Staff Compensation Recommendation for the 2023-4 Fiscal Year

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Executive Summary:

The primary goal of the staff subcommittee is to address the ongoing subsistence needs of our employees and to ensure that everyone can afford to live securely in the local region without the burden of financial uncertainty. To this end, we have put forward several recommendations around living wage. We believe it is imperative that the college continue to build clear, transparent, and more equitable systems for administering compensation and raises. Therefore, we have also put forward recommendations around acceleration, rebanding, and a more transparent raise structure. Finally, in anticipation of the college's decision to introduce performance-based pay, we have put forward a recommendation of methods for successfully administering this new system. We thank you for your careful time and consideration.

Summary - Cost Based Recommendations (In Order of Priority):

1. Living Wage: A flat dollar raise equal to the difference between the 2023 and 2024 living wage for a single adult household for all full-time employees regardless of hours worked. Based on the CPI this is estimated at $1372 per person or $757,344 total.
2. Rebanding: Support the rebanding project by designating funds to bring all employees up to their new band minimum. Cost estimate unknown – pending HR's work on the new structure.
3. Expanded Living Wage: Increase the college's definition of living wage to a two working adult one child household in recognition of some of the economic burdens our employees face. Estimated costs should not exceed $1,184,560 and likely would be lower.
4. Progression: Continue to fund progression raises to prioritize bringing people to the midpoint of their bands. Estimated costs are $828,095.
5. 12 Month Employees – Offer all full-time employees a 12-month (2080) work schedule by introducing a creative cross-departmental work system. This will better support the subsistence needs and retention of our employees. Estimated costs are between $670,380 - $932,740.
6. Infertility Care - Add to our Cigna medical insurance coverage for infertility care treatment with a lifetime maximum of $25k. Estimated costs are $88k per year.

Summary - Administrative (No Cost) Recommendations:

Transparent Raise Structure:

We want to empower staff to understand their own compensation. To this end we are recommending that staff raises be broken down into four categories: **living wage, progression/acceleration, cost of labor/market, and performance/growth.** We recommend that these categories be explicitly stated on annual salary letters and that the raise amount of each category (even if it is zero) be clearly listed. This will promote transparency and trust around compensation.

Performance/Growth Raises:

While the committee is not in favor of the pay for performance system, we understand that the college has already made this decision and therefore would like to make a recommendation on how to administer it successfully. We would like to put forth recommendations in four areas: **"personality" and organizational citizenship, supervisory, auditing our process, and balance performance pay with our larger compensation system.**

Overall, we encourage the college to slow down and be careful and thoughtful about the implementation of performance pay, and to ensure we have systems in place to monitor the success and equity of these new pay structures.

Section 1 – Cost Based Recommendations:

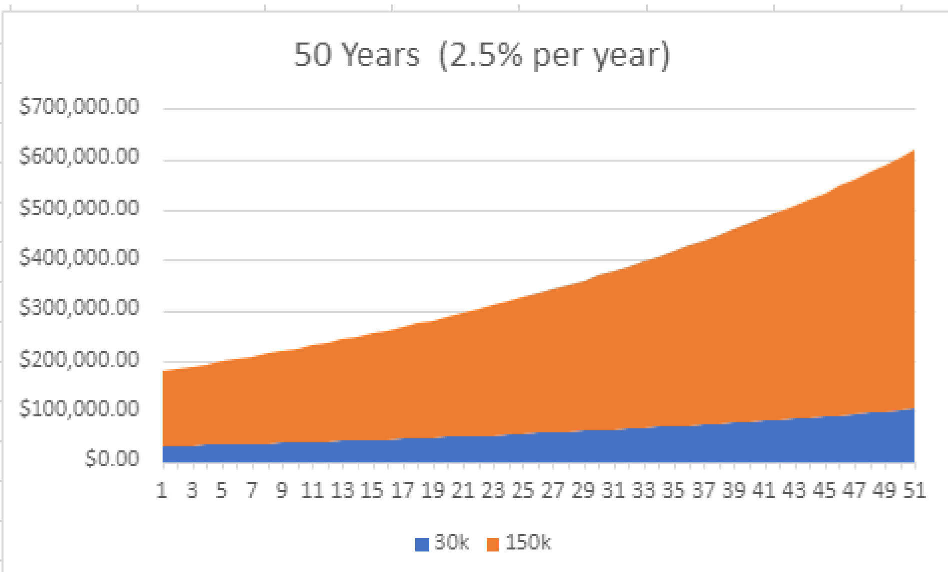
1. Flat Dollar Living Wage:

Our first priority is to maintain a basic living wage, as set by the Glasmeier/MIT calculator for one single adult in Colorado Springs. We recommend that this be distributed as a flat dollar amount based on the difference between the living wage for a single adult household in 2023 and 2024.

