

*(this draft was prepared by UA HR and has not yet been reviewed by the Task Force members. It is being provided in advance of the final report to governance for initial feedback and education)*

The purpose of the Compensation Task Force was to understand, analyze, and recommend short and long term modifications to the University’s compensation structure. This report is intended to highlight the key issues as determined by the group members and their constituencies over the course of the group’s time together.

Meetings were held via audio and video conferences on the following dates:

- February 27, 2004
- April 2, 2004
- April 30, 2004
- May 28, 2004
- June 25, 2004
- July 23, 2004
- August 20, 2004

The Compensation Task Force was comprised of the following members:

Name	Department
Lisa Sporleder	Statewide Production Services
Lori Merdes	Statewide Help Desk
Juli Gillispie	Statewide Institutional Research
Linda Harrigan	Statewide Land Management
Brenda Henderson	UAA Communication Department
Rebecca Jackson	UAA Department of Arts
Margaret King	UAA ENRI
Monica Kane	UAA Provost
Cindy Marshall	UAA Student Affairs
Paul Empson	UAS Admin Services
Mollie Kabler	UAS Sitka Student Resource Center
Gail Klein	UAS Ketchikan Student Services
Matt Olsen	UAS Ketchikan Admin Services
Steve Bouta	UAF Museum
Kurt Carlson	UAF ARSC
Deby Chapman	UAF TVC
Gary Newman	UAF Geophysical Institute
Ryan Evans	UAF Kuskokwim Campus Career Advancement
Ken Severin	UAF Geology and Geophysics
Connie Keglovits	UAF CES
Julie Shalvoy	UAF CES
Nici Murawsky	UAF SFOS Seward Marine Center
Linda Lasota	UAF SFOS Seward Marine Center
Yvonne McHenry	UAF Human Resources
Julie Wegner	UAF Geophysical Institute
Rory O’Neill	Statewide User Services

HR advisors on the Compensation Task Force were Jim Johnsen, Jeannine Senechal, James Yauney, and Tarah Keeler.

At the initial meeting, group members identified issues of concern relating to compensation. Extensive data were gathered based on the requests of group members. The data were put together in notebooks for Task Force members (consisting of a wide range of information about the University and other public employers). Additional information was collected and added to the notebooks upon request of the group.

After several reviews of the data, the group identified 15 key issues. The group then took these issues to their constituencies to get an idea of what was important to staff. A ranking of the issues then was completed by each group member. The results were compiled and the pros and cons of each issue were thoroughly discussed by group members at the July 23<sup>rd</sup>, 2004 meeting.

Below is a list of all key issues (in order of rank), any comments on the issue by Task Force members, as well as the pros and cons of each:

**1. Provide for cost of living adjustments to salary grid (based on consumer price index)**

Since October 1995 when the grid was initially created, there has been adjustments of 1.5% (2001), 1.5% (2002), 1.0 % (2004), totaling 4%.

*Pros*

Reduces problems with red-lined employees  
Ties to the mission statement – getting higher quality employees and retaining them  
Increases morale of employees

*Cons*

Considerable cost, especially if grid increase is in addition to step increase

*Task Force comments*

Grid increases have lagged salary schedule increases at the State.

**2. Limit the increase in employee deductions for health care**

*Pros*

Protects employees from increasing cost of living  
Increases contribution for employees

*Cons*

Reduces sense of responsibility among employees for the rising cost of health care  
Not all employees are equal

*Task Force comments*

University could take a leadership role, for the state in not always shifting the costs to employees.

### **3. Compare job families to market and adjust accordingly**

#### *Pros*

Provides information regarding our position in relation to the market  
Ties to compensation philosophy

#### *Cons*

Considerable cost  
Job families not yet completed

### **4. Establish a new pension plan program, in addition to existing plan, whereby the employer would match employee contributions up to 3% of pay.**

#### *Pros*

Can be used to recruit and retain people  
Good for people who are making long term retirement plans

#### *Cons*

Those who make less money may not be able to contribute  
Employer Cost

#### *Task Force comments*

Long term project - options must be developed for this program to exist. This plan is not in lieu of current plan, but instead an optional plan an employee can add on.

### **5. Square salary grid structure (all steps=same percentage increase)**

#### *Pros*

Eliminates change in percentage increase as employees go up through the grade

#### *Cons*

Not useful without compensation philosophy  
May create more red-lined positions  
Employees at lower end of the grid get less money than those at the upper grades even if the percentage increase is the same  
CPI based grid increase addresses this issue

### **6. Review geographic differentials**

#### *Pros*

Helps the rural areas as well as much of Southeast and Kenai Peninsula where no geographic differential is given despite higher actual costs of living in these areas

#### *Cons*

Major political issues associated with a review of geographic differentials  
Our scales are tied to the state geographic differentials

*Task Force comments*

The group would like this to be considered in the long term.

