



Staff Senate Compensation Committee

STAFF COMPENSATION PROPOSED 5 YEAR PLAN

Presented to the
Budget Advisory Committee
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STAFF SENATE COMPENSATION COMMITTEE

The Staff Senate Compensation Committee was formed in response to a request from the division of Finance and Administration to conduct research and create a proposal for Staff Salary allowances for the next five years. The committee is pleased to present the following to the Budget Advisory Committee and Executive Staff for consideration.

The committee surveyed the classified and non-classified staff in Fall 2011. The survey results can be found on pages 7 and 8. The non-classified staff survey response rate was 44.9%; the classified staff survey response rate was 40.9%.

PROPOSAL FOR STAFF INCREASES

Based on our research and staff feedback, the committee makes the following proposal for staff increases for the next five years:

FISCAL YEAR	CLASSIFIED STAFF	NON-CLASSIFIED STAFF
2012-2013	2.5% COLA	2.5% COLA
2013-2014	3% COLA	3% COLA
2014-2015	3% COLA, Base Pool (20+ years)	3% COLA, Equity Pool
2015-2016	3% COLA, Base Pool (15+ years)	3% COLA, Equity Pool
2016-2017	3% COLA, Base Pool (10+ years)	3% COLA, Equity Pool

COLA FOR CLASSIFIED AND NON-CLASSIFIED STAFF

Cost of Living Adjustment (COLA) was a high priority for both classified and non-classified staff. The Staff Senate Compensation Committee proposes only COLA increases for the first two years of the five year plan. This will allow time for the University of Central Arkansas (UCA) to regain more financial stability.

EQUITY POOL FOR NON-CLASSIFIED STAFF

The survey reflected a lack of trust on how equity money is normally distributed so the committee did not propose large amounts to be set aside for this and the committee suggests development of procedures for equity increases including documenting why any employee receives an equity raise. Documentation in support of any equity raise should state the reason for the raise and include basic labor market information. Supporting research should be included and identify positions with congruent job duties and titles at similar institutions and comparable Arkansas institutions (i.e. University of Arkansas-Fayetteville, Arkansas State University, University of Arkansas-Little Rock) and should include salary and job qualifications for similar positions.

STAFF: CLASSIFIED AND NON-CLASSIFIED

Two types of employees exist at UCA, non-classified and classified, and each group is regulated by its own guidelines. Non-classified employees are governed by the Arkansas Department of Higher Education (ADHE), while the classified employees are governed by the state Office of Personnel Management (OPM). When creating our proposal, the committee took guidelines for both into consideration.

For non-classified positions, there is a state-appropriated line-item maximum salary for each non-classified position and as long as the maximum salary is not exceeded, a salary adjustment can be approved internally without permission from the state if funding is available.

Classified position salaries are based on grades and a classified employee must be hired at the Entry Level salary for the position grade unless OPM authorizes a higher salary based on Exceptionally Well Qualified criteria. Classified position salary increases can only be made upon approval of OPM. Each fiscal year, OPM authorizes the Cost of Living Allowance (COLA) for state classified employees. They may also authorize merit bonuses based on an employee's evaluation score. The state implemented the Pay Plan in July 2009, which included a method for an institution to hire and pay their classified employees at the Base Level.

According to Arkansas Code Annotated §21-5-214:
"The law allows for agency or institution directors to hire an employee at the base level of pay. Furthermore, the director may subsequently adjust an employee from entry level pay up to the base level pay upon satisfactory performance or other factors established by the agency or institution after they have received approval from the Office of Personnel Management."

