TO: President Cynthia Pemberton

FROM: Compensation Review Committee
Members: Lorinda Hughes, Cindy Patterson, Brooke Hallman, Diana Higgins, Jeff Zimmerman, Sue Hasbrouck, Vikki Swift-Raymond, Dawn Lesperance, Kristin Myers

DATE: February 2, 2022

SUBJECT: Compensation Review Committee Report

The Compensation Review Committee (CRC) serves as a sounding board and communication conduit for considerations and initiatives related to compensation such as advocacy and monetary and non-monetary comparison. The CRC committee is charged with:

- Reviewing prior CRC reports, recommendations, and administrative responses;
- Reviewing the prior CRC committee's compensation philosophy to reaffirm or suggest revisions appropriately;
- Reviewing the LC State strategic plan and compensation goals;
- Reviewing the annual compensation report from the State Division of Human Resources (DHR);
- Reviewing LC State's annual employee compensation plan submitted to DFM/DHR;
- Providing administration with credible information to make our case with the State Legislature for CEC;
- Exploring other compensation and employee advocacy issues.

FY22 focused initiatives that the committee was specifically asked to address included:

- Reviewing the CRC compensation philosophy that years of service be used instead of years in current position to determining compensation inequities;
- Consider recommending revision of LC's compensation goal 4.B.1 to "more closely align with Idaho's fiscal constraints, and broad-based state compensation goals."
- Review and make a recommendation regarding the most meaningful faculty compa-ratio comparison metric (i.e., AAUP or CUPA data).

The CRC met three times (November 11 and December 9, 2021, and January 20, 2022), and reviewed prior years' initiatives, the State Division of Human Resource's FY23 Change in Employee Compensation and Benefits report, and the prior year CRC committee recommendations for compensation philosophy. Additionally, we sought feedback regarding both monetary and non-monetary compensation from our respective constituent groups, consistent with prior committee reports. The following comments reflect the discussion and consensus of the group as it relates to specific compensation issues and initiatives.

Focused Initiatives That CRC Was Asked to Address

The current LCSC Compensation Philosophy is reproduced in Appendix A. The committee continues to support a compensation philosophy that requires change in employee compensation be merit-based, in line with Idaho's merit-based pay system.

In response to the focused initiative that the committee was specifically asked to address (and as it relates to item 2 of the current Compensation Philosophy), the committee continues to support the idea of using years of service (rather than years-in-position) to determine individual instances of market inequality. The rationale for this recommended approach is simple: *if the goal of compensation is to retain qualified employees at the institution, then using years of service is the more relevant measure to "incentivize" that outcome.* Employees who change positions within the institution should not be "penalized" for doing so in their salary comparisons, particularly when their redeployment benefits the overall institution. Therefore, the committee affirms using years of service rather than years-in-position as the appropriate metric for determining internal instances of market inequality, regardless of how the State of Idaho approaches it.

Changing our compensation philosophy to "align with Idaho's fiscal constraints" in a time of unprecedented state surpluses would seem unwarranted. Nonetheless, the committee acknowledges the current inconsistency in language contained in our current strategic plan. LC State's Strategic Plan Goal 4.B.1 is to "bring all employee compensation up to policy/median benchmarks." The benchmarks cited in this document are based upon years in current position, but the overall performance measure objective nonetheless indicates, "Bring all employees to benchmarks based upon years of service." The CRC committee recommends administration correct the language inconsistency, but remain with the current measured goal using years of service, rather than years in position.

Finally, regarding the focused initiative to review and make a recommendation regarding the most meaningful compa-ratio metric for faculty: the committee wholly endorses the idea of exploring the use of CUPA data for this comparison, as doing so would enable discipline-specific analyses. However, the committee suggests comparing faculty salaries annually with a variety of comparators, including not only LC State peer institutions, but also other Idaho four-year institutions, as well as AAUP data. Appendix B provides summaries of such comparators prepared using the most current available IPEDS data, along with a summary of professional staff and select classified staff position comparisons that was developed using institutional data.

