



TO: President Pemberton

FROM: Compensation Review Committee
Members: Amanda Greco, Diana Higgins, Leif Hoffmann, Lorinda Hughes,
Rosita Nabarrete, Cindy Patterson, and Vikki Swift-Raymond

DATE: February 2, 2021

SUBJECT: Compensation Review Committee Report

The Compensation Review Committee (CRC) is charged with providing feedback for employee compensation, acting as a sounding board for initiatives related to compensation, and reviewing prior CRC committee recommendations and responses to ensure momentum forward or resolution of outstanding items. We are to provide the Administration with credible information to make our case with the State Legislature to support Change in Employee Compensation (CEC) salary increases for the upcoming year.

The charge requests that the committee review key materials to develop recommendations on compensation (monetary and non-monetary) to the President. The CRC reviewed the prior year's initiatives, Lewis-Clark State College's (LC State) Strategic Plan FY 2021-2025, the Division of Human Resources FY 2022 Change in Employee Compensation and Benefits report, and LC State's Compensation Philosophy. We sought feedback from the constituent groups for non-monetary compensation as is consistent with prior committee reports.

Since convening, the CRC reviewed the Idaho Division of Human Resources *FY 2022 Change in Employee Compensation and Benefits Report*. We would like to highlight the DHR Executive Summary which states, "One theme evident when analyzing our 25,000 strong statewide workforce, state employees proudly overproduce while being underpaid. This concept starkly came to my attention from Lewis-Clark State College which does a remarkable job producing degrees at half the cost."

The Committee believes that all employees deserve fair, market-based compensation. Our location on the border of Washington presents unique challenges. Currently, the minimum wage in Idaho is \$7.25/hour, while the minimum wage in Washington is \$13.69/hour. This makes it difficult to recruit employees for many of our vacant positions. A geographical differential recommendation will be made later in the report.

LC State was one of a few state agencies that implemented mandatory furloughs this past year to help reduce the budget deficit. LC State furloughed over 200 employees for a total of over 5,000

hours and upwards of \$500,000. In addition, from FY19 – FY22, LC State lost approximately 45.33 FTE, or a 9.3% reduction in personnel due to budget restrictions.

While other states are faced with cutting budgets, the State of Idaho is in a much different situation with higher than expected revenues. This is due, in part, to FY 2021 budget holdbacks (1x and ongoing) directed by the Governor as well as all state agencies being fiscally conservative. Included in the holdbacks was the 2% CEC allocation for FY 2021 that state agencies were instructed to hold in reserves until such time Governor Little authorized the release of the funds. The Governor is recommending an additional 2% CEC increase for FY 2022. It is important to remember that if the Legislature approves the 2% for FY 2022, the State only funds half of any CEC dollars received, with the remaining portion funded by tuition dollars. Additionally, while the Governor did not recommend funding for faculty promotions this year, this is an area that must be addressed. Historically, faculty promotions have been taken from tuition increases. The CRC Committee would like to continue encouraging the Administration to request funding for a portion of promotions each year as LC State does not have extra resources to continue to support annual promotions. The Committee is concerned about the number of faculty who will be up for promotion when it is reinstated in FY 2023. There is the potential of approximately \$300,000 of promotions in FY 23.

The Committee continues to support the CRC's recommendations for a compensation philosophy (Appendix A) which aligns with Idaho code requirements to base changes in employee compensation on merit. The focus of the philosophy is to reiterate priorities as represented by faculty, professional staff, and classified staff. Overall, compensation is recommended to be based on meritorious service with a focus on quality performers who have a greater number of years of service and who are paid below the market average for their position and to recruit qualified employees at a fair market value.

Previous Year (2020) Compensation Review Committee Recommendations

Last year the CRC's recommendations revolved around budget reductions and the overall consensus to mitigate personnel reductions as much as possible and, in general, hold employees as harmless as possible. In addition, the Committee requested and was successful in their request to allow two children per family to have the dependent benefit each semester.

2021 Compensation Review Committee Recommendations

Thank you for allowing us to provide feedback. The Committee urges Administration to consider the following recommendations as it plans for the future of Lewis-Clark State College.

1. Increase employee tuition benefits from six (6) credits to seven (7).
 - This allows an employee to take two classes and one exercise (kinesiology) class each semester.
 - At times, employees want to take one class in addition to another class with a lab, or quite possibly a language class, such as Nez Perce or Spanish. These classes are typically four credits, which bumps the employee from six to seven credits.