Currently, the living wage for one single adult is $17.48. The living wage for 2024 will be released in January, but we estimate based on CPI (3.8% in the BLS Mountain Plains region), that the living wage for 2024 will be about $18.16.[1] Therefore, we recommend an estimated flat dollar raise of $0.66 per hour for everyone. This will cost the college $757,344 or **$1372 annually per person for all full-time employees regardless of hours worked**

This idea was first proposed in 2012 by the staff compensation committee who recommended a flat dollar raise towards "basic goods and services" in addition to the rest of the annual increase that would be administered as a percentage raise.[2] This idea was then brought back to light by our HR exofficos.

We believe that this is the most equitable and economic way to maintain our institutional commitment to living wage. In contrast, a 3.8% raise for all would cost an estimated $1,335,562 but would prioritize giving wages to the higher bands where living wage is less of a concern. For example, a percentage-based increase would give someone in band 2 an average annual raise of $1,339 and a person in band 12 an estimated annual raise of $6739. Even in our inflationary landscape, a gallon of milk does not cost 5x more for someone in band 12 than in band 2. Therefore, you cannot justify a system which would so dramatically increase the wage gap in the supposed name of "living wage." The graph below shows how percentage raises (modeled at 2.5%) widen the wage gap exponentially over time:



<u>A percentage-based increase would not use the funds available where they are most needed. We, therefore, believe that a flat dollar raise is the most equitable and accurate way to account for changes in the living wage and the real-life ramifications of those changes.</u>

[1] https://www.bls.gov/regions/mountain-plains/cpi-summary/ro7xg01a.htm
[2] https://www.coloradocollege.edu/dotAsset/ba9fbd65-24ea-4b6e-a205-0c401122774b.pdf

2. Rebanding Funds:

In spring of 2023, CC employed an external consultant, Segal, to review our current compensation system. Per their recommendation, HR began the process of restructuring the band system that would include an increased number of bands with narrower ranges. Their goals are as follows:

- Reflect the changes in our commitment to a living wage
- Hire people at a rate that is closer to the midpoint (and therefore be more competitive)
- Help people reach the midpoint sooner
- More accurately reflect pay for diverse roles

Unfortunately, HR is still working out the details of this new structure. Therefore, we do not have data on the estimated costs associated with this recommendation. Despite this, we are putting this recommendation forward for the following reasons:

It is important that the college allocate adequate funds to make this new system work. Anyone who is below their new band minimum will need to be brought up to the band minimum. Without these adjustments, new employees will be hired at higher rates than existing employees. This would create real equity issues for the college.

Funding the rebanding project will also show that CC fully believes in and backs this new compensation structure. If existing employees are not properly integrated into the new band system it will undoubtedly foster dissatisfaction and distrust. Funding the rebanding project will show that we believe in this new compensation structure and will encourage employees to likewise buy into it.

And finally, funding the rebanding project will ensure that the system is usable, understandable, and transparent. If we allow a system in which people are not at or above band minimums to exist the entire system becomes essentially meaningless and unusable.

We believe funding the rebanding project is the best way to support the goals laid out by HR and to prevent confusion, inequities, and employee dissatisfaction.

3. Recommendation on an Expanded Definition of Living Wage:

In Spring of 2023 the College approved our fall recommendation to commit to a living wage set by the Glasmeier/MIT calculator for Colorado Springs.[3] However, CC decided to utilize the single adult household metric, rather than the 2 working adults and one child metric that we recommended. This year we are again recommending that the college commits to the Glasmeier model and the expanded metric of the two working adult and one child household.

Currently, the living wage for 2 working adults and 1 child is $20.91 per hour. The data for 2024 will be released in January, but based on the CPI we estimate it will be about $21.73 per hour.[4] An estimated 134 employees are below $21.73 per hour, meaning that this raise in living wage should cost the college around $1,184,560. This total cost is an estimate calculated by assuming that all 134 employees are

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[3] https://livingwage.mit.edu/metros/17820
[4] https://www.bls.gov/regions/west/news-release/consumerpriceindex_west.htm

currently at the minimum wage of $17.48 and that all 134 employees are at 12-months and 2080 hours. The actual costs should be lower.

We recommend that everyone below this minimum receive the necessary amount to be brought up to the new living wage metric.

- **Justification:**
  - **Why our current living wage metric is inadequate:**

The compensation committee supports the use of the Glasmeier/MIT living wage calculator because it is a more progressive model of living wage. Unlike many calculations, it includes the cost of medical expenses and childcare.

However, the creator of this calculator, Dr. Amy Glasmeier, states that this should *still* be considered a **subsistence wage.** It covers basic needs and does not account for savings, investment, or additional spending. While this is the most progressive calculator we have found, it still has its shortcomings. For example, when calculating the cost of housing, Glasmeier uses the HUD fair market rate (FMR) by zip code. The 80903 FMR for renting a studio or efficiency apartment (which includes utilities) is $880. On September 15th, we pulled a Zillow search for apartments in the 80903 zip code and only found four total units at or below that $880 mark, and none of those included utilities, meaning that after utilities they would be above the FMR. Likewise, on October 6th, we performed the same search and found that not a *single* unit was listed at or below the $880 mark. Of note, even a 218 square foot efficiency apartment exceeded the HUD FMR. The UCCS Economic Forum in 2023 also indicated that rent prices in Colorado Springs increased by 25% between 2021 and 2022, making rent one of the highest-pressure expenses in someone's budget.[5]

This indicates that a single person living on our current living wage (one single adult) would be struggling to make ends meet and living paycheck to paycheck with no savings. They would have the worries of basic subsistence constantly at the back of their mind. Rev. Dr. William J. Barber et all, in his article for the *Economic Policy Institute*, describes this type of lifestyle as living "one flat tire," one medical emergency, or one personal crisis above the poverty line.[6] An employee with dependents would not be meeting subsistence under our current system.

