

Recommendations of the Compensation Committee: Discussion Points

What follows is information on the work of the Compensation Committee, including its recommendation to President Carlston. These discussion points should clarify the work the committee has done and can be a starting point for answering questions that employees might have about the process. Although this committee's work is completed and its recommendation made, the college welcomes questions, comments, and suggestions for ways to address compensation issues in the future.

The President's Charge to the Committee

The Compensation Committee came about because of the college's 2013 strategic plan and a charge given from President Carlston. Our aim has been to "develop a five-year strategy to increase salaries to their midpoint market range in order to attract and retain high quality faculty and staff" (Strategic Plan Goal 5.1). President Carlston charged us to find ways to address the most serious instances of low salaries and to work toward raising all salaries above market averages in order for salaries to match the high-quality education Snow offers students.

The administration set aside \$175,000 for salary adjustments and asked the committee to recommend how to allocate it.

How Did the Process Work and Why Has It Taken So Long?

The committee had a complicated task. Part of the work included gathering the needed data; the committee also needed to explore options for allocating the money. The process took longer than expected because of a commitment on the part of committee members to come up with the best possible solution. Specifically, the committee exerted a great amount of effort to ensure consistency in job descriptions and accuracy in salary data.

In addition, two unforeseen setbacks hampered our progress:

- The school contracted with a company that promised to provide comparable market salaries, but their data proved to be unhelpful and flawed. The school then contracted with a consultant who provided excellent and wide-ranging salary data and helped set up a new salary grade system.
- The departure of Wayne Squire as HR director meant that committee leadership needed to be reorganized.

What Tools Did the Committee Use?

In the process of compiling salary data on all Snow College full-time employees, the Compensation Committee has utilized two crucial tools, which are new to the college, in order to work toward a more strategic and equitable allocation of salary funds:

1. A system of grades that specify salary ranges for types of positions at the college.
2. Compratio, which reflect the relationship of an employee's actual salary and a market midpoint for his/her position category. The consultant's work identified 85% of midpoint salary as a benchmark that could be reached for all employees given the amount of money the college had set aside.

What Data Determined Market Midpoints and Grade Assignments?

The consultant used salary data from a wide variety of sources. Consistent with best practices in salary studies, she arrived at a midpoint comparable salary for each position type (with a particular focus on the two-year college sector) and compared Snow College salaries with those numbers. The data sources included Faculty Salary Comparison Data (national and regional) with a particular emphasis in two-year schools; North Sanpete, Wasatch, Canyons, and Alpine school districts; the College and University Professional Association (CUPA); Carnegie; Utah System of Higher Education (USHE); Culpepper Operations; Radford; and Towers Watts.

Recommendation

During a December 13, 2016 meeting, the compensation committee unanimously recommended the following course of action: Provide salary adjustments to employees with compra-ratios below 85% for their position category. The committee recommended a minimum increase of \$500 and a maximum increase of \$3,600. Furthermore, the committee recommended that any additional/unused funds be allocated to provide adjustments over the \$3,600 cap in order to bring everyone to 85%. The committee also recommended that no adjustments should be awarded to employees who are on term contracts, who are paid with soft money or grants, or who are on disciplinary or corrective probation.

Other Action Items

The committee also recognizes that there is more work to be done. Therefore, the committee recommends the following:

- Because the strategic plan requests a five-year process to more fully address compensation issues, a future compensation committee should continue the work we have begun. Of course, these plans will be contingent on funding, but a future committee could continue to raise compra-ratios and address compression issues. Plans may also address options with future cost of living adjustment (COLA) money, which may be a tiered system or a system that allocates a small amount of COLA funds to address low compra-ratios and/or compression. Suggestions and ideas from employees will be solicited.
- The amounts awarded for faculty advancement and tenure should be updated to reflect recent COLA increases. The new amounts should be applied moving forward.
- Grade guidelines should inform all hiring policies and procedures moving forward so that new salaries do not reinforce the problems we are trying to solve.
- The college should continually review position titles to ensure accuracy and consistency.
- A future compensation committee should develop criteria for any future merit increases or salary adjustment requests.
- It needs to be noted that compression in salaries is a problem, and the solutions advocated by this committee will not help with compression in the short term. More work on compression needs to be done by future compensation committees, and grade levels can change in the future as part of efforts to address compression.

Members of the Compensation Committee

David Allred

Scott Allred

Malynda Bjerregard

Randy Braby

Michelle Brown
Leslee Cook
Jake Dettinger, Chair
Mike Duncan
Renee Faatz
Christine Hanks
Steve Hood
Melanie Jenkins
Jim Kittlesrud
Lisa Laird
Teri Mason
Craig Mathie
Stacey McIff
Gary McKenzie
Mike Medley
Fernando Montano
Ted Olson
Jason Springer
Merrill Worthington
Brad Young

*It should be noted that five of the twenty-three committee members were below the 85% compa-ratio mark and received salary adjustments. This represents 21.7% of committee members and is consistent with the ratio of full-time employees receiving adjustments (21.0%).