BASE POOL FOR CLASSIFIED STAFF

After addressing staff's primary concern for COLAs for the first two years, the committee asks the Administration to address issues with classified employee salaries not at base level. In year three, the committee proposes employees whose salaries are below base level to be raised to base salary, addressing three groups over three years starting with those employees with 20+ years of service, followed by 15+ and 10+ years of service. At the end of this five year plan, the committee hopes that UCA will have a plan approved by OPM (Office of Personnel Management) that would allow UCA to raise all classified employees' salaries to base upon attaining five years of UCA service and five annual evaluations with a minimum score of satisfactory.* Our employees feel like their years of service should count for something; but, with the restrictions placed upon us by OPM, only certain plans are realistic. Within five years, an employee should have gathered institutional knowledge that would make him or her more experienced, effective, and efficient within his or her job than a newly hired, untrained employee. The evaluations will show that the employee has put some effort into their position because we do not want to reward substandard performance. The cost of searching for suitable replacements for lost talent, the loss of productive work during the search period, and the increased productivity of one with institution-specific knowledge may easily offset the additional salary cost incurred by such a course of action.

* The survey showed that both non-classified and classified staff would like Human Resources to provide the appropriate training for supervisors with regard to properly evaluating job performance. Further, staff want supervisors to be familiar with all the facets of their employee's job duties so that the supervisors can manage them more effectively and work to optimize functioning of the entire office/department as a whole.

OTHER

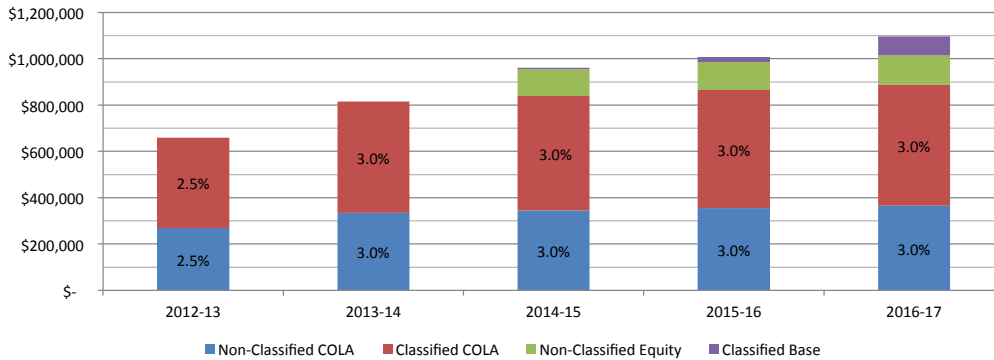
The committee would like to recognize that above proposals will be contingent upon funding from enrollment increases. The committee would also like to recognize that OPM will have the final say on what can and will be approved for classified staff. The committee asks that UCA allow as much as possible within OPM regulations for classified staff.

COLA TOP PRIORITY FOR NON-CLASSIFIED

In fiscal year 2008-9, no COLA was given to non-classified staff. A bonus was given in December 2009, while the classified staff was reclassified into the new pay plan study with all classified staff minimally getting a 1% raise, up to a 5% raise or more if one's salary did not meet the entry level salary of the job's new grade. The bonus was appreciated, but it did not increase the base salary of non-classified employees. Many non-classified staff felt that the COLA raises help them keep up with their standard of living, with more effect on the lower paid employees than the higher paid. There is also a perception that all non-classified employees are highly paid. In truth, not all non-classified are highly paid employees: UCA has some non-classified employees making as little as \$20,400 annually.

