

MEMORANDUM

Date: July 16, 2019

To: Board of Education (BOE)

From: Joy Gutknecht
Human Resources Manager

RE: Management, Technical and Confidential (MTC) Compensation and Benefits

- A. Notify BOE of 19-20 and 2020-2021 MTC salary adjustments per current compensation system
- B. Recommend change to MTC benefits, in area of vacation accrual and payout.
- C. Request BOE direction in regards of impact on President's compensation and benefits

A. MTC salary adjustments per current compensation system

The Management, Technical and Confidential (MTC) employee group is comprised of individuals that not covered by collective bargaining. Their system of compensation is as follows: annual increases are contingent upon available resources to fund step progression (longevity) and structural changes (inflation). In years where funding is uncertain, one-time payments may replace one or more permanent step increases for managers. The President and the Chief of Finance together assess resources and determine what is available. New this year, the President directed the HR Manger to seek input from the MTC group. This input was presented to the President. Ultimately the President determines actual increase for MTC within the available resources. The President considers equity with employee groups represented via collective bargaining, equity with similar institutions, and workload demand upon managers who as exempt employees do not receive additional compensation for considerable additional time worked.

For 2019-2021, President Ryslinge has budgeted the following salary increases each year for MTC employees.

| Management and Technical (exempt) | Confidential (non-exempt) |
|---|---|
| 2% structural adjustment to the pay scale | 2% structural adjustment to the pay scale |
| One (1) 2% step increase | Two (2) 2% step increase |

One-time pay for **Management** for 19-20

- Exec Team (reports to President) 5%
- Junior Exec Team (reports to ET) 3%

One-time pay for 20-21 will be determined with the 2020-21 budget development.

*President Ryslinge wishes to recognize the time and dedication given by the college managers over the past five years to bring OCCC to independent accreditation, regardless of the outcome of the upcoming NWCCU review. Unlike faculty or classified, management does not receive additional compensation for additional work. While all managers have contributed, this burden has fallen to a significantly larger extent on the Executive Team.

B. Recommend change to MTC benefits, in area of vacation accrual and payout

Under Board Policy 751- Compensation and Benefits, the President is recommending the Board of Education approve changes to MTC vacation accrual and payout. The HR Manager and CoFO have completed a fiscal analysis of the proposed changes and it is their opinion fiscal impact is minimal and manageable. A rationale is provided for each change.

1. Increase in the number of accrued vacation hours that can be cashed out- Currently MTC may only cash out up to 80 hours of accrued vacation time at employment separation (resignation or retirement). Increase the cash-out limits as follows:

Management and Technical employees

- | | |
|-------------------------|--|
| 0-3 years of employment | Cash out up to 80 hours of accrued vacation hours |
| 3+ years of employment | Cash out up to 200 hours of accrued vacation hours |

Confidential employees cash out up to 160 hours of accrued vacation time

Rational: Equity for MTC and recognition of the hours worked that have reduced the opportunity to take accrued vacation time. Classified staff can cash out up to 160 hours of accrued vacation hours and it is unclear why MTC is at one half (80 hours) that amount.

2. 5th Week Payout- This is a new concept. Management and Technical employees, after 3 years of continuous employment and the use of 80 hours of vacation time in the year, will have the opportunity to request up to 40 hours of accrued vacation leave as payment at the end of the year. At the completion of 5 year milestones, in that year only, up to 80 hours of accrued vacation time can be cashed out with the use of at least 80 hours of leave time in the year.

Rational: Lean staffing and high workloads have resulted in managers deferring or entirely neglecting to take earned vacation time, and consequently they lose this benefit. The introduction of the 5th week payout provides incentive for taking vacation time, aiding in establishing healthy habits of work life balance while recognizing that this group of employees are not eligible for overtime pay and are expected to work the hours necessary to accomplish their job.

C. **Request BOE** direction in regards of impact on President's compensation and benefits

President Ryslinge has requested the HR Manager ascertain the Board's direction in whether they intend for the provisions of this memo to apply to the President, so as to remove the President from the role of recommending changes to her own salary and benefits. While the President's contract includes the following statements, President Ryslinge is willing to waive these provisions if they stand in the way of the improvements to compensation and benefits for the MTC employees.

- 5.A...Bonuses may be awarded by the Board to the President at any time for milestone achievements.
- 5.B.17...President's salary shall be increased by the same percentage increase (if any) received by administrative staff.
- 5.B.19...Policy changes shall be automatically reflected in the President's benefits.