what is medically certified); staff must use sick, then vacation, then supplemental sick leave toward this time. Remaining vacation (if available) may be used for time off that is not medically certified.</p>	<p><b>Proposal</b> 8 weeks paid leave if taken immediately after the birth and only if it occurs during “regular” appointment period, i.e. during the 9-month appointment, not the break.</p> <p><b>Current</b> 6-8 weeks paid (time determined by what is medically certified and “regular” appointment period); staff must use sick, then supplemental sick leave toward this paid time off. Paid leave is available only if it occurs during "regular" appointment period, i.e. during the 9-month appointment, not the break. Any additional non-medically certified FMLA time is unpaid.</p>
Faculty Birth Mother	N/A	<p><b>Proposal</b> If the birth occurs during Blocks 1-7, the birth mother will be paid for two leave</p>

		<p>Blocks. If the birth occurs during Block 8, the birth mother will be paid for one Block of leave in Block 8 and will be given one release Block to be used in the first semester (Blocks 1-4). If the birth occurs in the summer, the birth mother will be given two release Blocks to be taken in the first semester (Blocks 1-4). These release Blocks are release from teaching with modified duties to include advising, committee work, etc.</p> <p><b>Current</b> 6-8 weeks paid medical leave if taken immediately after birth and if during academic year.</p>
Exempt Father, Partner, Adoptive Parent	<p><b>Proposal</b> 20 days paid if taken immediately after the birth.</p> <p><b>Current</b> 10 days paid. Vacation (if available) may be used for additional time off.</p>	<p><b>Proposal</b> 20 days paid only if it occurs during “regular” appointment period and is taken immediately after the birth.</p> <p><b>Current</b> 10 days paid. Any additional FMLA time is unpaid.</p>
Non-exempt father, Partner, Adoptive Parent	<p><b>Proposal</b> 20 days paid if taken immediately after the birth.</p> <p><b>Current</b> 10 days paid if have sick or vacation time is available and this must be used towards this time. Vacation (if available) may be used for additional time off.</p>	<p><b>Proposal</b> 20 days paid only if it occurs during “regular” appointment period and is taken immediately after the birth.</p> <p><b>Current</b> 10 days paid if sick or vacation time is available and this must be used towards this time. Any additional FMLA time is unpaid.</p>
Faculty Father, Partner, Adoptive Parent	N/A	<p><b>Proposal</b> 1 paid block off if taken immediately after the birth and if during the academic year, or 1 block paid release from teaching to be taken in the 12 months following birth.</p> <p><b>Current</b> None.</p>

FMLA provides up to 12 weeks of unpaid time off. For a birth or adoption, this 12 weeks can be used within the 12 months following the birth.

## **Benefits**

The benefits team led a discussion on cafeteria-style benefits. The team recommended that we discontinue investigation of this style of program after our conference call in December with Gallagher Benefits (our benefits consultant) because:

- The costs are high, in terms of administrative costs we would incur, in terms of tax implications, in terms of the responsibility we would place on individuals to make their own choices about benefits.
- The consultant did not recommend this direction for us, based on experience with other similar institutions.
- If we keep a strong core benefits package, the segment of our benefits that are not open to choice, there is minimal choice left for individuals, so little reason to move to this style of benefits package.

In the absence of countervailing voices, the committee agreed to abandon further discussion of this alternative.

## **Compensation Priorities**

The priorities team led a discussion of faculty response to the committee's salary proposal. That previous proposal (above, policy proposal #2 in the introduction to these minutes) suggested that faculty name one portion of their salary increase "cost of living", to present symmetry with across-the-board staff salary increases. That symmetric raise was proposed to be the same financial amount for all employees of the College, an increase in the amount of the dollars that a CPI-based raise would give to our lowest-income employee. The proposal for faculty was that they then give an additional across-the-board raise to all faculty, in order to reflect the market pressures on the salaries of academics.

This was an emotional conversation in the immediate wake of faculty criticism of the recommendation. There was open concern about how the faculty are (or are not) supporting the efforts of staff to restructure their own salary model. There is agreement that faculty and staff salary models do not serve the same purpose, as they serve different constituencies. Therefore, the salary models will differ at some level. Staff may further 'decouple' from the faculty salary model this year, moving toward more recognition of performance or progression and less automatic CPI-based adjustments. As reflected in the AAUP report and the subsequent related faculty meeting, faculty remain committed to CPI-based raises for all faculty, to complement their existing progression and merit systems.

There was some discussion of salary models that staff might consider, and explicit concern that if the staff salary model changes to emphasize performance, there will have to be a checklist for supervisors to evaluate performance, as well as methods for the College to enforce or direct progression of individuals to higher salaries.

### **Conclusion**

The committee expressed a hope that our community would receive more information shortly about the budget and our financial status. We agreed that the President and Budget officers (e.g. VP Finance) should make a public statement at least once per semester, to offer some kudos for belt-tightening, and to offer transparency about our current situation so that we can all make priority-driven decisions in a timely fashion. Dan agreed to ask for both of those to start in the current semester.

The salary committees (faculty and staff) must meet shortly to offer recommendations that will designate how our salary increases, if any, will be used. Dan offered to email each staff member on the committee a copy of last year's staff recommendation, and faculty already have the AAUP recommendation as a baseline. Some basic recommendation before late January would be preferable, in order to inform the budget discussion as early as possible.

Given the time of day, our last four items were tabled until the Block 5 meeting: updated education policy, employee benefits statements, Great-West dependent audit, CIGNA changes.

The meeting adjourned at 4:30.