

PROCEDURES MEMORANDUM

TO: MCC Staff

FROM: Office of the President

SUBJECT: Procedure for the Administration of the Exempt and Non-Exempt Pay Rate Schedule for Non-Bargaining Unit Employees with certain provisions applicable to MCCEA Education Support Professionals

DATE: January 8, 2009

PURPOSE: To prescribe a systematic procedure for compensating employees that will:

1. motivate employees to work toward achievement of Metropolitan Community College's mission, values, philosophy, and goals,
2. be externally competitive, and internally consistent and fair,
3. maximize the recruitment and retention of qualified individuals, and
4. reflect the complexity and accountability of jobs.
5. provide flexibility so the College may remain responsive to changes in the marketplace, the organization, and the economic conditions within Metropolitan Community College.

SCOPE: This procedures memorandum applies to all full-time and part-time regular exempt and nonexempt non-bargaining unit employees. Note: For bargaining unit employees, pay rates are addressed in and governed by applicable collective bargaining agreements. Certain provisions of this procedures memorandum apply to employees represented by the MCCEA Education Support Professionals collective bargaining unit. To insure clarity and understanding, the pertinent provisions are preceded by an "applicability" statement.

The position classification and compensation plan is based on the following:

- A. A Position Description Questionnaire (PDQ) for each position, which is translated into a Position Description (PD) by Human Resources. See definitions at the end of this PM.

For new positions, the hiring supervisor initiates the PDQ. For reclassification requests, the PDQ may be initiated by the supervisor, the position incumbent, or Human Resources. When initiated by the position incumbent or Human Resources, the supervisor will be contacted for his/her input.

- B. Evaluation of positions and assignment to pay grades (job groups) using a series of evaluative factors that collectively measure levels of knowledge and experience, complexity of duties, supervision received and given, impact of errors, internal and external contacts, access to confidential data, physical demands, and working conditions required for the position.
- C. Periodic analysis of market surveys and assessment of internal equity to determine competitive pay rates.
- D. Established pay grades (job groups) and pay ranges.
- E. Established guidelines relating to pay rate increases and other personnel actions.

1. Pay Administration

To provide the opportunity for objectivity, coordination and responsibility for position classification and pay rate administration, the Office of Human Resources will:

- A. Have authority for overall administration of the program.
- B. Work with the Position Evaluation Committee to evaluate all positions, regardless of funding source, for inclusion in the plan. This includes proposed new College-funded positions as well as grant-funded positions.
- C. Maintain the master set (hard copies and computer files) of Position Description Questionnaires (PDQs) and Position Descriptions (PDs).
- D. Assist supervisors with the development of position descriptions covering responsibilities, qualifications, and starting salaries/wages.
- E. Communicate Human Resources policies and procedures to the College community.

The respective administrators, supervisors, and/or cost center managers have ongoing responsibility for making appropriate recommendations within the parameters of approved policies and procedures. Pay rate schedules and guidelines are adopted by and subject to review and adjustments as deemed necessary by the Board of Governors.

2. Pay Rate Determinations or Adjustments

A. New Hires

As a general rule, a position will be filled at the minimum pay rate of the established pay range. All requests for hiring will require review and approval by the Office of Human Resources and the designated administrator prior to any offer being made.

The screening committee chair or hiring supervisor must complete a *Request to Hire* on-line form prior to making an employment offer. The Office of Human Resources will review the candidates' qualifications, ascertain fair market value, assess potential internal equity issues, and make a salary/wage recommendation to the screening committee chair or hiring supervisor.

Pay Below Minimum – No employee will be paid lower than the minimum of the established pay range for the employee's position.

## B. Promotions

Applicability - The procedures outlined herein regarding promotions apply to all regular exempt and non-exempt non-bargaining unit employees and employees represented by the MCCEA Education Support Professionals collective bargaining unit.

An employee may be promoted through the application and selection process or when his or her current position is reclassified (see section 3.B. below) to a higher grade in the pay schedule. For each grade of promotion, the employee will receive a 5% increase or will be brought to the minimum of the pay grade (job group), whichever is higher.

Applicability – This section of “Promotions” does not apply to employees represented by the MCCEA Education Support Professionals collective bargaining unit.

When circumstances warrant, Human Resources may approve a pay rate that exceeds the 5% per pay grade (job group) minimum. The new pay rate may not exceed 10% per pay grade (job group) and must be within the established range for the new pay grade. The President or designee must approve exceptions to this policy.

## C. Lateral Transfers

Applicability - The procedures outlined herein regarding lateral transfers apply to all regular exempt and non-exempt non-bargaining unit employees and employees represented by the MCCEA Education Support Professionals collective bargaining unit.