More than one-third (36%) of low-wage workers have children, and 46.9% are in families with incomes under 200% of the federal poverty level.[7] Staff with families *are not* paid a living wage for their household size at Colorado College. We have created a system in which staff members with families are *expected* to make sacrifices, struggle with subsistence, and accept a wage that does not allow them to adequately support their dependents.

Colorado College employees deserve better than the constant stress and uncertainty of that lifestyle. Perpetuating a system that breeds this type of financial uncertainty and stress is antithetical to our mental health commitment.

This is unacceptable. We must ensure the comfortable subsistence of *every* employee at CC.

  - **Who benefits from an increase in living wage?:**

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[5] https://business.uccs.edu/sites/default/files/inline-files/27thANNUALECONOMICFORUM-ALLSLIDES.pdf
[6] https://www.epi.org/publication/moral-policy-good-economics/
[7] https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages

Class issues *are* race issues. 49% of all Black workers and 52% of Hispanic workers are in low-income jobs. This compares to only 28% of white workers who are in low-income jobs.[8]

We know that higher wages (above the poverty line) contribute to better education enrollment rates, test scores, and higher graduation rates among children. Higher wages also contribute to lower crime rates, higher rates of civic participation, lower stress levels in children and adults, better mental health, and better overall health (including lower rates of diabetes, hypertension, heart disease, and overall life expectancy rates).[9] This data is particularly significant for Black and Hispanic families as statistically these families start at a larger economic disadvantage and do not benefit from generational wealth.[10]

Essentially, a living wage dramatically improves the quality of life for workers and their children. We know the negative impacts of low wages disproportionally impact people of color and their children.

We also know that living wages are an intrinsic part of Civil Rights and play a key role in the education and upliftment of minority families and children. One of the key tenants of The March on Washington for Jobs and Freedom, led in part by Martin Luther King Jr., was a national minimum wage that would "give all Americans a decent standard of living."[11] Likewise, the subsequent Kerner Civil Rights Commission of 1967 (which was largely ignored by the US administration) fought for an increased minimum wage.[12]

Offering a *truly* progressive minimum wage for our CC staff *and their families* is the morally right thing to do. It is the antiracist thing to do. It is the bold thing to do and would set CC apart from its other liberal arts peers and competitors.

4. Progression:

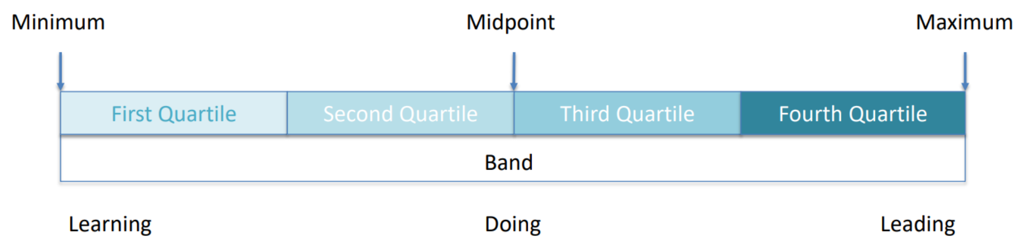
Progression (formerly called acceleration) is a concept piloted by HR in 2023.[13] This system was designed to move people towards the midpoint of their bands at an accelerated pace, and then to move them through the second half of their band more slowly. This acknowledges four things:

- Being below the midpoint is a dissatisfier because the chance of finding a similar position for higher pay is increased. Moving people towards the midpoint quickly helps with retention.
- People should be competent at their job within the first few years and therefore should be close to the midpoint within that same time frame.

[8] https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages
[9] https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages
[10] https://www.bostonfed.org/publications/community-development-discussion-paper/2021/the-downstream-benefits-of-higher-incomes-and-wages
[11] https://www.epi.org/publication/chasing-the-dream-of-equity/

[12] https://www.epi.org/publication/chasing-the-dream-of-equity/
[13] We believe that progression is a clearer term as it describes the *goal* of the system rather than the *structure* of the system.

- People in the lower bands are disproportionately in the lower quartiles, whereas people in the higher bands are mostly in the higher quartiles. Therefore, accelerated raises help uplift our most economically vulnerable employees.[14]
- People need a dependable, predictable, and transparent structure of annual raises that provides career growth according to an objective metric



In 2023, the annual raises were distributed along the following lines:

- 7% for quartile 1
- 5.25% for quartiles 2
- 3.5% for quartiles 3 and 4

We recommend that moving forward the college continues to distribute annual raises in a similar ratio to these percentages. We believe consistency is key and that regardless of the total sum increase to the compensation pool, these key ratios are preserved when funds are distributed. The one change we recommend is separating quartiles 3 and 4 into their own distinct categories.

