



Office of **H**uman **R**esources
Memorandum

To: Tobin Wiegand, President, ACCCEA
Jerry North, President, APTE
John Herndon, President, AFA
Al Purcell, President, Faculty Senate

From: Gerry Tucker, Associate Vice President

Date: March 23, 2006

Re: Board Agenda Item 8201

Attached you will find Agenda Item 8201 that is on the Board Agenda for March 20, 2006. Since Spring Break is next week, the Board materials are being prepared earlier than usual and thus, the Administration has not had an opportunity to discuss this agenda item with you prior to submission.

As you recall, last year the Board of Trustees discussed Policy F-10, and proposed revisions on August 1, 2005. The Board officers have scheduled an F-10 discussion on March 20 (no action will be taken), and again on April 17 (for action).

The goal is to finalize policy revision discussions before the FY07 compensation discussion with employee groups. No final decision will be made until the Administration has had an opportunity to further discuss the compensation policy draft with the association officers.

It is our intent to:

- Maintain market competitive salaries for all employees;
- Develop a simpler method of determining market comparisons; and
- Ensure adequate market and cost-of-living adjustments for all employees

At our next association officer's meeting we would like to talk about the enclosed agenda item.

If you have any questions, please call me at 223-7566. We look forward to our next meeting.

xc: Dr. Stephen B. Kinslow, President
Ben Ferrell, Vice President, Business Services

AGENDA ITEM 8201

March 20, 2006

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

RECOMMENDATION

That the Board of Trustees discuss the proposed revisions to the above listed policy.

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 discussion and possible revision including Board Policy F-10, Employee Compensation. Drafts were prepared by the Administration and Trustees discussed the proposed revisions at the March 7 and 21, April 4, and August 1, 2005 Board Meetings.

At the August 1, 2005 Board Meeting the Trustees extensively discussed the policy and requested that the Administration re-draft the proposed policy taking into account the comments of the Trustees.

The proposed policy seeks to provide a more concise policy that delegates responsibility for compensation administration to the President as part of the proposed annual operating budget.

BUDGETARY CONSIDERATION

None at this time.

RESOURCE PERSONNEL

Gerry Tucker, Associate Vice President of Human Resources

Ben Ferrell, Vice President of Business Services

ATTACHMENT(S)

Attachment A: August 1, 2005 Proposed Revisions to Board Policy F-10, Employee Compensation

Attachment B: Current Policy, F-10, Employee Compensation

Attachment B-1: Recommended Revised Policy

Attachment B-2: Current Policy w/Recommended Revisions

Attachment C: Staff Comments

Respectfully Submitted By:

Gerry Tucker, Associate Vice President of Human Resources

Stephen B. Kinslow, President

F-10. EMPLOYEE COMPENSATION

Value Statements

- **Market competitive compensation for all employees is critical in attracting and retaining a quality workforce.**
- **Diligent compensation research is essential to ensure competitive salaries.**
- **Annual review of compensation administration provides the basis for decisions regarding classifications and salaries in the Master Plan and annual operating budget.**

Principles:

ACC intends to compensate employees so as to (1) attract and retain a workforce with sustained high effectiveness in meeting student learning needs, (2) act as an ethical and responsible employer, and (3) make efficient use of student and public higher-education expenditures. The President shall accordingly, ~~consistent with fiscal constraints and meeting the College's other needs,~~ develop plans and proposals to meet the following goals:

[1] Provide employment primarily on stable professional terms with an adequate level of regular staff to achieve excellence goals. However, the College ~~shall~~ **may** use hourly, part-time, and temporary staffing when appropriate. ~~to match variations in work load.~~

[2] Have all employees receive fair pay for their contributions to the College mission, with no employee paid less than the community-accepted level of a "living wage".

[3] Provide a compensation package (including salary, **and** benefits, ~~time off, stipends, and awards~~) that is market-competitive. Priority for increasing compensation shall be for those positions that are at 95% or less of the market average or any other compensation target included elsewhere in this policy or set by the Board.

