



To: Administrative Services Council

From: Gerry Tucker, Vice President , Human Resources

Date: January 22, 2009

RE: Board Policy Review  
F-10, Employee Compensation

Attached you will find the latest draft of Board Policy F-10, Employee Compensation that was last discussed at the Board meeting on June 18, 2007. The only addition to this draft is (5), line 102. The college no longer adjusts pay scales therefore, that language has been removed from the draft. Instead, employee salaries are adjusted to reflect the Board approved annual increase. This policy draft is submitted for your review and additional comments. In the past the associations have provided feedback to the Board and this draft is the result of several Board meetings and discussions.

The ACC Board of Trustees will begin discussing this policy on February 3, 2009 (action will not be taken at the February meeting). Thus, we are requesting that the Council and associations discuss the content of the attached draft policy and report back to the Council through its normal process.

If you have any questions, please let me know.

xc: Employee Association Presidents

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## AGENDA ITEM 8332

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June 18, 2007

**SUBJECT:** Proposed Approval of Revisions to Board Policy F-10, Employee Compensation

### **RECOMMENDATION**

That the Board of Trustees discuss and approve revisions to F-10.

**RELATED BOARD POLICY OR PLANNING PRIORITY (Directive/Goal/Action Plan)**  
Board Policy F-10, Employee Compensation.

### **RATIONALE**

In accordance with Board Policy B-5, Policy Development and Review, Trustees identified policies for possible revision, including Board Policy F-10, Employee Compensation. Drafts were prepared and discussed at the March 7 and 21, April 4 and August 21, 2005 meetings and again on March 20, 2006 and July 5, 2006 Board Meetings.

The proposed policy adds a Value Statement regarding the compensation philosophy and clarifies methodologies for determining market competitive salaries for employee groups. The policy delegates responsibility for compensation administration to the President as part of the President's duty to present an overall annual operating budget to the Board. The administration does not deem the set aside necessary since compensation within ACC is market competitive and the budget is adequate to meet the compensation budget, market adjustments and cost of living. However, in view of the associations' request to leave the set aside language in the policy, the administration feels comfortable including the statement. New language has been added to the policy to ensure that the President includes all of these compensation issues in the proposed budget each year.

The associations have addressed the Board regarding the recommended changes. The Adjunct Faculty Association has requested that no changes be made to the policy. The Full-time Faculty Senate has proposed changes (Attachment D). The significant changes include using the federal poverty guidelines to determine the minimum salary (Living Wage), additions to the survey methodology and retaining the set aside. The Classified Association has requested that the Living Wage be determined by using a one-bedroom housing analysis rather than an efficiency. The Professional-Technical Employee Association has proposed changes (Attachment E). All of the associations have requested that the set aside language be retained.

### **BUDGETARY CONSIDERATION**

None at this time.

### **RESOURCE PERSONNEL**

Geraldine J. Tucker, Associate Vice President of Human Resources  
Ben Ferrell, Vice President of Business Services

**ATTACHMENT(S)**

Attachment A: Current Policy

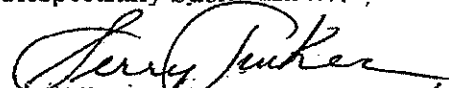
Attachment B: Current Draft with Strike-outs

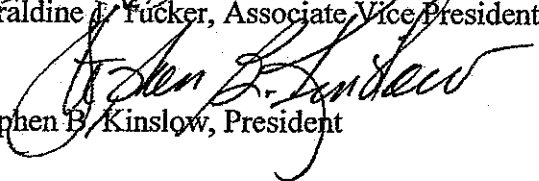
Attachment C: Policy Analysis of Changes

Attachment D: Senate's Proposed Changes

Attachment E: APTE's Proposed Changes

Respectfully Submitted by:

  
Geraldine J. Fucker, Associate Vice President

  
Stephen B. Kinslow, President

1 **F-10. EMPLOYEE COMPENSATION**

2 **Value Statements:**

- 3 • Market competitive compensation for all employees is critical in attracting and retaining a quality  
4 workforce.  
5  
6 • Compensation market surveys will be used by the College to ensure competitive salaries and internal  
7 equity.

