

# OWENS COMMUNITY COLLEGE PROCEDURES

## **Compensation Program 5-01**

**Board Policy No.: 3358:11-**

### **Human Resources – Compensation Procedures**

The compensation program is based on Owens Community College employment and compensation strategy, which:

- Establishes compensation ranges for positions at Owens Community College that enable the College to pay competitively compared with the market and reward individual experience, skills, and performance.
- Sets and upholds policies for managing compensation and career progression that strives for internal equity and consistent application of the program.
- The policy and procedures apply to all regular full and part-time non-bargaining unit employees.

### **Compensation Strategy**

Owens Community College will maintain a career and compensation program directed toward attracting, retaining, and rewarding a highly qualified and diverse workforce to serve students, faculty, and staff. Pay will be set at levels competitive with the College's comparison markets.

A position's grade is determined based on an evaluation of both the external competitive market for the position, as well as the relative grade among similar positions across the College.

The College benchmarks its pay against organizations with similar characteristics. Different market comparisons are used for different positions across the institution based on the type of position.

Base compensation is the primary means of pay delivery at the College. Annual merit increases are the primary method for adjustments, but market adjustments may also be considered when deemed necessary.

Annual merit increases shall be based on the performance of an individual and the achievement of goals related to the institution's mission, vision, and values and strategic plan.

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### **Pay Grades & Structure**

Owens Community College pay grades and structure enables the College to manage compensation competitively against the market through market-based compensation grade ranges that provide enough width to account for variation in individual experience and other factors.

The Owens Community College compensation structure contains various grades. Each of the grades has a minimum, midpoint, and maximum reflecting the range of compensation for the positions in the grade. Owens Community College benchmark positions (e.g., positions for which market data is available) are placed into the structure based primarily on an analysis of compensation in the market for each of the positions, along with internal equity considerations. Non-benchmark positions (e.g., positions unique to the College or for which market data is not available) are placed into the structure based on a comparison of the scope, impact, and responsibility of the position to benchmark positions. Positions are graded using a job evaluation tool to ensure internal equity between positions.

The compensation structure provides guidelines for Owens Community College to set and manage compensation. Employees can expect to be paid within the range of the grade for their position, except in the case of reemployment of a retiree. Employees primarily advance within the grade through annual merit-based increases.

*The Owens Community College pay grade structure may be found on the Intranet, Human Resources, Compensation and Payroll: Non-bargaining unit Employees Salary Schedule.*

**Review of Pay Grades and Ranges:** The college is committed to a compensation structure review every two to three years. The Vice President, Human Resources, and Vice President, Business Affairs/CFO will lead this review. The review will include data and other information on conditions in the relevant outside labor market, changes in the cost of living, as well as applicable internal conditions, which may result in recommendations for changes necessary to remain competitive.

### **Days Worked**

Yearly assignments will be computed to a number of days/hours worked; therefore, a twelve-month (260 days) contract will be considered as two thousand eighty hours, which includes vacations and paid holidays. Schedules for lesser work periods include paid holidays but do not include paid vacation. As a result, the following will be applied to the full-year schedule.

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| <u>Days Worked</u> | <u>No. of Hours</u> |
|--------------------|---------------------|
| 260 days           | = 2,080             |
| 220 days           | = 1,760             |
| 210 days           | = 1,680             |
| 200 days           | = 1,600             |
| 190 days           | = 1,520             |
| 180 days           | = 1,440             |
| 173 days           | = 1,384             |

### **Employee Pay Decisions**

The guidelines outlined for making employee pay decisions take into consideration multiple factors. These include an employee's skills, knowledge, experience, and performance, while ensuring consistency and maintaining internal equity and market competitiveness. The guidelines also support pay decisions for a variety of circumstances, as seen in the items listed below.