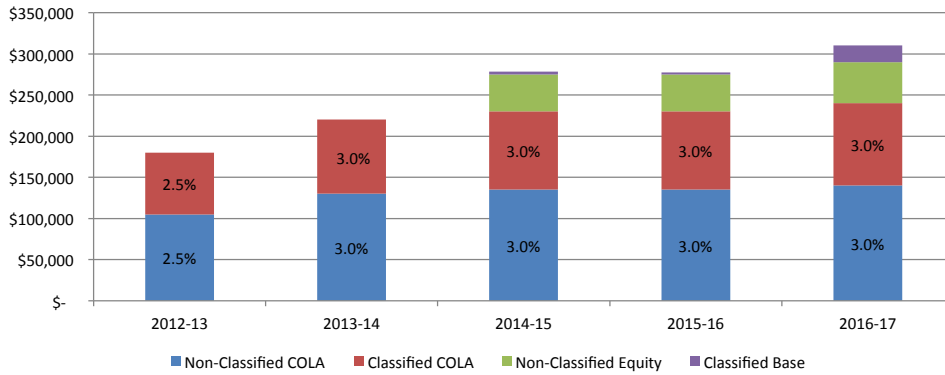
FUNDING THE FIVE YEAR PLAN

Salary Proposals for Staff Funded by E&G Funds



The above graph represents E&G funds required for our proposals. E&G funds are comprised of tuition monies and state appropriations. E&G *excludes* the following areas: Athletics, Housing, Food Service, Student Center, Radio Station, Farris Fields, HPER Recreation, Bookstore, Student Health Services, Post Office, and Parking Facilities.

Salary Proposals for Staff Funded by Auxiliary Funds



The above graph represents Auxiliary funds required for our proposals. Auxiliary funds are generated by each individual area to fund their department. Auxiliary sectors includes: Athletics, Housing, Food Service, Student Center, Radio Station, Farris Fields, HPER Recreation, Bookstore, Student Health Services, Post Office, and Parking Facilities.

New Students Needed to Fund E&G Plan

FISCAL YEAR	NEW STUDENTS*
2012-13	142
2013-14	175
2014-15	207
2015-16	216
2016-17	235

*New students numbers are based on calculations of the average UCA undergraduate student taking 13 hours per semester for two semesters on the credit hour cost of \$179.55.

BASIS FOR PROPOSAL

COLAS FOR CLASSIFIED AND NON-CLASSIFIED STAFF

Both the non-classified staff and classified staff overwhelmingly felt that cost of living adjustment (COLA) was a high priority the next five fiscal years.

The **non-classified** staff at UCA believed that cost of living adjustment (COLA) was their highest priority over both the next fiscal one and five year intervals.

The **classified** staff's main interest in salary increase was for a base pool. The classified staff's second concern was in a COLA raise.

Looking at UCA's history, UCA has given the OPM-recommended amount or more each year for the past five years. This is a great record for any higher education institution in the state and the committee believes the institution should continue this track record.

FISCAL YEAR	NON-CLASSIFIED COLA	CLASSIFIED COLA	OPM RECOMMENDED COLA
2007-2008	2% (\$1,000 Bonus 7/1/2007)	3%	2%
2008-2009	0%	2%	2%
2009-2010	0% (\$300 Bonus 12/2009)	OPM Pay Plan	OPM Pay Plan
2010-2011	2% for those employed beginning 4/1/10 thru 9/30/10 2.25%	88 Employees moved to Base Level 7/1/2011 2% for remaining classified from 1/1/2011	2%
2011-2012	0%	0%	0%

EQUITY POOL FOR NON-CLASSIFIED STAFF

Questions about an equity pool generated lively comments by the non-classified staff. Many felt the equity pool was something that needed to be closely examined because there are so many inequities across campus, even interdepartmentally.

"Equity pay must be addressed and supervisors should be given adequate resources for that adjustment. My salary is \$1,500 less than another male colleague in the office who does the same job as me and has the same title. I have been there for 3 and a half years, him less than 1 year."

Many felt that UCA has hired less experienced people in at higher salaries for the same (or lesser) job without raising the salary of the seasoned UCA employees.