To be conscious of the need to put money towards our discount rate, the committee is recommending that the college administer the acceleration raise at the following reduced rates:

- 3.5% for quartile 1
- 2.5% for quartile 2
- 1.75% for quartiles 3
- 1% for quartile 4

Based on our current data on the number of people in each quartile and the average hourly rate of CC employees, the estimates total cost would be $828,095

This would equate to an average increase of:

- $2414 for quartile 1 (total cost $142,471)
- $1724 for quartiles 2 (total cost $427,760)

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[14] Data from Fall 2023 allows us to compare the number of employees in different quartiles by band:
Band – percentage of employees in quartiles 1 and 2 (number of employees)
2 – 60% (14 [note – no one is in quartile 1 of band 2 because that falls below living wage])
3 – 63% (70)
4 – 47% (52)
5 – 59% (64)
…
10 – 12 [grouped for anonymity] - 23% (6)
Of additional note, in fall 2022 not a single employee was in the first quartile of bands 10-12 and only 18% (4 employees were in band 2. The lower quartiles disproportionally are occupied by low paid employees.

- $1207.38 for quartile 3 (total cost 184,730)
- $689.93 for quartile 4 (total cost $72,133)

Actual numbers will vary, but this estimation is based on the average salary at CC. If need be progression could be administered at a reduced rate, depending on the total increase to the compensation pool approved this year.

5. Recommendation for all 12-month employees

There are currently 76 employees at CC who are defined as full-time but work less than 2080 hours a year or who are not on 12-month schedules.[15] These include academic admins, paraprofessionals, athletics staff, library staff, and more.

FTE Less than 1	76	
FTE .5 or less	4	5.3%
FTE > 5 to <.75	12	15.8%
FTE .75 to <.8	10	13.2%
FTE .8 but <1	50	65.8%
Average FTE <1		82.2%
Median FTE <1		90.8%
Mode FTE <1		91.7%

For these individuals, working less than 2080 hours can be a huge economic burden. It requires staff to take on low paying seasonal jobs in fast food or retail, make dramatic lifestyle adjustments during the summer, or take on debt and rely on credit cards just to make ends meet. For many, this becomes an unsustainable pattern and anecdotally we have heard this is the cause of many incidents of turnover.

We recommend that *all* existing staff be given the option of adopting a 12 month/2080 schedule and that *all* vacancies be set at 12 months/2080 hours. Existing staff who do not wish to adopt more hours could be grandfathered into this new system or opt to take PTO or unpaid time off to adjust their schedules.

We do not have the exact data on the wages of these employees, but we can make some estimates on possible costs to the college on implementing this change. If we assume that all employees who are FTE less than 1 (1 being 2080 hours) are at the average number of hours for this group, 1710 hours, and make the average CC hourly rate of $33.17, this change would cost the college $932,740 a year. However, we also know that most of the people in these FTE<1 positions are amongst our lower paid staff. If we instead use the average hourly pay of bands 2 through 6, $23.84, and keep our other estimated metrics the same, this would cost the college $670,380 a year. Even that is perhaps a generous estimate as many of our admin assistants and paraprofessionals make less than that hourly wage.

This issue was also discussed by Project 2024 groups.

- **Justification:**
    - **Subsistence, turn over, and an actual living wage:**

As aforementioned, working less than 2080 hours can be a true issue of subsistence for staff. Even if an employee makes a living wage hourly, they would not be taking an annual living wage. By providing schedules that empower employees to not have to worry about subsistence, the college can expect to see

[15] Full time at CC is defined as benefits eligible or 1400+ hours annually.

improved retention and increased hiring pools. Beyond that, it is the *right* thing to do to protect our employees from economic uncertainty and strife and to ensure that everyone has the ability to meet their basic subsistence needs. It will improve employee wellbeing and mental health.

- **What will these employees do? Introducing Cross-Departmental Work:**

We understand that the college might oppose this recommendation because it does not feel that these employees are needed for the full 12 months. However, we would argue that in many cases departments would benefit from giving these employees increased hours, and that in cases where the employee does not have 12 months worth of tasks, there are other creative solutions we can use to offer them truly full-time employment.

First, summer can be used as a preparatory time for the academic year. Training sessions that typically happen during the academic year can be moved to the summer. Events that are normally a rush to plan can instead be planned in advance.

Second, we believe that there is an exciting opportunity to explore cross-departmental work here. While some departments – especially the academic ones – face “lulls” in the summer, other departments are at their height of busyness. Staff who were FTE<1 could be used to help fill temporary vacancies, help with large summer projects.