General Charge

The committee reviewed prior CRC reports, recommendations, and administrative responses. Appendix D reflects a compilation of the remaining outstanding items from the FY21 report; Appendix E reflects closure of items from the FY21 report.

The committee also reviewed the FY23 DHR recommendations. For FY23, DHR recommends funding a 5% total CEC comprised of two components: 1) a 2% salary structure adjustment for all employees; 2) a 3% merit-based component. This recommendation was supported by the Governor in his recommended budget. Obviously, the committee supports any change in CEC ultimately approved by the Legislature and expresses appreciation for the full-funding of the FY22 CEC increase. The committee also reviewed the turnover statistics in the DHR report, tabled in Appendix C, and would simply note that our classified staff separation rates are above state average rates.

Information to Support Our Case with the State Legislature

Appendix B provides information in support of salary increases at the College. Careful analysis of the tables in this appendix document that we are below comparison groups (regardless of how they are defined) for just about every employee type, **except perhaps instructors**. As a general rule, faculty salaries tend to comprise anywhere from 69% (in Table 2, comparison to Idaho four-year institutions) to 94% (in Table 1, comparison to self-selected peer institutions) of comparator averages, instructor category notwithstanding. The next most "robust" or competitive category of employee wages would appear to be professional staff salaries, at about 95% of the CUPA median in FY21. The hourly rates for the two representative positions selected to analyze classified salaries (AA1 and custodian) range from 86% to 91% of the state policy rates for these positions' paygrades. In sum: we are paid less, in general, than appropriate comparison groups, and we experience higher turnover in our classified ranks (as documented by the DHR report) than the State of Idaho does, on average.

Having said that, many of these metrics show some improvement (at least in terms of the overall trend), most notably among professional staff salaries and also with regard to faculty salaries compared to self-selected peers. However, the institutions comprising this self-selected peer group will undoubtedly change as we transition into offering graduate programming, and the fact that our faculty salaries remain well below our sister institutions in the State of Idaho is problematic, given that we will likely be competing directly against the universities for qualified faculty in graduate disciplines, moving forward.

Common Themes Among Constituent Groups

Two common themes emerged from this year's CRC discussions: 1) sustained salary increases; 2) increased workplace flexibility (including work-from-home arrangements and flex hours). Employee morale at the College is greatly improved when raises are received and budget reductions and furloughs are avoided. While the committee recognizes that administration is limited by the marginal tuition and tax dollars we receive in any given year, we nonetheless appreciate the efforts made to secure last year's CEC increase from the State. (Refer to Appendix D for further requested action items.)

In addition, even the State of Idaho (via the DHR report) recognizes that the work world has changed, as a result of the pandemic. Many workers are opting out of the work force or demanding increased flexibility in their work arrangements. While the committee recognizes that we: a) must adhere to state policies and demonstrate accountability regarding the College's workforce; b) are a live-campus, in-person educational institution, the committee nonetheless encourages administration to remain open to increased workplace flexibility opportunities, as they evolve in the larger world around us. The nature of work is changing, and in order to competitively attract and retain employees, we may have to offer flexible work options.

Faculty Compensation Concerns/Requests

Addressing salary compression issues and fully funding promotions remain the highest priorities of faculty at the College. The CRC committee recommends administration explore further why instructor-level salaries at the College appear to be more competitive than faculty salaries at the other ranks, to determine if this is in fact a direct manifestation of salary compression. If so, then an effective mechanism to address salary compression is to continue to fund promotions, which alleviates compression but also provides incentives for faculty to remain at the institution and advance in rank.

Other requests by faculty include:

- Restoration/reinstatement of funding for sabbaticals.
- Increased workplace flexibility and incorporating workplace flexibility language into LC State's policies, that recognizes the inherently unstructured nature of faculty work;
- More help with online course development, not only in terms of structuring content but also in addressing increasingly complex technological issues such as LMS integration;
- Expanded child care benefits for all employees, including discounted KinderCollege rates;
- Addressing "internal issues" associated with taking family medical leave (i.e., course coverage stipulations).

