

**Guests Star Marshall Parks**, Director of Human Resources

No formal presentation, but has survey responses and will present and accept questions based on the issues brought out.

**Big picture compensation overview & Compensation Identity Plan**

- Most employees nationally (89%) feel they should be paid more
- 2012 – told BOT that we were falling behind in compensation, need to take action
- **Compensation Identity plan** – goal was to go from 76% of peers to 90%, had a 5 year goal
  - Wanted to be honest about pay – UNC isn't about being highest paid, it's not who we are
  - Since 2012, invested almost 3.8 in increases in salaries, additional increases in benefits (insurance premiums, etc)
  - Now we are at about 88.5% parity
  - Guess that this year's raises (from last august) will get us to 90%
  - This has been the biggest commitment to improving salaries in at least 75 years
  - NCHEMS has given us 10 peer institutions for comparison; progress is measured against this group, though some positions not equated.
    - In this case, use all doctoral institutions
  - In April we will have an update from HR
  - State funding is roughly 15-20% of our budget; that is down from 75%
    - This means state funding is a marginal piece of our salary adjustments
    - Expect decently steady funding from state; tuition and enrollment is driving our budget
    - Working on a new funding model this year – may hear from Michelle Quinn
  - Raises haven't been given
    - Once we hit the target (90%), will reevaluate the next step
    - Transparency: fiscal sustainability plan has raises built in (about 3% this year, 3-5% in other years); though that is a commitment, it is based on enrollment
      - If we fall behind on enrollment, this may not be possible
  - Competitive with other institutions and non-education jobs
    - We are constantly benchmarking other Higher Ed institutions, but depending on the job we also compare outside the market
  - Banding project will help us fine tune our target rather than just 180 positions
- **Working 50+ hours without compensation**
  - Most exempt employees are also exempt from overtime on FLSA
  - Everyone has peaks, but if that is happening regularly then there is clearly a structural deficit – reevaluate staffing
    - Staffing plan can help address where there are too many or too few staff and reallocate resources
    - No new hiring, but can readjust positions
  - If salary more than 27,500, a job can be evaluated for overtime, but likely not qualified
    - Salaries less than 27,500 are automatically eligible for overtime
    - That number is very outdated, gov't currently working on raising that amount
      - a. Political complications have stalled this legislation; may go into effect July 1, 2016 but may not happen until after election
        - i. Democrat elected, may go through January 1, 2017
        - ii. Republican, likely longer
      - b. Legislation will impact roughly half of our exempt staff
    - Comp time is an option

- **Gender Differences in Pay**
  - Every year an Affirmative Action plan is made with the faculty and staff on both gender and race
  - Each year we end up with 5-7 jobs that fall outside of standard deviation
    - Last year we had 7; 3 faculty, 2 classified, 1 exempt
    - 3 cases, females higher paid than males. 4 cases, opposite
      - Mostly found in tenure-track faculty (historical issues)
      - Newer positions have less of these issues
  - Total bottom of UNC: Difference between M & F is .4% difference – males higher this year, but has flipped in the past.
  - 490 PDQs were submitted for banding and 360 had unique titles, which makes banding more challenging, but more meaningful when comparing salaries and help equate salaries
  - Lots of women in senior leadership that help make these decisions and are intentional with pay decisions
- **Banding Project update**
  - Committee meeting this Thursday
    - Will do one last review of the bands and review first regression analysis
    - Bands distributed in February
    - Still on track to take effect July 1
  - Internal equity and comparisons with previously unmatched positions are main focus
  - Concerns:
    - Downgrading of positions as result
      - No one's pay will be reduced and titles won't be changed at this time
        - a. May seek more consistency in titles in the future
      - Reason banding was chosen is because it most accurately accounts for the kind of work we do
        - a. Other options were more hierarchical, banding is based more on decision-making
        - b. Cal-Berkeley did this a while back and it has been very successful
    - Fewer opportunities for advancement/salary increases
      - Project is not really about distribution of money—not designed to impact salary increase pool
      - Alternatively, will have a chunk of folks who will be below the minimum for their band and we will get them up to minimum
      - May need to do this in stages so that we don't blow through the entire pool
      - Likely will address lowest in their bands first
        - a. Those at the top of the band might get a slightly smaller raise and the difference allocated to get those below minimum caught up
- Questions from council:
  - Can you share an update after your Thursday meeting? We feel there's been radio silence about the project.
    - Must keep exec staff updated first, then can share and are striving to get something timely out
  - More detail about how bands are determined?
    - Combo of art & science – review PDQ, what is their role, what decisions are they making. Based on PDQ and percentages of time allocated for job duties
    - Continuously reviewing PDQs as jobs change

- Welcome someone from PASC is welcome to be part of this
- Sent PDQs without titles and pay initially and then sent titles to see where huge discrepancies lied
- Other factors about moving into bands?
  - Will likely be seniority in the position. Kay is a strong believer in merit
- Will we see all positions in bands? Or just our own?
  - Haven't decided yet what to do with that—it will be record since we are a public entity
  - Right now it's an annual report
- How will titles impact this?
  - Will have staff with same and different titles in different bands
  - First priority is banding, then paying fairly, THEN titles
  - May move to structural and working titles (Senior Dining Manager vs Assistant Director of Catering)
- Will people at the top of their band still get MOE increases?
  - Top of band will likely move with increases in cost of living, so we will decide what to do with that going forward