Anecdotally, we can provide the following example:

This year, Campus Activities was extremely short staffed and desperately needed support for NSO. Staff from other departments within the division worked overtime to make NSO happen – often working until 10:30 running events or providing additional support. Academic admins, one of the largest groups of FTE<1 staff, have particular expertise in event planning. Those who are FTE<1 could be offered additional hours helping with projects like organizing and running NSO.

Similarly, there are other projects around campus that could use additional support, including everything from helping organize Fall Conference, NSO, and Family Weekend, and helping with Summer Session, Stroud, Bridge, and Global Education to cleaning tech equipment with ITS or organizing storage spaces. Employees can also help offer internal coverage for vacations and time off. There is a wealth of transferrable skills that could be utilized to help offset the stress of peak periods of busyness for other departments.

We’ve also heard of instances of staff helping fill in for temporary vacancies. Last summer, one admin worked with HR to cover a vacancy there. Looking internal rather than to temp agencies could help us keep labor costs down, including the extra fee associated with temp labor, and the costs of training and onboarding.

With some creative work, the college can easily offer all its employees full-time work, while also helping meet institutional needs, forge cross-department collaboration, and recognize transferable skills. For some employees, this could even be an exciting career development or learning opportunity! ! The concept of cross-departmental collaboration is certainly in line with our commitment to the liberal arts and cultivating a lifetime of learning. It would make our college stronger in terms of both skills and community.

6. Recommendation for Expanded Health Care Coverage – Infertility Care and Treatment.

In Spring of 2023, Cigna brokers presented Colorado College with the following estimates for coverage for infertility care in our health insurance plan:

- To add infertility treatment with a $25k lifetime maximum the estimated cost is $88k per year.

- To add infertility treatment with no lifetime maximum the estimated cost is $165k per year.

To provide additional context, in August of 2023, Forbes Magazine reports that a single round of IVF can cost $15,000 - $30,000. [16] In April 2020, The New York Times reported that a single round of IVF can cost $12,000 - $17,000, excluding medication.[17] The average national cost to "bring home a baby is" $42,000.[18] However, Colorado Springs is fortunate to have a CNY clinic location which is known nationally as the most affordable fertility clinics. They quote a round of IVF treatment at $5,000 - $6,000 depending on the level of medication required.

With this estimated cost in mind, the Compensation Committee recommends that the college purchase infertility treatment coverage with a lifetime maximum of $25k. Our rationale for recommending this plan echoes the guidelines laid out in the "Colorado Building Families Act" [described below] which requires coverage for four complete oocyte (egg) retrievals and unlimited embryo transfers.[19] Four rounds of such treatment at CNY would cost around 24k, aligning with our recommendation.

We recommend that the Board of Trustees, the President, HR, Finance, and the Campus Budget Committee partner together to prioritize this coverage and to take into account the costs of this coverage when setting the comprehensive fee or considering any budget cuts for this fiscal year. We also recognize that due to pent up demand, the cost of this coverage may exceed the estimated $88K in the first few years and urge all involved parties to keep this in mind throughout their deliberations and planning.

- **Justification:**

In April 2023 the World Health Organization released a study showing that 1 in 6 people struggle with infertility.[20] This statistic only includes people who struggle with infertility biologically and does not account for people within the LGBTQIA community for whom fertility treatment may be one of their few family building options. Just prior to this report, in January of 2023, Colorado state passed House Bill 20-1158, the "Colorado Building Families Act."[21]

In summary, the "Colorado Building Families Act" states: "The bill enacts the "Colorado Building Families Act", which requires health benefit plans issued or renewed in Colorado on or after January 1, 2022, to cover the diagnosis of infertility, treatment for infertility, and fertility preservation services. The coverage for fertility medications must not impose any limits that are not applicable to coverage under the plan for other prescription medications, and the plan cannot impose deductibles, copayments, coinsurance, benefit maximums, waiting periods, or other limitations that are not applicable to other medical services covered under the plan."

Colorado College has a self-funded medical insurance plan, meaning that since the implementation of the Affordable Care Act, we have been "grandfathered" in and do not have to follow the same state regulations as other insurance providers and employers. This includes the "Colorado Family Building

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[16] https://www.forbes.com/health/womens-health/how-much-does-ivf-cost/#:~:text=A%20single%20IVF%20cycle%E2%80%94defined,this%20price%20tag%20is%20daunting.

[17] https://www.nytimes.com/article/ivf-treatment-costs-guide.html

[18] https://www.cnyfertility.com/ivf-cost/

[19] https://leg.colorado.gov/sites/default/files/documents/2020A/bills/2020a_1158_01.pdf Page 2.

[20] https://www.who.int/news/item/04-04-2023-1-in-6-people-globally-affected-by-infertility#:~:text=Around%2017.5%25%20of%20the%20adult,care%20for%20those%20in%20need.

[21] Report upon passing of the bill: https://resolve.org/colorado-building-families-act-in-effect-2023/
Full text of the bill: https://leg.colorado.gov/sites/default/files/documents/2020A/bills/2020a_1158_01.pdf

Act." In spring of 2023, a Cigna broker came to the college and brought a quote for fertility care coverage. Due to budget constraints, the college denied this coverage.