[4] For each type of position, the incumbents' compensation shall, on the average, be market-competitive with those at the primary institutions for which the College competes for employees. Job content is the most important comparison point, but the size of the institution (i.e., its workforce) shall also be considered. For adjunct faculty, the average ACC compensation shall be the average of the middle half of the distribution. The primary relevant comparison markets shall be: for non-faculty staff and administrators, similar local,

regional, or national positions, as appropriate for the position; for full-time faculty, nine-month averages of full time faculty with equivalent experience and education in Texas metropolitan community colleges; for adjunct faculty, lower-division classroom sections taught in the Austin metropolitan area by part-time faculty for other institutions of higher education. The administration may make reasonable estimates where needed to supplement published data.

OR

[4] For each type of position, the incumbents' compensation shall, on the average, be market-competitive with those at the primary institutions for which the College competes for employees. Job content is the most important comparison point, but the size of the institution (i.e., its workforce) shall also be considered. ~~For adjunct faculty, the average ACC compensation shall be the average of the middle half of the distribution.~~ The primary relevant comparison markets shall be: for non-faculty staff and administrators, similar local and regional positions, ~~or national positions~~ as appropriate for the position; for full-time faculty, nine-month averages of full time faculty, with equivalent experience and education in Texas metropolitan community colleges. ~~for adjunct faculty, lower-division classroom sections taught in the Austin metropolitan area by part-time faculty for other institutions of higher education.~~ The administration may make reasonable estimates where needed to supplement published data.

Adjunct faculty shall be compensated on a percentage basis of the full-time faculty compensation scale. The President shall establish a compensation administration program for adjunct faculty salaries including guidelines for administration. (Trustee Barbara Mink)

OR

Adjunct faculty shall be compensated on a percentage basis of the full-time faculty compensation scale with equivalent years of experience, education and teaching responsibilities. The President shall establish a compensation administration program for adjunct faculty salaries including guidelines for administration.

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

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

[7] ~~Provide salary ranges that reflect appropriate adjustments for changes in effectiveness due to applicable education/experience and completion of any mandatory professional development.~~

Decision Process:

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

[9] As part of the **annual operating** budget process, the ~~President shall recommend~~ **proposed budget shall reflect the** pay scales and stipends that, ~~in his or her judgment,~~ reflect the above principles to the extent feasible given other Board directives. Projections shall be provided with the planning/budget proposals of the funds needed for cost-of-living adjustment, market adjustments, changes in staffing levels, and the net cost of any experience increments. Board approval of pay scales and rules shall be based primarily on the extent to which the President's recommendation is consistent with the provisions of Board policy and planning directives.

[10] ~~When a budget falls short of meeting the goals of this policy, the budget shall allocate between 4% and 6% of projected annual revenues for professional development~~ **the budget shall reflect sufficient allocation** for market-level adjustments, cost-of-living increases, and experience adjustments, ~~stipends, and awards.~~ (Trustee Barbara Mink)

OR

The President may propose a budget which falls short of meeting the goals of this policy. The Board understands that revenues and expenditures may fluctuate annually. Nevertheless, the President shall strive to allocate sufficient funds for market-level adjustments, cost-of-living increases, and experience adjustments. (Trustee Rafael Quintanilla)

OR

Since revenues and expenditures fluctuate annually, the President may propose a budget that falls short of meeting the goals of this policy. Should this occur, the President would strive to allocate sufficient funds for market-level adjustments, cost-of-living increases, and experience adjustments. (Trustee Rafael Quintanilla)

~~[11] An appropriate relationship shall be maintained between the compensation packages of executives and senior administrators and the compensation for other classes of employees. Any compensation increase in excess of the average percentage increase for other employees for an employee serving as a College administrative officer requires specific Board approval.~~

The Austin Community College Board of Trustees adopted this policy on August 16, 1999 and amended it on May 1, 2000, December 2, 2002, and April 21, 2003.

[Comments, suggestions? Policy Home Page](#) [Board of Trustees Home Page](#)

F-10. EMPLOYEE COMPENSATION

Principles:

ACC intends to compensate employees so as to (1) attract and retain a workforce with sustained high effectiveness in meeting student learning needs, (2) act as an ethical and responsible employer, and (3) make efficient use of student and public higher-education expenditures. The President shall accordingly, consistent with fiscal constraints and meeting the College's other needs, develop plans and proposals to meet the following goals:

[1] Provide employment primarily on stable professional terms with an adequate level of regular staff to achieve excellence goals. However, the College shall use hourly, part-time, and temporary staffing when appropriate to match variations in work load.