"I understand the importance of making sure we are attracting the best and brightest talent by offering good initial salaries, however, it is absolutely ridiculous that new people without UCA experience come in at higher rates, while people who have been here longer have no hopes of ever seeing an increase. It is very demoralizing and I know from talking to many of my colleagues that it creates an environment where people feel NO loyalty at all to UCA. We might attract good talent in a

NON-CLASSIFIED SUPPORT OF TRAINING (SUPERVISORS & EMPLOYEES)

While specific questions were not asked regarding staff training, many of our non-classified staff felt that UCA needs to develop a program that would make our university become more effective in developing and retaining competent staff members. The majority of the staff did not understand the difference between a classified and non-classified position, and thus what could be done with their salaries and benefits. As a state institution of higher education, UCA is restricted by Office of Personnel Management (OPM) guidelines, which can make understanding what can and cannot be done with our staff positions difficult. Our employees need to learn about these guidelines to better understand their framework within which they are employed at UCA; this would help improve currently felt resentment over things that cannot be done with their positions under OPM guidelines.

"I would like to see a strong staff development training program that includes tracks in management, admin., and support... A well-developed program would be track-based (management, admin, support, etc.) with ability to cross train in some cases, offer classes on a regular schedule, and include some kind of certification process. I know this would take several years to implement, but once in place, could make UCA a much more pleasant and effective environment in which to work."

bad economy, but we will not keep that talent if we do not show a good faith effort to reward those people after they've been here awhile. I hope everyone in executive leadership at UCA realizes the importance of institutional knowledge and networks. The value of an employee who knows who to call and what questions to ask in a certain situation should not be underestimated."

BASE POOL FOR CLASSIFIED STAFF

In the OPM Pay Plan, there are five salary levels for each grade: entry, base, midpoint, max, and career. Over half of classified employees make less than base level. After reviewing the comments, though, many people did not feel that everyone should get a raise up to base level and the committee based our proposal to first bring those with the most services up to base pay:

"My concern is that there seems to be a push to get the 57% of salaries up to base level, also known as giving them raises, while the rest of us do what ? ... just smile and say we don't need a raise? Everybody knew what their job paid when they accepted it, and many of us have worked many, many yrs. Just to get TO or barely above base level. It wasn't just handed to us."

Many also felt that years of service should qualify them for extra compensation:

"The salaries should also be based on how many years one has been here. It's not right that new people coming in are making almost as much as the ones who have been here for years."

"I know of several cases where individuals who have worked here for 15+ years are still making the entry level salary for their position."

"I have been a state employee for 20 years and ONLY make entry pay for my grade. That is SAD!"

OTHER

The Staff Senate Compensation Committee would like to recognize that non-classified staff was surveyed about a merit pool and classified staff was surveyed about a merit bonus. These two areas were not proposed as top priorities based on the staff survey results. The committee feels these two areas may be readdressed at a later time after completion of supervisor training to better evaluate an employee's job performance and as money allows.

OPM PAY PLAN

Every University of Central Arkansas employee in a classified position (one having a title corresponding to a graded position in UCAs 2007-09 appropriation act, Act 1253 of 2007) received a salary increase effective on July 1, 2009.

The amount of the salary increase was determined by how job responsibilities and title fit into the states' Pay Plan. First the years-of-service increase was applied to the June 30, 2009, salary. If this new salary was lower than the entry level of the employee's new pay grade then the salary would be further increased to that new entry level salary. Each employee received what gave him/her the larger increase: the new salary generated by the percentage increase based on the number of years in state employment or the entry level salary of the new pay grade. The years-of-service increase was based on Act 688 of 2009, section 9, which amended Arkansas Code §21-5-211.

Following is a list of the percentage increases corresponding to the years of service: 1% for employees with less than 2 years cumulative service; 1.5% for employees with 2 to 5 years cumulative service; 2% for employees with 6 to 10 years cumulative service; 2.5% for employees with 11 to 15 years cumulative service; 3% for employees with 16 to 20 years cumulative service; 3.5% for employees with 21 to 25 years cumulative service; 4% for employees with 26 to 30 years cumulative service; 4.5% for employees with 31 to 35 years cumulative service; 5% for employees with 36 and more years cumulative service.

This increase was based upon the UCA Board of Trustees approval of the implementation of Act 688 of 2009.