- This one-credit increase will help encourage and promote employee wellness and diversity.
2. Support two (2) classes during the summer session, up to seven (7) credits.
 3. Negotiate on behalf of faculty and staff to receive a discount at Sodexo (similar to the 10% discount at Follett's Bookstore.)
 4. Consider a geographical differential for LC State employees in all represented regions who experience a higher cost of living, increased transportation costs, increased housing costs, etc. DHR's Compensation Policy allows geographic differential, or additional compensation, paid to employees assigned to positions in geographical areas where the agency finds recruitment and retention particularly difficult. As mentioned previously, LC State's Lewiston and CDA campuses are located directly on Washington's border. This makes it extremely challenging to recruit and retain employees due to the substantial difference in the minimum wage.
 5. Continue the current practice of making meetings available virtually to CDA faculty and staff as well as Boise staff. They appreciate the opportunity to increase their involvement and feel a sense of community with the rest of the Lewiston campus employees.
 6. Continue providing remote learning spaces post-COVID for students on campus.
 7. Parking:

Feedback has been negative from all three constituent groups regarding the substantial increase in parking permits. The Committee would like the Administration to consider decreasing the cost of parking permits for faculty and staff from \$75 to \$50 annually, while keeping the discounted rate of \$10 for a second permit. If the cost of parking permits is reduced to \$50, the number of permits sold would presumably increase. The Security Office would sustain the same revenue by selling 2000 permits at \$50 each as they do by selling 1340 permits at \$75. The increase in permits sold would contribute to fewer vehicles parked on the street. This would make LC State a better neighbor and reduce the discontent of the Normal Hill residents.

Data from the Security Office shows the following:

Fiscal Year	Permits Sold	Revenue from Sales
2019	2908	\$29,080
2020	2515	\$25,150
2021 (through 12/31/20)	1341	\$90,000

The parking permit increase has contributed to overall employee discouragement. Following a year with no CEC increases, mandated furloughs for employees earning salaries of \$40,000 or more, increased medical /dental insurance premiums, and an increase in parking permits, employees are feeling disheartened.

8. Continue flexibility for employees to telecommute when their job allows it, even post-COVID.
9. Continue LC State's practice of summer hours.
10. Continue the practice of flexibility with work hours in those departments that can accommodate such flexibility.
11. DHR has proposed a 2% increase to the classified pay scale in July. When this takes effect, the state requires agencies to bring any classified staff member who falls below the new hourly rate up to their pay grade's minimum hourly rate. An issue that comes with this is that the minimum salary for professional staff is tied to pay grade K of the classified pay scale according to Idaho Statute Title 67 Chapter 53 67-5303. While the state funds the cost to bring classified staff to the minimum of their pay grade, they do not provide additional funding to increase the professional staff employees who fall below pay grade K. We recommend LC State bring our professional staff employees up to the minimum of pay grade K when the classified pay scale increases. Because it has increased every year for the last few years, it creates compression issues for our long-time professional and classified staff employees.

There are a few issues the CRC discussed at length. **We realize we do not have control over these issues as an institution.** However, we feel compelled to include them in this report, as these issues affect our employees and were brought up by the constituent groups last fall:

- 1) The Committee feels it is important for our CTE faculty to be eligible for tenure. However, we understand this is a State Board of Education policy and not a LC State policy.
- 2) Work with the Administration at our sister institutions to revisit an employee's ability to take graduate-level classes online with the employee discount. With the Presidents Leadership Council's creation, the four-year institutions have joined forces and are working together through the difficult budgetary issues that all of us are facing. Allowing employees to have access to affordable graduate-level courses at all four institutions encourages professional development. It makes our employees more qualified to assume the additional responsibilities that have come with budget reductions and reduced faculty and staff. The state will get more "bang for their buck" by allowing employees access to affordable education.

Appendix A:

Lewis-Clark State College Compensation Philosophy

Lewis-Clark State College's mission is to prepare students to become successful leaders, engaged citizens, and lifelong learners. The best way the college can deliver quality programs is to retain and recruit a qualified workforce that is committed to excellence and service. We are compelled to provide fair compensation that reflects employee performance and is market-based.

Lewis-Clark State College Compensation Objectives:

- 1- Reward meritorious service: Faculty and staff should be compensated according to performance in line with Idaho Code §67-5309B.
- 2- Retain qualified employees by addressing market inequalities: Retain quality performers by keeping LCSC's compensation in line with the market averages that include factors unique to the institution. Priority action should address meritorious employees who have a greater number of years of service and are paid below the market average for the position.
- 3- Recruit qualified employees: Hire talented individuals who bring a fresh perspective, unique skills, and broad experience that can infuse the campus with a forward-looking perspective. Talented new employees should be hired at a compensation level commensurate with the job description and fair market value.