For further context, Colorado University, inclusive of CU Boulder, UC Denver, and UCCS, has a similar self-funded insurance plan and added infertility care coverage in July of 2022.[22] They partnered with WINFertility and Ovia, two third-party companies that provide additional resources, support, and education for those navigating infertility care.[23] Likewise several of our peer institutions, including Bates, Bowdoin, Colgate, Kenyon, Macalester, Middlebury, and Wesleyan all offer infertility care.

The Compensation Committee, alongside Staff Council, heard from several staff members – both who were biologically struggling with fertility, as well as members of the LGBTQIA+ community who were waiting for fertility coverage to begin building their families – that they had expected CC to follow the precedent set by both the "Colorado Family Building Act" and the CU family. They were disappointed to hear that CC had opted not to provide this coverage. We spoke to some staff members who had to further delay family building – citing that they had been closely following the passage of the "Colorado Building Families Act" and had been excited about the coverage they thought it would provide, and others who turned to community and family support to pursue fertility treatment. It is clear that the CC community wants this coverage and, furthermore, has been waiting for this coverage. It is clear that there are a multitude of financial barriers to infertility care without insurance coverage. As part of our ADEI commitment, CC must prioritize the needs of our LGBTQIA+ community members and the unique challenges that they face with family building, as well as the often overlooked or unspoken struggles of those who face biological infertility. Any barrier to family building is a source of pain for the individuals and communities involved.

Section 2: Administrative/No Cost Recommendations:

Recommendation for a Transparent Raise Structure

We want to empower staff to understand their own compensation. To this end, we are recommending that staff raises be broken down into four categories: living wage, progression/acceleration, cost of labor/market, and performance. We recommend that these categories be explicitly stated on annual salary letters and that the raise amount of each category (even if it is zero) be clearly listed.

- **Justification/Details:**
  - **Living Wage/Cost of Living:** Please see the previous section for our justification around living wage and how it connects to our institutional commitments to ADEI and mental health. We believe that living wage is key to the health and wellbeing of our employees, their ability to pursue a healthy work-life balance, and our overall commitment to antiracism.
    - Living wage increases should be given annually as a flat dollar amount.
  - **Progression**: As an institution of higher education that values learning and growth and seeks to "provide opportunities for continual development of skills and abilities," we believe that

[22] https://www.cu.edu/blog/work-life/new-fertility-benefit-available-faculty-staff
https://coloradofertilityadvocates.org/in-the-press
https://advantage.cu.edu/perk/growing-your-family-cus-fertility-coverage-can-help#:~:text=That%20is%20why%20CU%20offers,patient%20and%20their%20fertility%20challenges
[23] https://bulletin.colorado.edu/node/7836
https://managed.winfertility.com/cuhealthplan/

the acceleration model allows us to recognize staff's continued development and education, and their growing competencies as they learn the essential functions of their jobs and gain institutional knowledge about the college. The progression or acceleration section of the raise allows us to recognize this and to provide a mechanism for career growth that moves people towards the midpoint of their band. Similarly, we feel this is in line with our compensation philosophy which "promotes performance excellence and encourages career development and advancement by rewarding achievements and outcomes."[24]

  - Progression/acceleration raises should be given annually, utilizing the funds remaining after living wage. They should be administered in the fashion described in the prior section of this recommendation.

- **Cost of Labor/Market**: We recognize that Colorado College is currently yoked to the constraints of the labor market. To this end, we recommend that when appropriate the college make adjustments to the overall band structure.
  - Cost of Labor/ Market raises would *only* be given on years that the total band structure needs to be moved or adjusted to keep up with the labor market. In order to prioritize funds going towards career progression, we recommend that this category of raise is administered *no more* often than every other year. As the college is in the middle of a rebanding process we do not believe this category is necessary to administer this year.
  - The college should establish a timeframe for how often the bands are adjusted or evaluated and cost of labor raises are administered. We recommend every three years, with possible exceptions for years in which major economic events occur.
- **Performance:** While the committee does not support the introduction of a performance pay system or feel that it is a mechanism that will meaningfully promote the wellbeing and growth of our employees or personal reflection and accountability, we recognize (as stated below) that the college administration has been asked to introduce this system. In recognition of this, we recommend that performance pay be listed as a distinct category on the raise summary.
  - As described below, performance raises should be administered as a flat dollar and should not exceed the amount allocated to cost of living.

We believe that separating out annual raises into these four categories will increase transparency and empower our employees to better understand our compensation structure and how it ties to our values. We also believe that this will reduce dissatisfaction and confusion, help explain the "why" behind how we distribute our raises, and ensure that everyone feels valued – even if not every category of raises impacts them each year.

Transparency shows that the college trusts its employees and in turn invites its employees to trust the institution and leadership.

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7. Feedback Practices/Performance Raises

The compensation committee was informed that in 2023 the college would be rolling out a new pay for performance system, now called "Feedback Practices," which would act as an additional modifier on annual raises. This system was piloted with supervisors in October 2023 as a way to allocate excess operating funds as staff bonuses.