STAFF SURVEY RESULTS, NON-CLASSIFIED

105 out of 234 of UCA non-classified employees responded to the survey, 44.9%

- Did you know you are a non-classified employee?
Yes (97 out of 105, 92.4%)
No (8 out of 105, 7.6%)
- Please rank by importance the following areas of possible non-classified staff salary raises for the next fiscal year:

	LESS IMPORTANT	MORE IMPORTANT	MOST IMPORTANT	NO OPINION
Cost of Living Adjustment (COLA)	17 out of 105 (16.2%)	24 out of 105 (22.9%)	63 out of 105 (60.0%)	1 out of 105 (1.0%)
Equity Pool <i>(including amount, if needed, to correct salary compression)</i>	23 out of 104 (22.1%)	37 out of 104 (35.6%)	37 out of 104 (35.6%)	7 out of 104 (6.7%)
Merit Pool <i>(added benefit based on performance)</i>	38 out of 104 (36.5%)	33 out of 104 (31.7%)	30 out of 104 (28.8%)	3 out of 104 (2.9%)

- Please rank by importance the following areas of possible non-classified staff salary raises for the next 5 years:

	LESS IMPORTANT	MORE IMPORTANT	MOST IMPORTANT	NO OPINION
Cost of Living Adjustment (COLA)	18 out of 104 (17.3%)	24 out of 104 (23.1%)	61 out of 104 (58.7%)	1 out of 104 (1.0%)
Equity Pool <i>(including amount, if needed, to correct salary compression)</i>	30 out of 103 (29.1%)	33 out of 103 (32.0%)	33 out of 103 (32.0%)	7 out of 103 (6.8%)
Merit Pool <i>(added benefit based on performance)</i>	30 out of 102 (29.54%)	32 out of 102 (31.4%)	39 out of 102 (38.2%)	1 out of 102 (1.0%)

105 out of 234 of UCA non-classified employees responded to the survey, 44.9%

STAFF SURVEY RESULTS, CLASSIFIED

1. Did you know you are a classified employee?
 - Yes (203 out of 219, 92.7%)
 - No (16 out of 219, 7.3%)
2. Do you know your salary grade?
 - Yes (136 out of 218, 62.4%)
 - No (82 out of 218, 37.6%)
3. Where does your salary fall on the salary grade range?
 - Between Entry and Base Level (91 out of 218, 41.7%)
 - Between Base and Midpoint Level (27 out of 218, 12.4%)
 - Between Midpoint and Max Level (9 out of 218, 4.1%)
 - Between Max and Career Level (1 out of 218, 0.5%)
 - I don't know. (90 out of 218, 41.3%)
4. When considering distribution of possible classified staff salary raises, which of the following is MOST important to you for the next fiscal year?
 - Cost of Living adjustment (COLA) (32 out of 217, 14.7%)
 - Base Pool (raise ALL classified salaries up to base level, 57% of current classified salaries are below base level) (37 out of 217, 17.1%)
 - Combination of the two (148 out of 217, 68.2%)
5. Please rank by importance the following areas of possible classified staff salary raises over the next 5 years:

	LESS IMPORTANT	MORE IMPORTANT	MOST IMPORTANT	NO OPINION
Cost of Living Adjustment (COLA)	14 out of 215 (6.5%)	80 out of 215 (37.2%)	120 out of 215 (55.8%)	1 out of 215 (0.5%)
Base Pool (raise ALL classified salaries up to base level)*	24 out of 216 (11.1%)	60 out of 216 (27.8%)	129 out of 216 (59.7%)	3 out of 216 (1.4%)
Merit Bonuses (one-time pay based on evaluation score)**	90 out of 213 (42.3%)	47 out of 213 (22.1%)	60 out of 213 (28.2%)	16 out of 213 (7.5%)

*57% of current classified salaries are below base level

**Only implemented after all supervisors have been trained

219 out of 535 of UCA classified employees responded to the survey, 40.9%