8 **Principles:**

9 ACC intends to ~~compensate employees so as to~~ (1) attract and retain a workforce with sustained high  
10 effectiveness in meeting student learning needs, (2) act as an ethical and responsible employer, and (3) [develop  
11 and maintain a fair and competitive salary] structure and (4) make efficient use of student and public  
12 higher education expenditures funds for compensation administration.

13 A compensation administration plan will be developed as a means of managing payroll costs and  
14 salary expenditures and shall be included in the annual proposed operating budget developed by the  
15 College administration. The President shall accordingly, consistent with fiscal constraints and meeting the  
16 College's multiple needs, develop plans and proposals to meet the following goals:

17 [1] Ensure an adequate staffing level to meet the mission and goals of the College by employing  
18 regular staff and minimizing reliance on part-time, temporary or hourly employees. Provide employment  
19 primarily on stable professional terms with an adequate level of regular staff to achieve excellence goals.  
20 However, the college shall use hourly, part time, and temporary staffing when appropriate to match variations  
21 in work-load.

22 [2] Maintain a compensation program of competitive salaries and benefits that ensures fair pay  
23 for the employees' contributions to the College mission. Have all employees receive fair pay for their  
24 contributions to the College mission, with no employee paid less than the community-accepted level of a "living  
25 wage". Compensation for non-faculty scales may be adjusted to maintain the percentage difference in ratios  
26 between classifications.

27 [3] All compensation survey data will be shared with the appropriate employee group. The  
28 administration will seek to reach consensus with the employee group on the compensation plan that is  
29 included in the proposed operating budget. Provide a compensation package (including salary and benefits  
30 time off, stipends, and awards that is market competitive. Priority for increasing compensation shall be for  
31 those positions that are at 95% or less of the market average or any other compensation target included  
32 elsewhere in this policy or set by the Board.

33 [4] For employee categories, compensation shall, on the average, be market competitive: For each type  
34 of position, the incumbents' compensation shall, on the average, be market competitive with  
35 those at the primary institutions for which the College competes for employees. Job content  
36 is the most important comparison point, but the size of the institution (i.e., its workforce)  
37 shall also be considered. For adjunct faculty, the average ACC compensation shall be the  
38 average of the middle half of the distribution. The primary relevant comparison markets shall  
39 be: for non-faculty staff and administrators, similar local, regional, or national positions, as  
40 appropriate for the position; for full-time faculty, nine-month averages of full-time faculty  
41 with equivalent experience and education in Texas metropolitan community colleges; for  
42 adjunct faculty, lower-division classroom sections taught in the Austin metropolitan area by

43 ~~part time faculty for other institutions of higher education. The administration may make~~  
44 ~~reasonable estimates where needed to supplement published data.~~

- 45 • For non-faculty employees (classified, professional-technical and  
46 administrators), the relevant competitive market shall be the non-faculty  
47 classifications of Texas metropolitan community colleges and similar positions  
48 in the local area.

49 Each year the pay ranges will be compared to current market rates. The  
50 administration will establish priorities for salary range and/or salary  
51 adjustments as needed for salary alignment within the pay grades. Any  
52 proposed range or salary adjustments will be included in the proposed budget  
53 submitted to the Board.

54  
55 The administration will obtain non-faculty survey information from the College  
56 and University Personnel Association (CUPA), the Austin Area Pay and  
57 Benefits Survey and other relevant surveys to be included in validate the  
58 market survey results.

59  
60 The non-faculty employees' compensation survey shall be conducted every two  
61 years. In the alternate years, non-faculty employees' pay scale shall be adjusted  
62 to reflect at least the cost-of-living adjustment as approved by the Board. The  
63 adjustments shall be included in the proposed operating budget.

- 64  
65 • For full-time faculty positions, the relevant market shall be full-time faculty  
66 with equivalent experience and education at the Texas metropolitan community  
67 colleges.

68  
69 The Texas Community College Teachers Association Full-Time Faculty Survey  
70 shall be used to determine market salaries. The methodology to determine  
71 market competitive salaries shall be the comparison of each college's average  
72 salaries of actual salaries paid to full-time faculty assuming a nine-month  
73 contract. The lowest and highest actual salaries for bachelor's, master's,  
74 MA+24, MA+48 and Ph.D. levels shall be compared for each level. Based upon  
75 analysis of the survey data, the compensation of full-time faculty shall be  
76 established in the top three of the Texas metropolitan community colleges.