[24] https://www.coloradocollege.edu/other/committees/compensation/

Many people expressed to the committee that they are nervous about the implications of pay for performance and skeptical if it can or will be administered equitably, without bias, and consistently. Likewise, the committee has concerns about how quickly this system is being rolled out and whether the college has the foundations upon which to build a successful pay for performance system. The committee also feels that performance-based raises do not align with our values of antiracism, mental health, and our commitment to the "pursuit of a healthy work/life balance."

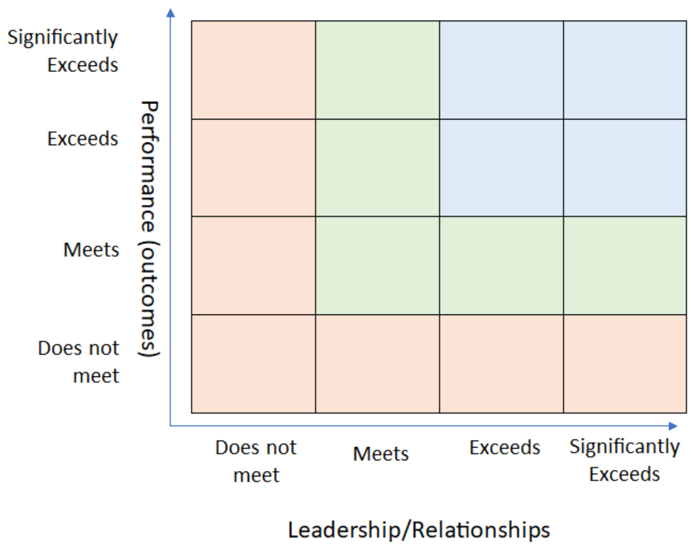
While the committee is not in favor of the pay for performance system, we understand that the college has already made this decision and would like to make a recommendation on how to administer it successfully. We would like to put forth recommendations in five areas: **personality and organizational citizenship, supervisory training, auditing our process, and balance performance pay with our larger compensation system.**

We recognize that some of these areas are already being worked on by our partners in HR, but we want to raise these specific points to highlight them for other areas of administration and the larger CC community. When applicable, we have tried to mention when aspects of our recommendation are already in the works or being considered so that we can echo these existing positive efforts.

Overall, we encourage the college to slow down and be careful and thoughtful about the implementation of performance pay, and to ensure we have systems in place to monitor the success and equity of these new pay structures.

Personality and Organizational Citizenship:

One of our biggest areas of concern is how the x axis on the performance review matrix was presented:



Using this system, supervisors were asked to evaluate their employees on the following criteria:

Performance (Outcomes)	Leadership/Relationships
How well has this person fulfilled the performance expectations of the role? 1. How well they performed the essential functions of job? 2. To what degree they met the goals?	For formal leaders: Are their teams thriving? 1. Are they achieving their purpose? 2. Are they developing their employees' potential? 3. Are they helping unleash their employees' passion? For people without direct reports: 4. Do they help others around them thrive and do better work? 5. To what degree has this individual demonstrated leadership?

We feel that these instructions are inadequate and leave too much room for variance and inconsistent interpretation between supervisors, offices, and divisions. Furthermore, "Leadership/relationships" reads as "personality." We have even heard staff refer to this as "performance versus personality."

To evaluate performance based on personality – or to create a system that is ambiguous enough to let that happen – is inappropriate and discriminatory. We understand that our soft skills do play a role in our success as employees, but this leaves too much room for people to be evaluated based on whether they're nice, likable, outgoing, popular, etc. It is too subjective of a metric.

We suggest that instead, the college labels the x-axis as "Organizational Citizenship." Organizational Citizenship is defined as "performance that supports the social and psychological environment in which task performance takes place."[25] This is a term some supervisors may not have encountered before, but we are confident in their ability to understand the meaning with proper instructions and training and believe that overall, it is a better way to evaluate softer workplace skills.

Specifically, we recommend that the college utilize criteria adapted from the 1990 D. W. Organ model and instruct supervisors to evaluate organization citizenship on improvement in the following criteria:[26]

- **Altruism (selfless concern for the welfare of others)**
- **Courtesy (respectful, polite, civil behavior)**
- **Conscientiousness (careful devotion to organizational policies and regulations).**
- **Civic Virtue (proactive contributions to harmony)**
- **Peacekeeping (serving as a mediator to enact resolutions or prevent disagreements)**
- **Leadership (Takes initiative to contribute to common goals, while also inspiring and supporting others to do the same.)**

These criteria are actionable and less subjective than "leadership/relationships." They help concretely identify the ways in which employees can contribute to their work environment without measuring popularity or personality. Supervisors should also be aware that Organization Citizenship can be performed on an organizational level (highly visible) and an individual level (less visible) and should carefully consider the ways in which their employees may be displaying Organizational Citizenship in more hidden ways.

[25] Pamela J. Harper, "Exploring Forms of Organizational Citizenship Behaviors: Antecedents and Outcomes." *Journal of Management and Marketing Research.* Vol 18 – February 2015. Pg 2.
[26] Ibid. Pg 3.

