

## COMMITTEE ON COMPENSATION

### End-of-Year Report

April 30, 2008

Listed below is a summary of the activities of the Committee on Compensation for the 2007-08 academic year:

- 1) We reviewed a proposal to give access to a broker window through TIAA-CREF. We recommended that employees have access to the broker window (whereby TIAA-CREF participants can invest a portion of their savings outside TIAA-CREF in a wide variety of investment vehicles, including Fidelity or Vanguard accounts), with the amount an employee could invest through the broker window limited to 35% of the amount in the TIAA-CREF account. The proposal was accepted by Tom Nycum and President Celeste and the broker window was activated in Block 5, 2007-08.
- 2) We reviewed a proposal to provide backup care to employees; the Committee voted to shelve the proposal while dealing with more pressing issues regarding benefits and agreed that, at this time, it is a lower priority than other benefits in question.
- 3) We recommended an expansion of vacation and sick leave benefits for less-than 12 month nonexempt staff to bring them in line with other ACM schools and local employers. The committee was amenable to piecemeal adoption with the following priorities: sick leave before vacation and non-exempt staff before exempt staff.
- 4) In order to align the college's retirement eligibility criteria to be consistent in the Staff handbook, Faculty Handbook, and the Emeriti Program the Committee revised the criteria for Retirement Eligibility. These revisions are intended to clarify current policy.
- 5) We reviewed and revised the language regarding educational programs (Tuition Remission, ACM-TREP, Partial Tuition Payment and Tuition Assistance) without making changes in policy. These revisions are intended to clarify current policy.
- 6) We submitted a proposal for the revision of the Tuition Remission program. We recommend selecting either: the Current Plan or Option 1. Details about the proposal are available on the public folder under "Recommendations on Tuition Remission, April 2008".
- 7) The Compensation Committee's Salary Report is available on the public folder under "Compensation Committee Report on Salaries 2008-09, revised February 08." We recommended:
  - a) A common COLA basis for staff and faculty salary adjustments (4.1% increase in CPI in the December to December period). A 4.08% increase was accepted.
  - b) An overall increase of the faculty salary pool by 7.25%. This proposal was accepted.
  - c) For staff we recommended an increase of 4.5% in the salary pool with 4.1% for COLA and 0.4% for merit.
  - d) Additional college contribution to TIAA-CREF of 0.3%.

8) We reviewed EMERITI in terms of the advantages and disadvantages of continued mandatory employee contributions. A copy of our report is available on the public folder under "Report on Employee Mandatory Contributions to the EMERITI program April 08," along with a document entitled "Frequently Asked Questions." Legislation is currently pending that would allow a VEBA (Voluntary Employees' Beneficiary Association) "...to provide full benefits to domestic partners or other non-spouse, non-dependent beneficiaries without endangering its tax-exempt status." We did not make a specific recommendation in this report but have provided information to employees in both the written documents and employee forums and solicited feedback.

9) Health Insurance—

a) We thank the FEC and Staff Council for appointing a subcommittee on Health Insurance to review our health insurance plan options, engage in long-term planning and report to us. We thank Eileen Bresnahan, Kent Clawson, Dan Raffin, Rick Specht, Vibha Kapuria-Foreman and Shaleen Prehm and Barbara Wilson for their work on this subcommittee and their continued willingness to examine long-term solutions to our health insurance funding problems.

b) We reviewed the subcommittee's recommendation that there be no change in plan design for the 2008-09 plan year. Although we do not endorse the subcommittee's report, especially in regards to the statements about the erosion of coverage since 2003 (there has been no substantial change in plan design since the college changed to a self-insured structure, the minor change has been to the benefit of employees), the Compensation Committee voted to recommend no change in plan design for the 2008-09 plan year.

Agenda for next year:

1. Resolve the issue of employee mandatory contributions to Emeriti to the best of our ability within current US tax law.
2. Health care.
3. Parental Leave Policy.

Cathe Bailie, Alan Davis, Ann DeStefano, Werner Heim, Dan Raffin, Ellen Rennels, Horst Richardson, Robin Satterwhite, Daryll Stevens, Amelia Taylor, Chris Melcher (ex-officio), Barbara Wilson (ex-officio), Vibha Kapuria-Foreman (chair).