- **New Hires**

- Individual Pay - Human Resources will set pay within the pay grade collaboratively with the hiring manager, based on the applicant's skills and experience. Generally, a new hire employee will be hired within the first quartile of the hiring range, as noted on the pay grade schedule. Less skilled and/or experienced applicants may be paid lower in the first quartile range; more skilled and/or experienced applicants may be paid higher in the first quartile range. Special considerations may be reviewed by the College administration on a case-by-case basis.
- An employee's compensation will not be placed below the minimum rate of the position's grade range, except in the case of a reemployment of a retiree.
- Outside of Q1 Max – New employees will be hired in the first quartile hiring range as noted on the pay grade structure. Employees shall be hired at no less than the minimum base pay of the first quartile hiring range of the pay grade to which the classification is assigned. Likewise, the base pay of new employee shall not exceed the top of the first quartile hiring range to which the classification is assigned. In circumstances where a new hire possesses significant education, experience, skills, certification(s), and/or knowledge that are valuable to the success of the position, the new hire may be hired outside of the first quartile hiring range with the following approvals:

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- The hiring manager must request and receive approval of the Vice President of the area to hire a candidate above the first quartile hiring range.
- To provide consistency and prevent claims of discrimination, Human Resources must review all documentation, including market and internal comparison data, and concur with the advanced placement of a prospective hire above the base of the targeted hiring range.
- The Executive Leadership Team (VP's and President) must approve the proposed base pay above the first quartile of the targeted hiring range.

- **Annual Performance Evaluation**

- The goal of the annual performance evaluation process is to provide employees with feedback on their performance and accomplishments for the previous year. The annual evaluation period is based on the fiscal/academic year: July 1 through June 30. This program should also assist employees in the continued understanding of their job responsibilities and supervisors' performance expectations. Performance conversations are expected to happen throughout the year, with a minimum expectation of a mid-year check-in around January of each year. Performance and professional development goals for the upcoming year and specific plans to help employees meet those goals are also established through this process. All performance evaluations must be submitted to Human Resources by June 30 or according to established deadlines at the end of the performance cycle.

- **Merit Increase Program**

Owens Community College merit increase program recognizes and rewards the contributions of employees. Each year, the College establishes a salary increase pool, when funds are available. The College uses this pool to provide pay adjustments as merited by performance rating distribution. The pay adjustment amounts will not be shared until the distribution is finalized. Performance evaluations must be completed for all eligible employees to support the merit increase program.

Pay adjustments for merit will typically be awarded in January following the completion of the performance cycle in June.

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**Eligibility for Merit Increases:** Applies to all non-bargaining unit regular full and part-time employees, with one (1) year of continuous service at the time the merit increase is implemented (typically January of each year).

- For employees hired, re-employed, or promoted in January, they are eligible for a merit increase the following January provided there is no break in service.
- For employees hired, re-employed, or promoted in the months of February through October, a prorated merit award or stipend may be considered. Employees hired in the months of January through April must have performance evaluation completed by June 30<sup>th</sup> of that year, or in accordance with deadlines establish by HR for that performance cycle.
  - Example: Wally Workday is hired on March 2, 2026. Wally will receive a performance evaluation in June of 2026, based on his performance from his hire in March to June. The following January, Wally will be considered for a prorated merit amount or a stipend.
- Employees on an active Performance Improvement Plan will not be eligible for the merit increase program or a pay adjustment.

Individuals in the following classifications are NOT covered by these guidelines:

- Student workers and interns
- Occasional and temporary workers
- Employees in collective bargaining units

Individuals in the following classifications MAY or MAY NOT be covered by these guidelines:

- Employees on unpaid leave of absence
- Employees on long-term disability

**At or Above Pay Grade Max:** Employees who are at or above the maximum of their pay grade will be ineligible for a merit increase but must still complete a performance evaluation. Such employees are eligible for a lump sum payment that may vary according to performance evaluation results.

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- **Position reclassification and new position creation are complementary workforce management processes.** Reclassification addresses changes to existing roles due to evolving responsibilities, while new position creation responds to emerging organizational needs, capacity gaps, or fundamentally distinct work requiring a separate role.
- **Position Reclassification**

- During the normal course of operations, changes in primary position responsibilities may make it necessary to rewrite or update staff position descriptions. If the position has changed substantially, the position description should be rewritten and submitted to Human Resources for review. A job evaluation will be completed by the appropriate Vice President, who may or may not consult with the hiring manager if different, the Vice President, Human Resources, and the Vice President, Business Affairs/CFO.
- A job reclassification occurs when the job duties change significantly in scope, depth, or additional related duties, or the market rate for the job changes, such that a change in grade and possibly base pay is warranted.