77  
78 The administration will obtain actual faculty salaries from the Texas  
79 metropolitan community colleges. The administration will also obtain the  
80 faculty surveys of the American Association of University Professors (AAUP)  
81 and the College and University Personnel Association (CUPA) to validate the  
82 Texas Community College Teachers Association Full-Time Faculty Survey data.

- 83  
84 • For adjunct faculty the relevant comparison markets shall be the part-time  
85 faculty at the Austin metropolitan area institutions of higher education.

86  
87 The methodology shall be to compare the college's average salary of actual  
88 salaries paid to part-time faculty teaching the lower-division classroom sections.  
89 *The average ACC compensation shall be the average of the middle half of the*  
90 *distribution. The administration may make reasonable estimates where needed to*  
91 *supplement the published data.*

92  
93 The adjunct faculty compensation survey shall be conducted every two years.  
94 In the alternative years, the adjunct faculty pay scale shall be adjusted to reflect

95 at least the cost-of-living adjustment or adjustment as approved by the Board. The adjustments  
96 shall be included in the proposed operating budget.

97 ~~5] Arrange workloads of employees so that there is an equitable and reasonable assignment of~~  
98 ~~responsibilities generally based on objective factors, and provide appropriate extra compensation or release time~~  
99 ~~to employees who are asked to work significantly more than normal or during vacation/holiday times.~~  
100 ~~Incorporate sufficient flexibility in leave rules to allow tradeoffs between salary and time off, whenever~~  
101 ~~appropriate given the work needed by the College.~~

102 [5] Adjust pay scales annually to reflect ~~cost of living changes (including inflation), any approved~~  
103 ~~budget increases with cost-of-living adjustments usually applied on the same basis to all pay scales. However,~~  
104 ~~cost of living increases shall be adjusted appropriately to reflect the greater impact of inflation in the necessities~~  
105 ~~on lower income persons.~~

106 [6] Provide salary ranges that reflect appropriate adjustments for changes in effectiveness due to  
107 ~~applicable education/experience and completion of any mandatory professional development.~~ As part of the  
108 annual operating budget process, the proposed budget shall reflect the pay scales that reflect the above  
109 principles and include projections for cost-of-living adjustments, market adjustments, changes in staffing levels  
110 and identify any major changes in compensation administration that impact the budget. Board approval  
111 of pay scales and rules shall be based primarily on the extent to which the President's recommendation is  
112 consistent with the provisions of Board policy and planning directives.

### 113 ~~Decision Process~~

114 [7] Compensation rates and proposed changes in them are to be publicly announced and shall normally  
115 be implemented as part of the budget process. Compensation changes at other times shall be made only in cases  
116 of documented urgent need approved by the President, after informing the employee associations and  
117 considering their comments. Changes require specific Board approval if the action increases a person's  
118 compensation rate by 10% or more or if the cumulative unapproved changes to the budget during the year  
119 would exceed \$10,000/month.

120 ~~[9] As part of the budget process, the President shall recommend pay scales and stipends that, in his or~~  
121 ~~her judgment, reflect the above principles to the extent feasible given other Board directives. Projections shall~~  
122 ~~be provided with the planning/budget proposals of the funds needed for cost of living adjustment, market~~  
123 ~~adjustments, changes in staffing levels, and the net cost of any experience increments.~~

124 [8] When a budget falls short of meeting the goals of this policy, the budget shall allocate between 4%  
125 and 6% of projected annual revenues for market level adjustments, cost of living increases, experience  
126 adjustments, stipends, and awards.

127 [9] An appropriate relationship shall be maintained between the compensation packages of executives  
128 and senior administrators and the compensation for other classes of employees. Any compensation increase in  
129 excess of the average percentage increase for other employees for an employee serving as a College  
130 administrative officer requires specific Board approval.

131 [10] Under extraordinary circumstances, the President may propose a budget which falls short of  
132 meeting the goals of this policy. While revenues and expenditures may fluctuate annually, the President  
133 shall strive to allocate sufficient funds for market-level adjustments and cost-of-living increases.  
134  
135