[2] Have all employees receive fair pay for their contributions to the College mission, with no employee paid less than the community-accepted level of a "living wage".

[3] Provide a compensation package (including salary, benefits, time off, stipends, and awards) that is market-competitive. Priority for increasing compensation shall be for those positions that are at 95% or less of the market average or any other compensation target included elsewhere in this policy or set by the Board.

[4] For each type of position, the incumbents' compensation shall, on the average, be market-competitive with those at the primary institutions for which the College competes for employees. Job content is the most important comparison point, but the size of the institution (i.e., its workforce) shall also be considered. For adjunct faculty, the average ACC compensation shall be the average of the middle half of the distribution. The primary relevant comparison markets shall be: for non-faculty staff and administrators, similar local, regional, or national positions, as appropriate for the position; for full-time faculty, nine-month averages of full time faculty with equivalent experience and education in Texas metropolitan community colleges; for adjunct faculty, lower-division classroom sections taught in the Austin metropolitan area by part-time faculty for other institutions of higher education. The administration may make reasonable estimates where needed to supplement published data.

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

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[7] Provide salary ranges that reflect appropriate adjustments for changes in effectiveness due to applicable education/experience and completion of any mandatory professional development.

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[9] As part of the budget process, the President shall recommend pay scales and stipends that, in his or her judgment, reflect the above principles to the extent feasible given other Board directives. Projections shall be provided with the planning/budget proposals of the funds needed for cost-of-living adjustment, market adjustments, changes in staffing levels, and the net cost of any experience increments. Board approval of pay scales and rules shall be based primarily on the extent to which the President's recommendation is consistent with the provisions of Board policy and planning directives.

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

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

The Austin Community College Board of Trustees adopted this policy on August 16, 1999 and amended it on May 1, 2000, December 2, 2002, and April 21, 2003.

F-10. EMPLOYEE COMPENSATION

Value Statements:

- Market competitive compensation for all employees is critical in attracting and retaining a quality workforce.
- Compensation market surveys will be used to determine competitive salaries and ensure internal and external equity.
- A compensation plan will be developed as a means of managing payroll costs and salary expenditures and shall be included in the proposed annual operating budget developed by the College administration.

Principles:

ACC intends to (1) attract and retain a workforce with sustained high effectiveness in meeting student needs, (2) act as an ethical and responsible employer, (3) develop and maintain a fair and competitive salary structure and (4) make efficient use of student and public funds for compensation administration. The President shall accordingly, consistent with fiscal constraints and meeting the College's other needs, develop plans and proposals to meet the following goals:

- (1) Ensure an adequate staffing level to meet the mission and goals of the College by employing regular staff and minimizing reliance on part-time, temporary or hourly employees.
- (2) Maintain a compensation program of competitive salaries and benefits that ensures fair pay for the employees' contributions to the College mission.
- (3) All compensation survey data will be shared with the appropriate employee group. The administration will seek to reach consensus with the employee group on the compensation plan that is included in the proposed operating budget.
- (4) For employee categories, compensation shall, on the average, be market competitive:
 - For non-faculty employees (classified, professional-technical and administrators), the relevant competitive market shall be the Texas metropolitan community colleges and similar positions in the local area.

The methodology for determining market competitive salaries shall be to calculate the prevailing wage rate (midpoint) of the scale or range for each college or entity and age the data to reflect a common timeframe. The prevailing wage rate will be compared to ACC's midpoint on the appropriate scale.

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

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

The Texas Community College Teachers Association Full-Time Faculty Survey shall be used to determine market salaries. The methodology to determine market competitive salaries shall be the comparison of each college's average salaries of actual salaries paid to full-time faculty assuming a nine-month contract. The analysis shall use four distinct quarters. The lowest and highest actual salaries for bachelor's, master's and doctoral degrees shall be presented for each range. Quartiles shall be based on the total salary range for each degree, subtracting the lowest salary from the highest, then dividing the result into four equal ranges.