Professional Staff Compensation Concerns/Requests

Salary compression (among staff) and increased workplace flexibility (virtual work) were concerns also raised by professional staff. Specifically, increasing the flexibility to work from home for positions that lend themselves to such circumstances was cited as a significant non-monetary reward. Bringing exempt staff salaries up to the paygrade K minimum (whenever a statewide pay line adjustment is made that affects this minimum) remains a priority carryover item from last year (see Appendix D).

Other recommendations from PSO for compensation-related items included:

- Continued availability of one hour per week for wellness time;
- Increasing the summer educational credit to allow for two classes (see Appendix D);
- Creating a "ladder system" for employees wanting to advance and provide skills training;
- Providing one-time bonuses to recoup lost wages due to prior furloughs.
- Twenty hours of paid time off to work at a charity/volunteer.
- Paid fitness memberships to local gyms.
- Free community programming courses, if they are offered again.

Classified Staff Compensation Concerns/Requests

Classified staff wages remain a concern of all constituent groups. As one non-CSO committee member noted:

> "In order for us to stay competitive with other employers and to attract good, solid employees, it's important that we consider the hourly rate we offer to classified staff. Our search committees will suffer from an unqualified applicant pool if we don't take into consideration that individuals can work off campus at entry-level positions with less responsibility for more money."

Other classified staff employees have noted that their hourly wages are currently below those paid to fast-food workers in the region, and point to the fact that the State of Washington's increase in their minimum wage makes retention of classified employees difficult. A specific suggestion is to remind legislators of IC 67-5309 A(3) , which states, "regardless of specific budgetary conditions from year to year, it is vital to fund necessary compensation adjustments each year to maintain market competitiveness in the compensation system."

While classified staff pay is controlled by the state, we should nonetheless look for ways to start employees at a higher step or advance classified employees up through their paygrade steps more rapidly. Other suggestions raised by CSO included:

- Flexible work schedules (flex hours);
- Increasing the summer educational credit to allow for two classes (see Appendix D);
- Employee access to the Fitness Center during lunch and during holidays/breaks, or when classes are not in session.

Thank you for allowing the Compensation Review Committee to provide feedback.

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 §67-5309A/B.

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.

Appendix B
Analysis of Current Salary Comparison Data

Table 1: Average Faculty Salaries by Rank, Relative to Peer Institution Median Salaries

Source: IPEDS Data Feedback Reports, 2017-2021

	2016-17	2017-18	2018-19	2019-20	2020-21
Full Prof:					
LCSC	$60,367	$65,369	$67,172	$71,472	$71,098
Peers	76,783	77,212	75,607	75,329	75,464
% of Peer	*78.6%*	*84.7%*	*88.8%*	*94.9%*	*94.2%*
Assoc Prof:					
LCSC	$54,752	$56,361	$58,741	$60,647	$59,784
Peers	63,348	63,548	63,092	65,376	64,355
% of Peer	*86.4%*	*88.7%*	*93.1%*	*92.8%*	*92.9%*
Asst Prof:					
LCSC	$47,318	$48,376	$49,639	$50,658	$49,972
Peers	55,500	55,562	54,298	56,460	57,126
% of Peer	*85.3%*	*87.1%*	*91.4%*	*89.7%*	*87.5%*
Instructor:					
LCSC	$43,763	$45,001	$45,408	$46,226	$46,116
Peers	45,562	46,509	44,653	44,165	44,901
% of Peer	*96.1%*	*96.8%*	*101.7%*	*104.7%*	*102.7%*

This table was prepared using the readily-available self-reported IPEDS data that is summarized and published in the Data Feedback Report each year. The DFR automatically calculates and compares instructional salaries of full-time faculty (equated to 9-months) by rank for both LCSC and our comparison group median.