When an employee accepts a lateral move from one position to another within the same pay grade (job group), the employee's current pay rate will remain unchanged unless special circumstances (such as market pricing, additional responsibilities, or other factors) warrant an increase.

## D. Reduction in Force

If an employee's job is eliminated for business reasons and he or she is hired into a different position than the one vacated, the transaction will be considered a “Rehire.” (See section 2.I.)

## E. Temporary Reclassifications

Applicability - The procedures outlined herein regarding temporary reclassifications apply to all regular exempt and non-exempt non-bargaining unit employees and employees represented by the MCCEA Education Support Professionals collective bargaining unit.

If an employee is temporarily reassigned to a higher classification for more than 14 days, the employee's pay rate will be adjusted to the minimum of the new grade or ten percent (10%) of his or her base pay rate, whichever is higher, but not to exceed the maximum of the pay range for the pay grade of the temporary position. (Note: In this situation, the employee stops performing the functions of his or her regular job and assumes the functions of the temporary assignment.)

At the end of the temporary assignment, the employee's pay rate will be adjusted to the prior pay rate after taking into account any intervening pay adjustments in the prior pay grade/rate/range. Any pay adjustment given is treated as a stipend, and the amount of the temporary pay increase is not part of the calculation for retirement contributions, or for life insurance, long-term disability, and supplemental life insurance premiums. It is the responsibility of the cost center manager/supervisor to work with the Office of Human Resources to ensure that eligible employees receive a pay rate adjustment and/or retroactive pay, if applicable, in a timely manner.

## F. Responsibility Pay

Applicability - The procedures outlined herein regarding promotions apply to all regular exempt and non-exempt non-bargaining unit employees and employees represented by the MCCEA Education Support Professionals collective bargaining unit.

Responsibility pay is appropriate in two circumstances:

- 1) Stipend – when there is a temporary increase in responsibilities. In this situation, the employee continues to perform the functions of his or her regular job in addition to assuming the functions of a temporary assignment. Any pay adjustment given is treated as a stipend, and the amount of the temporary pay increase is not part of the calculation for retirement contributions, or for life insurance, long-term disability, and supplemental life insurance premiums.
- 2) When there is a permanent increase in responsibilities that is significant but not sufficient to warrant reclassification of the position. Any pay adjustment given is a permanent adjustment to the employee's base pay.

A request for responsibility pay must be documented by the cost center manager/supervisor and sent electronically to the Associate Vice President of Human Resources for review. Responsibility pay increases will range from 5-10% of the

employee's base pay rate and will be based on factors such as the nature and scope of the additional responsibilities and market pricing.

#### G. Voluntary and Involuntary Demotions

If a current employee is chosen for a position vacancy in a lower pay grade (job group) as a result of the application and selection process, the employee's new pay rate will be calculated as follows: Using the employee's current (existing) job group pay range, the employee's current hourly pay rate will be divided by the current job group's minimum hiring rate to determine the percent above minimum that the employee is earning in the current position. Multiply this same percent by the minimum hiring rate of the new (lower) job group pay range to determine the new hourly rate for the employee. When warranted by special circumstances (such as market conditions or the employee's special skills), Human Resources may approve a pay rate that varies from this calculation.

#### H. Reassignments

Applicability - The procedures outlined herein regarding reassignments apply to all regular exempt and non-exempt non-bargaining unit employees and employees represented by the MCCEA Education Support Professionals collective bargaining unit.

The College may, at its discretion, reassign an employee from one job assignment, building, work site, campus or center, task or shift to another. No employee has any claim of entitlement to perform particular tasks within a particular job classification.

#### I. Rehires

For a period of one year following the employment separation date, an individual who is re-employed in the same position (job title) the individual held immediately prior to separation may be eligible to be re-employed at the rate of pay in effect at the time of separation, subject to any intervening changes or adjustments in pay grade or range, and providing that past performance was satisfactory. After a one-year separation from employment, a returning employee will, if rehired, be rehired as a new appointment in accordance with the provisions of this Procedures Memorandum.

When rehired for a different position, either in the same pay grade (job group) or a different pay grade (job group), a returning employee will receive a rate of pay that is appropriate for that position.

An employee who is re-employed within one year of the date of resignation or retirement will, upon return, begin to accrue vacation and sick leave with the same credit for length of service that existed at the time of such separation. In addition, any accrued but unused sick leave that existed at the time of such separation and that was not paid to the employee upon separation will be restored to the employee.

For the purpose of service awards, total years of service will be calculated with adjustments for breaks in service.

3. Job Analysis for New or Reclassified Positions, Title Changes, and Reporting Relationship Changes

The Office of Human Resources is responsible for reviewing, approving, and communicating the classification of new positions and revisions respecting existing positions. Proposed changes in organizational structures, including title changes and reporting relationship changes, should be communicated to the Associate Vice President of Human Resources by the cost center manager/supervisor.