The administration will obtain the faculty surveys of the American Association of University Professors (AAUP) and the College and University Personnel Association (CUPA) to validate the Texas Community College Teachers Association Full-Time Faculty Survey data.

- For adjunct faculty the relevant comparison markets shall be the Austin metropolitan area institutions of higher education.

The methodology shall be to compare the college's average salary of actual salaries paid to faculty teaching the lower-division classroom sections. The administration may make reasonable estimates where needed to supplement the published data.

The adjunct faculty compensation survey shall be conducted every two years. In the alternative years, the adjunct faculty pay scale shall be adjusted to reflect at least the cost-of-living adjustment or adjustment as approved by the Board. The adjustments shall be included in the proposed operating budget.

- (5) Adjust pay scales annually to reflect cost-of-living changes, with cost-of-living adjustments applied on the same basis to all employee group pay scales.
- (6) As part of the annual operating budget process, the proposed budget shall reflect the pay scales that reflect the above principles and include projections for cost-of-living adjustments, market adjustments, changes in staffing levels and identify any major changes in compensation administration that impact the budget.
- (7) The President may propose a budget which falls short of meeting the goals of this policy. While revenues and expenditures may fluctuate annually, the President shall strive to allocate sufficient funds for market-level adjustments and cost-of-living increases.

F-10. EMPLOYEE COMPENSATION

Value Statements:

- **Market competitive compensation for all employees is critical in attracting and retaining a quality workforce.**
- **Compensation market surveys will be used to determine competitive salaries and ensure internal and external equity.**
- **A compensation administration plan will be developed as a means of managing payroll costs and salary expenditures and shall be included in the annual proposed operating budget developed by the College administration.**

Principles:

ACC intends to ~~compensate employees so as to~~ (1) attract and retain a workforce with sustained high effectiveness in meeting student learning needs, (2) act as an ethical and responsible employer, and (3) **develop and maintain a fair and competitive salary structure and** (4) make efficient use of student and public ~~higher education expenditures~~ funds for compensation administration. The President shall accordingly, consistent with fiscal constraints and meeting the College's other needs, develop plans and proposals to meet the following goals:

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

[2] **Maintain a compensation program of competitive salaries and benefits that ensures fair pay for the employees' contributions to the College mission.** ~~Have all employees receive fair pay for their contributions to the College mission, with no employee paid less than the community accepted level of a "living wage".~~

[3] **All compensation survey data will be shared with the appropriate employee group. The administration will seek to reach consensus with the employee group on the compensation plan that is included in the proposed operating budget.** ~~Provide a compensation package (including salary and benefits time off, stipends, and awards) that is~~

~~market competitive. Priority for increasing compensation shall be for those positions that are at 95% or less of the market average or any other compensation target included elsewhere in this policy or set by the Board.~~

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

- **For full-time faculty positions, the relevant market shall be full-time faculty with equivalent experience and education at the Texas metropolitan community colleges.**

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the comparison of each college's average salaries of actual salaries paid to full-time faculty assuming a nine-month contract. The analysis shall use four distinct quarters. The lowest and highest actual salaries for bachelor's, master's and doctoral degrees shall be presented for each range. Quartiles shall be based on the total salary range for each degree, subtracting the lowest salary from the highest, then dividing the result into four equal ranges.

The administration will obtain the faculty surveys of the American Association of University Professors (AAUP) and the College and University Personnel Association (CUPA) to validate the Texas Community College Teachers Association Full-Time Faculty Survey data.

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The methodology shall be to compare the college's average salary of actual salaries paid to faculty teaching the lower-division classroom sections. The administration may make reasonable estimates where needed to supplement the published data.

The adjunct faculty compensation survey shall be conducted every two years. In the alternative years, the adjunct faculty pay scale shall be adjusted to reflect at least the cost-of-living adjustment or adjustment as approved by the Board. The adjustments shall be included in the proposed operating budget.