We also believe it is important for employees to have access to clear, transparent criteria for evaluation. By offering a more concrete definition of how we measure interpersonal contributions employees can engage in self-reflection and goal setting around their organizational citizenship.

Supervisory Training

In Spring of 2023, many members of the compensation committee attended HR's forum on annual reviews. While the forum was very informative, we could not help but notice that extraordinarily few of the employees in attendance had any direct reports. Supervisors were largely absent from the room. This is just one of the many indications of a lack of supervisory training around the performance review process, criteria, and how to have a meaningful conversation around performance, goals, and professional development.

Staff's experience with the review system varies wildly. We have heard anecdotes of the following:

- Staff who have to explain the performance review system to their supervisors, remind them of deadlines, etc.
- Supervisors who do not give adequate time to the review process – either not providing feedback or providing very little.
- Supervisors who give inappropriate feedback based heavily on personality or other intrinsic aspects of their employees.
- Supervisors who demonstrate a lack of understanding of what their employees' core duties are.

In conversations with staff, we have discovered this is particularly an issue in academic departments as a faculty chair can become supervisor of their staff with *no* prior supervisory experience, no training, no familiarity with the duties of the people they supervise, and no familiarity with college-wide staff policies. Of course, not all academic supervisors fit this description, but we have heard this is a common and reoccurring pain amongst academic staff.

Furthermore, studies show that the modern work environment has several conditions that decrease supervisory confidence and credibility, including "enlarged spans of control, lack of direct experience [meaning the supervisor has not worked in the position they are reviewing], and evolving performer expectations."[27] To put it simply, in the modern workplace, supervisors are increasingly unprepared for meaningful feedback conversations.

We believe that mandatory training needs to be provided for academic and non-academic staff in preparation for annual performance reviews. This will help improve supervisors' confidence in conducting performance reviews as well as their credibility with their staff.[28] We support HR's current planning around supervisory training and encourage them to maintain this as a high priority in the feedback practices process. We also encourage HR to make this training mandatory for all supervising staff.

Specifically, we recommend training in the following areas:

- Establishing clear and consistent expectations:
    - Terminology around "meets expectations" or "exceeds expectations" are confusing. The college should provide clearer criteria around what this looks like. Does exceeding expectations at the college mean taking on leadership opportunities, improving systems,

[27] Thomas Buchner, "Performance Management Theory: A look from the Performer's Perspective With Implications for HRD.) *Human Resource Development International.* Vol 10, No.1. March 2007. Pg 61.
[28] Ibid. Pg 61.

or catching errors? Or does it mean taking on work off the clock or managing large projects outside your core duties? Different supervisors may have different perceptions of what "exceeds" or "meets" expectations look like.
    - Language like "significantly exceeds expectations" is both unclear and unrealistic. In a time when the college has prioritized mental health and the president has challenged us to think about how we can say "no" and take things off our plate, the idea of "significantly" exceeding expectations seems to counter these goals and feed into a toxic culture of over-productivity. Even more important than reaching a goal is *how* that goal is reached. Productivity and accomplishments should never come at the expense of overworking employees, asking people to do things beyond their job duties, or sacrificing mental health and work/life balance.
- Appropriate Criteria:
    - Supervisors should be carefully trained on what is appropriate criteria to evaluate employees on. In line with our earlier recommendations, they should be carefully versed in organization citizenship as a method of evaluating soft skills. They should also have extensive bias training centered around ADEI and ensure that things like personality or popularity, age, gender, race, or other protected class are not skewing their evaluation.

Auditing our Process:

Finally, we believe that as CC embarks into the uncharted territory of pay for performance we must carefully audit the process. Do performance rankings follow an average distribution? Or do they skew artificially towards the positive or negative? Are there areas in which supervisors do not provide adequate feedback or rank their employees artificially high or low? Are distributions similar across genders, races, and other protected classes?

This type of data is the only way to tell if our new systems are truly effective and to identify any areas of concern. We recommend that the college carefully collect this information and make it publicly accessible to all employees.

We are excited to hear about the new Bridge software that will allow HR to audit this new process and look for outliers, skews in the data, and supervisor bias. We encourage administration to keep auditing the process as a high priority.

Balancing Performance Pay with our Larger Compensation System:

Pay for performance, if administered as a percentage or a modifier to a percentage based annual raise may serve to further the wage gap at CC. It also is an insufficient approach to addressing systemic inequalities or subsistence concerns. Therefore, we recommend that funds given towards the annual increase first be applied to living wage and acceleration pay and that those two systems maintain the top priorities of the college. Performance pay should not be administered at the cost of our existing pay structures and commitments. For these same reasons, we likewise recommend that the performance pay raise be administered as a flat dollar amount, so as to not contribute to a growing wage gap and inequalities.

We also recommend that the performance pay amount not exceed the flat dollar living wage increase, which this year is estimated at $1345 per person. This ensures a sense of balance within our compensation system and keeps living wage as the top priority.