Compared to our self-selected institutional peers, LC State salaries are below those of our peer institutions in all ranks but one. However, there has been some improvement in our relative position, generally, and we would hope to see this trend continue.

Table 2: Average Faculty Salaries by Rank, Relative to Idaho University Average Salaries

Source: IPEDS Data Feedback Reports, 2017-2021

	2016-17	2017-18	2018-19	2019-20	2020-21
Full Prof:					
LCSC	$60,367	$65,369	$67,172	$71,472	$71,098
BSU	$86,647	$89,254	$93,472	$95,351	$94,408
ISU	79,696	84,295	86,660	91,502	91,135
UI	101,508	102,909	106,272	111,262	110,539
Univ Avg	$89,284	$92,153	$95,468	$99,372	$98,694
% of U Avg	*67.6%*	*70.9%*	*70.4%*	*71.9%*	*72.0%*
Assoc Prof:					
LCSC	$54,752	$56,361	$58,741	$60,647	$59,784
BSU	$70,595	$74,004	$77,493	$80,250	$81,066
ISU	69,285	73,151	73,338	74,957	75,983
UI	78,448	80,361	82,857	87,126	85,899
Univ Avg	$72,776	$75,839	$77,896	$80,778	$80,983
% of U Avg	*75.2%*	*74.3%*	*75.4%*	*75.1%*	*73.8%*
Asst Prof:					
LCSC	$47,318	$48,376	$49,639	$50,658	$49,972
BSU	$66,489	$69,262	$73,159	$73,930	$73,881
ISU	60,111	63,058	65,522	67,601	67,468
UI	68,955	71,657	74,162	74,277	76,647
Univ Avg	$65,185	$67,992	$70,948	$71,936	$72,665
% of U Avg	*72.6%*	*71.1%*	*70.0%*	*70.4%*	*68.8%*
Instructor:					
LCSC	$43,763	$45,001	$45,408	$46,226	$46,116
BSU	$49,509	$50,926	$37,996	$38,906	$39,540
ISU	43,249	46,570	47,603	49,880	51,124
UI	46,507	49,131	53,936	56,050	55,465
Univ Avg	$46,422	$48,876	$46,512	$48,279	$48,710
% of U Avg	*94.3%*	*92.1%*	*97.6%*	*95.7%*	*94.7%*

Using the same Data Feedback Reports, when compared to our sister institutions in the State of Idaho, LC State faculty salaries are even more compressed. Further, the trend does not necessarily improve in every instance. It could be argued that other Idaho four-year institutions represent the "true" market against which we compete for qualified faculty.

Table 3: Five-Year History of Internal Compensation Comparators

Source: LCSC Budget & HRS Offices

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
9-Month Acad Faculty:					
Professor:					
LCSC Avg	$66,822	$68,808	$72,262	$70,842	$74,701
AAUP Median Avg	87,139	92,458	93,924	99,150	99,616
LCSC % of AAUP	77%	74%	77%	71%	75%
Assoc Professor:					
LCSC Avg	$57,794	$59,451	$59,267	$58,956	$62,415
AAUP Median Avg	71,379	75,007	77,761	81,331	81,718
LCSC % of AAUP	81%	79%	76%	72%	76%
Asst Professor:					
LCSC Avg	$50,696	$51,960	$52,430	$51,821	$53,989
AAUP Median Avg	60,382	64,206	66,516	68,518	68,953
LCSC % of AAUP	84%	81%	79%	76%	78%
Instructor:					
LCSC Avg	$43,357	$44,649	$45,478	$45,518	$46,390
AAUP Median Avg	39,008	44,880	46,123	40,702	41,192
LCSC % of AAUP	111%	99%	99%	112%	113%
Professional Staff:					
LCSC Avg	$54,033	$55,395	$57,162	$55,835	$58,933
CUPA Median Avg	63,770	63,095	64,920	63,050	61,834
LCSC % of CUPA	85%	88%	88%	89%	95%
Classified Staff:					
AA1 Avg Hrly Rate	$14.58	$14.85	$15.36	$15.40	$16.49
AA1 Hrly Policy Rate	17.21	17.73	18.26	18.81	19.19
LCSC % of Policy	85%	84%	84%	82%	86%
Cust Avg Hrly Rate	$9.98	$10.55	$11.64	$11.44	$11.84
Cust Hrly Policy Rate	11.69	12.04	12.40	12.77	13.03
LCSC % of Policy	85%	88%	94%	90%	91%