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

~~[6] [5] Adjust pay scales annually to reflect cost-of-living changes (including inflation), with cost-of-living adjustments applied on the same basis to all pay scales. However, cost of living increases shall be adjusted appropriately to reflect the greater impact of inflation in the necessities on lower income persons.~~

~~[7] [6] Provide salary ranges that reflect appropriate adjustments for changes in effectiveness due to applicable education/experience and completion of any mandatory professional development. As part of the annual operating budget process, the proposed budget shall reflect the pay scales that reflect the above principles and include projections for cost-of-living adjustments, market adjustments, changes in staffing levels and identify any major changes in compensation administration that impact the budget.~~

[7] The President may propose a budget which falls short of meeting the goals of this policy. While revenues and expenditures may fluctuate annually, the President shall strive to allocate sufficient funds for market-level adjustments and cost-of-living increases.

Decision Process:

~~[8] Compensation rates and proposed changes in them are to be publicly announced and shall normally be implemented as part of the budget process. Compensation changes at other times shall be made only in cases of documented urgent need approved by the President, after informing the employee associations and considering their comments. Changes require specific Board approval if the action increases a person's compensation rate by 10% or more or if the cumulative unapproved changes to the budget during the year would exceed \$10,000/month.~~

~~[9] As part of the budget process, the President shall recommend pay scales and stipends that, in his or her judgment, reflect the above principles to the extent feasible given other Board directives. Projections shall be provided with the planning/budget proposals of the funds needed for cost of living adjustment, market adjustments, changes in staffing levels, and the net cost of any experience increments. Board approval of pay scales and rules shall be based primarily on the extent to which the President's recommendation is consistent with the provisions of Board policy and planning directives.~~

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~~[11] An appropriate relationship shall be maintained between the compensation packages of executives and senior administrators and the compensation for other classes of employees. Any compensation increase in excess of the average percentage increase for other employees for an employee serving as a College administrative officer requires specific Board approval.~~

Policy F-10 Revisions: Staff Comments

1. Why has the administration deleted the language “with no employee paid less than the community accepted level of a “living wage”?”

While the concept of a living wage is supported, the implementation of the living wage to the salary scale lessens the percentage difference between steps and thus, the College is not paying a market-competitive salary for all positions.

The Compensation Study will recommend a market competitive pay scale for classified and professional-technical employees. Thus, to adjust these new scales for a living wage will create inequities once again.

2. Why change the methodology for full-time faculty?

The results of the annual 2005-2006 Compensation Survey indicates that the compensation of full-time faculty, on the average, is at market. To maintain market competition, the increase in compensation must meet the increases of the Texas metropolitan community colleges. This data is easily obtainable from the recommended benchmark surveys. Based upon these surveys, the Administration will include in the proposed annual operating budget a compensation plan for full-time faculty salaries.

3. Would paying adjunct faculty a proportion of full-time faculty be easier to administer?

No. The Administration has discussed with the AFA the impact of a proportionality plan. The Administration is not recommending this plan for these reasons:

- (1) There are two levels (Master’s and PhD) and seventeen steps on the Adjunct Scale. There are five levels and thirty-two steps on the Full-Time Faculty Scale.
- (2) The definitions of the levels differs for each scale and thus, there is no equity of education and experience among faculty on the various steps.
- (3) Adjunct Faculty are placed as appropriate on the adjunct faculty scale after one year. Upon hire, full-time faculty are placed at a maximum of Step 10, regardless of the years of experience. Thus, employee placement on the two scales is not consistent.

- (4) If we were to create a proportionality scale, the adjunct faculty scale is higher on the Master's level from Step 7 through Step 17 per LEH.
- (5) A proportionality plan would impact the scale for overloads.
- (6) It is anticipated that further research will be conducted on moving the full-time faculty scale from "steps" to "ranges" in order to simplify the placement process.

4. How would compensation decisions be made each year?

As part of the annual operating budget process, the proposed budget would reflect the compensation plans for the next academic year. Consistent with shared governance, the President would present the compensation proposals to the relevant association employees for review and discussion. The administration will seek to reach consensus before presenting the proposed budget to the Board.

5. Why is the language deleted that refers to priority for increasing compensation for positions that are 95% or less of the market average?

The objective of this year's Compensation Study is to determine market competitive salaries for all classified and professional-technical salaries. As a result of the survey, there should not be a position that is classified and compensated less than the market average. Thus, there should not be a need to make market adjustments in the immediate future.