

July 19, 2012

13-003

BOARD RESOLUTION FOR MANAGEMENT AND
CONFIDENTIAL SALARY AND BENEFIT
ADJUSTMENTS FOR FY 2012-13

PREPARED BY: Lisa Bledsoe, Interim Director, Human Resources
Department

APPROVED BY: Wing-Kit Chung, Vice President, Administrative Services
Dr. Preston Pulliams, District President

REPORT: This resolution adjusts the salary structure for
Management and Confidential employees of the College
and authorizes increases to the base salary of each
individual employed in these two employee groups.

Survey data from multiple sources during the current year has been reviewed. The primary survey data comes from the 2012 Milliman Portland Area Cross Industry Survey (Government and Education) and the College and University Professionals Associations-Human Resources (2011-2012 Administrative Compensation). The data from these sources show an average structure adjustment of 2.0% and an average individual incumbent salary adjustment of 2.0%.

In August of 2011, the Board adopted resolution 12-021 applying a combination of structure adjustment and individual adjustment (Model A) for an overall annual pay adjustment that is equal to the sum of those two percentages. In addition, the resolution provided that an implementation task team be charged with developing a pay delivery system that addresses employee progression through the salary grade. The implementation team recommends that all management and confidential employees again receive a combination of structure adjustment and individual adjustment (Model A) for an overall annual pay adjustment that is equal to the sum of those two percentages based on labor market information and applied consistent with HR practices. In addition, the implementation team recommends that incumbents who are below the mid-point of their salary grade (Model B,

phase I), receive an additional 'supplemental adjustment' of 2%, applied consistent with HR practice, to allow individuals performing the full responsibilities of their management/confidential position to progress more quickly to the midpoint of their grade. (The current, full PACMACC recommends a supplemental adjustment of 2.5% for FY 2012-13.)

In future years, PACMACC will be asked to provide recommendations which include market related adjustments for the a) salary structure, b) annual adjustment for incumbents, and, c) a below mid-point supplement within a range from 2.0% to 3.5% with a goal of allowing employees to reach the mid-point of their salary grade in no more than five years in the position. Consideration, and potentially implementation, of an above mid-point mechanism (Model B, Phase II) for pay delivery has been identified as a continuing topic for discussion and possible further development during FY 2012-13. In addition, it was recommended that PACMACC engage in discussion of whether it should move to a two year cycle for recommendations to coincide with the biennial budget planning cycle.

When the board adopted the 2011-13 biennium budget in June 2011, the adopted budget assumed a 1.5% or less for both the structure and individual increases annually for the biennium. In 2011-12, the respective increases were 1.25% and 1.25%. In addition, due to the uncertainties of the PCC budget into the next biennium, the FY 2012-13 adjustment recognizes that the structure and individual increases for management and confidential staff salaries will be less than the average adjustments shown in our primary survey data. For similar reasons, the proposed supplemental increase for those below mid-point will also be less than the supplemental increase recommended by the current PACMACC

RECOMMENDATION: That the Board of Directors approve for FY 2012-2013 the following adjustments:

An increase of 1.5% to the salary structure; plus

An increase of 1.5% applied to the salaries of each individual management/confidential employee.

A supplemental increase of 2.0% applied to the salaries of each individual management/confidential employee whose salary is below the midpoint of his/her salary grade after salary structure and individual increases have been applied, provided that the supplemental increase does not place the employee's salary above the midpoint of his/her salary grade. In the event that application of the 2.0% supplemental increase places an individual management/confidential employee's salary above the midpoint for his/her salary grade, the employee shall instead receive only the percentage of increase necessary to increase the employee's salary to the midpoint of his/her salary grade.

All such adjustments to be applied in accordance with Human Resources practice and to be effective as of the first pay period of FY 2012-2013.

That the college maximum monthly contributions for health insurance for management and confidential employees be increased based on the employee's elected tier of enrollment as follows: Employee only: \$610; Employee + spouse: \$1125; Employee + child(ren): \$1045; Family: \$1323. That the increase on maximum monthly health insurance contributions become effective with the September 2012 pay period (pay date October 1)