(1) All data based off of Operating budget submittal documents to have comparability in timing.
(2) All vacant positions, including those designated as "strategically held" are included.
(3) A recent decision increasing Custodian hourly pay is not reflected in the data above.
(4) CUPA comparator method changed to a 3-year average for professional staff comparisons, effective FY22.

This table was prepared using internal data kept by HRS and the Budget Office. Faculty data generally reflect the same trend as the IPEDS data, but compares salaries to the AAUP median. Professional staff are compared to CUPA median averages. Two positions (Admin Assistant 1 and Custodian) were selected to compare to state policy rates for their respective paygrades.

Appendix C

Classified Staff Separations by Type

Source: FY23 Change in Employee Compensation & Benefits Report (DHR) Appendices

	2016-17	2017-18	2018-19	2019-20	2020-21
Total (Appdx P)					
LCSC Rate	20%	22%	13%	22%	32%
State Avg Rate	15%	15%	15%	15%	19%
Voluntary (Appdx Q)					
LCSC Rate	13%	11%	9%	12%	17%
State Avg Rate	7%	8%	8%	8%	11%
Involuntary (Appdx R)					
LCSC	2%	10%	3%	4%	11%
Peers	5%	4%	4%	4%	5%
Retirement (Appdx S)					
LCSC	5%	2%	1%	6%	4%
Peers	3%	3%	3%	3%	3%

Appendix D

Outstanding 2021 CRC Recommendations

CRC Report	Recommendation	Outcome / Response
2021	Support two (2) classes for employees during the summer session, up to seven (7) credits. Work with sister institutions to allow employees access to discounted graduate-level classes.	President's Response indicated "Hold for now" until summer session financial modeling was completed but also indicated reconsideration for possible implementation Summer 2022. **The CRC committee requests this continue to be considered/implemented.** President's Response indicated "Administration will continue to pursue possibilities." **The CRC committee requests this continues to be considered/implemented.**
2021	Negotiate an employee discount with Sodexo, similar to that currently offered by Follett. Consider a geographical pay differential for employees in higher cost-of-living areas. Attempt to keep professional staff pay grade K minimum when classified pay scale changes	President's Response last year indicated "No action at this time." The CRC committee does not recommend pursuing this further. President's Response last year indicated "No action at this time." The CRC committee does not recommend pursuing this further. President's Response last year indicated "Recommendation may be supported pending CEC availability." **The CRC committee requests this continue to be supported, if possible.**
2021	Virtual meetings/remote learning spaces/ telecommuting/work hour and work place flexibility	President's Response to many of these items was "Agree," but noted that flexibility accommodations should be an exception, not a norm. (See discussion above, under constituent group concerns.) **CRC committee asks that the College continue to refine and evolve its flexible workplace policies to reflect the larger society's.**
2021	Parking permit rate reduction for employees	President's Response last year indicated that the $75 parking permit fee could not be "walked back." **CRC committee requests that the College consider implementing a tiered parking fee structure that allows for lower-price permits in more remote locations.**

Appendix E

Closed 2021 Recommendations

CRC Report	**Recommendation**	**Outcome / Response**
2021	Increase employee tuition benefits from six (6) to seven (7). Continue summer hours.	President indicated this program was launched Fall 2021. President's Response indicated agreement with this practice; CRC committee continues to support.
2021	Tenure for CTE faculty	President's Response indicated this action was beyond the scope of the institution. The committee does not recommend pursuing this further.