The following are examples of situations that may warrant a position reclassification:

- Department reorganization and position restructuring
- Addition of full-time staff reporting to the position
- Addition or removal of significant new area(s) of responsibility
- Major change in level of authority and accountability
- It is essential to distinguish between a change in the position content for an employee and a change in the employee's skills, knowledge, or performance. A change to how work is done (e.g., changes to the tools or processes used to perform duties) does not normally warrant a position reclassification or pay adjustment. While such a change may require training to learn new software or methods, it does not usually change the purpose or overall accountabilities of the position.
- Minimal changes in a position also do not influence market value or the position's core role at the College and therefore will not warrant reclassification (e.g., procedural changes to existing work, responsibility for overseeing student workers). In addition, a position will not be reclassified if the incumbent earns a degree or achieves another educational milestone,

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unless this results in changes in the position, level of authority, scope of responsibility, etc., or unless the position is outlined in a career progression plan.

- Once a position has been reclassified using the job evaluation tool, Human Resources will recommend the appropriate employee base pay within the current or new grade.

**Note:** Requests for reclassification should be made by the supervisor to whom the position reports, not by individual employees. If a staff member believes their position needs to be reclassified, they should discuss this with their supervisor, who will review the request with the Vice President who has responsibility for that area and Human Resources to determine the appropriate course of action. Employees can approach HR directly if there are issues preventing them from discussing with their supervisor or respective Vice President.

Generally, employees in positions that are reclassified to a higher salary grade may receive a salary adjustment based on the relationship of current pay to the new salary range, internal equity, market competitiveness, and budget considerations. Salary increases resulting from reclassification are distinct from promotional increases and are not automatically granted solely because a position is assigned to a higher grade. The value of the position determines the grade. The employee's placement within the new grade may be influenced by experience, sustained performance, internal equity, and time successfully performing the expanded responsibilities.

- **New Position Creation and Promotion**

- A promotion occurs when an employee moves into a different position in a higher compensation grade. Generally, a pay adjustment may be recommended at the time of the promotion. The size of the promotional pay adjustment should reflect the following:
  - Duration of time since last pay adjustment;
  - The employee's current base pay with respect to the new position's assigned first quartile: the increase should bring the employee's base pay at least to the minimum of the new pay grade but typically not above the first quartile, special considerations may be reviewed by College administration on a case by case basis;
  - The employee's qualifications for the new position;
  - The relationship of the employee's new pay to the salaries of other employees in the new grade;

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- Whether the employee's base pay already falls well within the new pay grade/ range, in which case a lesser increase may be warranted;
  - Promotions from one level of individual contributor role to another in a higher grade within the same job family typically require lesser increases; and
  - Promotions to a new functional area, or to a substantially higher organizational level, or from a non-exempt to exempt position all may require more of an increase (for example, to compensate for loss of overtime earnings in moving from a non-exempt to an exempt position).
- **Lateral Transfer**
    - An employee can advance in his or her career by taking a different position in the same pay grade. This enables him or her to become broadly skilled, enhancing his or her ability to contribute to Owens Community College. Generally, lateral transfers are not eligible for pay adjustments. A lateral transfer is the movement of an employee from one position to another, which is equal in grade. When a lateral transfer occurs, the employee may be transferred at the same rate of pay providing the rate is within budget and that it does not have any negative effect on internal equity. Special considerations may be reviewed by College administration on a case by case basis.
- **Demotions**
    - At times, staff may be reassigned to a position in a lower pay grade. This may occur in order to find a more appropriate fit between the employee's capabilities and the skills and expectations of a different position, or because the employee chooses to take on a position in a lower grade. Additionally, an employee may move to another job in a lower grade level due to performance issues, a reorganization and subsequent elimination of the existing position, or the employee's position is re-evaluated at a lower grade due to a significant decrease in responsibilities in the current position.
    - When an employee is reassigned to a position in a lower pay grade, either voluntarily or involuntarily, this may result in reduced pay. Pay rate may be reduced at the beginning of the appropriate pay period to be within the first quartile of the grade range of the new lower-grade job, while considering internal equity. Special considerations may be reviewed by College administration on a case by case basis.

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- **Temporary/Special Assignment**

- Employees who are given temporary or special assignments should retain their current job title and grade until such time as they are assigned another regular position or resume their original job responsibilities.
- Additional compensation may be provided through use of “**additional compensation.**” (see below).
- Once the employee returns to their original position, they should return to their original pay and no longer receive the additional pay. The employee’s regular supervisor and the temporary supervisor are jointly responsible for any compensation actions affecting the employee on temporary assignment.