**7. Allow flexible schedules**

*Pros*

Helps with recruitment and retention  
Easily available  
Cost is minimal

*Cons*

Potential Issues for differences between non-exempt and exempt positions.

*Task Force comments*

Needs to be defined. This does not just apply the summer and is not just 4 tens. Supervisors need to be educated and encouraged to allow flexibility when possible.

**8. Increase training opportunities (e.g. classes during work time, funding travel, more access and resources to outside training)**

*Pros*

Better trained employees mean more will want to stay with UA  
Employees remain motivated about their jobs

*Cons*

No money for travel  
Once trained, employees may want to leave  
Employees may need to be able to attend classes during work (can make up time if the classes are directly related to the job)

**9. Clarify and/or define compensation philosophy**

*Pros*

Ties philosophy to strategic plan  
Sets direction for every thing task force has covered and sets a precedent for future committees and administration priorities  
Educates staff and supervisors on all facets of compensation (including FLSA Regulations)

*Task Force comments*

Needs to be tied to strategic plan

**10. Address red lined positions (e.g. more steps, longevity bonuses, less steps with larger increases)**

*Pros*

Helps retain long-term employees

Keeps employees motivated – increases productivity

*Cons*

Implementing COLA based grid increase is a better way to address this

*Task Force comments*

Attached to other salary structure things – if we change grid structure this becomes a larger issue. Affects 2.6% of employees.

**11. Enhance tuition waiver (e.g. more allowable classes for employees and reduction in fees)**

*Pros*

Would decrease fees and potentially allow more employees to take more classes

*Cons*

Currently, use is limited to 6 credits per semester  
Similar to increasing training opportunities issue

**12. Combine annual and sick leave, one leave bank used for sick and vacation leave (would not equal combined amounts of current sick and annual leave amounts)**

*Pros*

Gives employees more control and access to their time  
University doesn't have to account for two leave types  
Employees would still be available for leave share program

*Cons*

Polarizing responses to this  
Leave Share program may go away – people are less likely to give up annual leave  
Reduce the total number of hours given in a pay period  
Not high on the priority list

*Task Force comments*

Details of this project could be developed in the short term. Implementation of this would be a long term project. This could also be an optional program and those employees who decide to choose it could potentially keep their sick leave in a bank.

**13. Create telecommuting policy**

*Pros*

Already have a policy draft  
Cost savings to the University  
Ties in with flexibility

*Cons*

Computer and Phone access charges

Equipment needs  
Risk management/workers' compensation concerns  
Potential for employee abuse  
Limited for employees, not all employees can telecommute (depends upon position)  
Feasibility and accountability for employees  
Cost to the university if equipment is needed  
Supervisory problems without guidelines  
Implementation could be challenging

#### **14. Develop/enhance employee recognition programs**

*Pros*

Could help enhance employee morale with compensation philosophy

*Cons*

People would like to have more money rather than recognition with plaques/awards

#### **15. Change salary grid structure (all steps a fixed dollar amount, regardless of grade)**

*Pros*

Gives more money to the lower paid employees

*Cons*

Not important without philosophy  
Discussed but not a really high priority

#### **Conclusion**

The Task Force recommends that the Staff Alliance work with the university administration on implementation of the above options in order, based on the availability of funding. The Task Force recognizes that consideration of the recommendations in this report will occur in the context of limited resources and that modifications to some elements of the compensation program may require modifications to other elements. The Task Force encourages prompt action on these recommendations contained in this report and is confident that continued cooperation as exemplified by this Task Force and its relationship with the administration will serve UA and its employees. Thus, the committee believes a similar group of university employees should be assembled annually to review past recommendations and to determine the best course of action for the next fiscal year.

#### **Attachment**

Matrix of key issues by short and long term priorities

**ATTACHMENT A**

<b>Overall Priority</b>	<b>Issue</b>	<b>Short Term Priority</b>	<b>Long Term Priority</b>
1	Annual COLA based on CPI	1	
2	Employee Health Care deductions limited	2	
3	Market Comparisons for Job Families	3	
4	New Pension Plan		1
5	Squared Salary Grid		2
6	Review Geographic Differentials		3
7	Flexible Schedules		4
8	Increase Training Opportunities		5
9	Define Compensation Philosophy	4	
10	Address Red-lined Positions		6
11	Enhance Employee Tuition Waiver		7
12	Leave Bank (combined annual and sick leave)		8
13	Telecommuting Policy		9
14	Enhanced Employee Recognition Programs		10
15	Changes Salary Grid Structure		11

\* As these issues are considered, several may be combined due to similarity, dependency or cost effectiveness.