- **Equity Adjustment**

- The goal of equity adjustments is to establish equitable pay relationships among employees performing the same job, or the same type and level of work, considering education, skill, related work experience, length of service, and performance level. Pay inequities among employees in the same position or closely related positions should be addressed. Pay relationship inequities between employees and their supervisors should be evaluated as well. Human Resources must be contacted to assist with evaluating equity issues within a department and should approve all pay compression/equity adjustments.

- **Market Adjustment**

- Market adjustments, primarily used during the recruitment and selection process, may be provided when an employee’s pay is not in line with pay for similar jobs in the external labor market. For example, the demand for employees with a particular skill set may increase. This may become apparent when filling an open position or when turnover occurs.
- If a supervisor has concerns that a job is not being compensated at market levels, Human Resources should be contacted, and a job evaluation should be completed.
- After the job evaluation is completed, a decision will be made whether or not to adjust the pay grade and whether individual payment adjustments are necessary.

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- **Additional Compensation**

- From time to time, it may be necessary for employees to take on responsibilities that are distinctly separate from or in addition to their primary position. Appropriate compensation for the nature of these assignments will be reviewed by Human Resources and the employee's supervisor on a case-by-case basis. Additional compensation requires reapproval every 3 months to reevaluate need.
- An exempt employee, by nature of their position, is considered to be available for work assignments without additional remuneration at times other than their regularly scheduled hours. However, there are circumstances when additional payment may be appropriate.
- A non-exempt employee who takes on additional duties will be paid for all hours worked. If a change to their hourly rate is approved by Human Resources, the new rate must be paid on all hours worked, including overtime.
- A supervisor must consult with Human Resources before establishing payment or committing to pay an employee for additional duties. This communication with Human Resources must occur prior to any communication with the employee.
- **Stipend** – a stipend may be approved for additional compensation for a staff member who temporarily assumes responsibility for, and performance of, another position in addition to his or her primary position responsibilities. A stipend may also be warranted for work that is being performed on an ongoing basis and is distinctly separate from and unrelated to an employee's primary position.

**Note:** A stipend may be in the form of a percentage or hourly rate adjustment or a flat amount that is annualized.

- The performance of work outside an employee's regular duties or department should not conflict with or reduce effectiveness of the employee's performance of his or her primary position responsibilities.
- All decisions regarding the appropriateness of additional compensation must be approved by Human Resources and the Vice Presidents/President. Funding for these changes must be approved by the Executive Leadership Team.

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### **Position Description Instructions**

The position description should accurately reflect the duties and responsibilities of the position. A well-written position description produces a mental picture of a job and eliminates the question, “But what does the person in this position actually do?”

Position descriptions reflect a position’s assigned duties as they exist today and not as they may be in six months. The position description provides the information necessary to classify the position.

Position descriptions should be “incumbent neutral” and not based on any quality of an incumbent (such as performance, dedication, years of service, or degree).

Position descriptions include:

- Position Description Title
- Position Summary
- Essential Functions, Knowledge, Skills, and Abilities
- Supervision Exercised
- Physical Requirements
- Working Conditions
- Minimum Education and Experience
- Preferred Education and Experience
- Certifications, Licensure, or other qualifications

### **Position Review Process**

When a Vice President is developing a proposal for a new position, a preliminary review with Human Resources is required begin identifying essential functions, pay grade, number of direct reports and education requirements.

When a full-time, part-time regular or grant-funded position becomes open or vacated, the supervisor can request for it to be replaced through the Vice President of the division/area of responsibility, or when applicable, to the President. Any changes to the position description must be reviewed beforehand by Human Resources.

Then, the Vice Presidents review replacement and proposed new positions as a collective in the leadership meetings with the President. Each request will use a standard template, which can be obtained from Human Resources.

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When President/Vice Presidents grant approval/consensus, the recorder for the Vice President meeting will send an official email notification of VP/President approval for employment transaction(s) to: Human Resources, Financial Analyst, Budget/Systems, Manager, Budget/Cash, Vice President, Administration and Vice President, Business Affairs/CFO. No employment transaction that requires VP approval will be initiated without this official notification. After the official notification is made, the supervisor may follow up with Human Resources on next steps in the position search process.

Effective Date: September 1, 2026