A. Job Analysis Procedures for New Positions

As part of the annual budgeting process, supervisors must have all proposed new positions evaluated and classified prior to making a budget request. To do so, the supervisor must complete a Position Description Questionnaire (PDQ) and submit it, electronically, to the Office of Human Resources for proper classification and pay grade (job group) assignment.

B. Position Review Procedures for Reclassification Requests

Applicability - The procedures outlined herein regarding position review procedures apply to all regular exempt and non-exempt non-bargaining unit employees and employees represented by the MCCEA Education Support Professionals collective bargaining unit.

When position responsibilities change significantly or when a number of cumulative small changes over a period of time result in a significant change to the position, a position review should be conducted. As a standard, 40% of the job should have changed to warrant a reevaluation. The supervisor, the Office of Human Resources, or the incumbent may make reclassification requests. Requests should not be made merely for retention reasons or to reward the job performance of the incumbent. Normally, requests should be made as part of the annual budgeting process. As part of a request for the review, a Position Description Questionnaire (PDQ) must be completed by the employee in the position and forwarded to the Office of Human Resources.

C. Title Change Requests

Supervisors' requests to change a position title must be submitted to the Associate Vice President of Human Resources via email or hard copy memo. The Associate Vice President of Human Resources will review the request to ensure consistency and compatibility with other position titles in the classification system and will notify the supervisor of any concerns. Human Resources may also initiate a title change in order to ensure consistency among position titles.

#### D. Reporting Relationship Changes

Changes in reporting relationship must be submitted to the Associate Vice President of Human Resources via email or hard copy memo. Human Resources will make the appropriate changes in the College's Human Resource Information System and on the organization chart and will notify the supervisor if it determines that a position review is necessary.

#### 4. Pay Rate Schedule Review, Pay Increases, and Market Exceptions

On an annual basis the Office of Human Resources will review the compensation structure. Where market data and analysis of the College's current pay grades (job groups) indicate the necessity for revision, the Associate Vice President of Human Resources will submit a recommendation to revise the pay rate schedule to the President and Board of Governors for approval.

Each fiscal year, general pay increases are reviewed and approved by the Board of Governors and are typically effective July 1. For employees with less than one fiscal year's service, the amount of the pay increase will be prorated based on each employee's date of hire.

In addition, pay rates of newly hired or currently employed individuals may be adjusted to reflect unusual or rapidly changing market conditions unique to the particular position in question. Such exceptions, which require the approval of the Associate Vice President of Human Resources, must be documented and kept on file in the Office of Human Resources.

#### 5. Externally Funded (Grant) Positions

Applicability - The statement shown below regarding externally funded positions applies to all regular exempt and non-exempt non-bargaining unit employees and employees represented by the MCCEA Education Support Professionals collective bargaining unit.

Externally funded positions will adhere to the same policies and procedures as other positions covered by this pay policy unless there are specified reasons for making exceptions (such as specific requirements, limitations or other restrictions within a grant).

#### 6. Application of Fair Labor Standards Act

The Office of Human Resources has the responsibility to enforce provisions of the Fair Labor Standards Act (FLSA) in determining exempt and non-exempt status of College employees. Marginal positions will be treated as non-exempt to minimize misapplications of the law.

#### DEFINITIONS

Exempt (Salaried) Employees – employees who, by virtue of their duties and the application of statutory criteria, satisfy certain requirements and are determined by the Office of Human Resources to be exempt from the overtime pay requirements of the FLSA. Exempt employees

include but are not limited to executive, administrative, and professional employees who typically have requirements for managerial or professional latitude and judgment. Such exemptions are based on the specific position and duties of the employee involved.

Fair Labor Standards Act (FLSA) – a federal law governing minimum wage, overtime pay, equal pay for equally-qualified males and females performing equal jobs, child labor, and record keeping requirements. Requirements of the FLSA are used, among other things, to determine if positions are exempt or non-exempt.

Job Analysis – the evaluation of a position’s duties and responsibilities that is performed respecting a newly-created or vacant position to determine the position’s proper classification and grade assignment.

Position Evaluation Committee – a representative group of College employees charged with the responsibility of evaluating new position requests and reclassification requests in accordance with the College’s classification system.

Maximum Rate – the highest pay rate of a pay range.

Midpoint Rate – the rate midway between the minimum and maximum pay rates of a pay range.

Minimum Rate – the lowest pay rate of a pay range.

Non-Exempt (Hourly Paid) Employees – employees to whom the minimum wage and overtime pay requirements of the Fair Labor Standards Act (FLSA) apply.

Pay Grade (Job Group) – one of the classes, levels, or groups into which jobs of the same or similar values are grouped for compensation purposes. All jobs in the same pay grade (job group) have the same pay range.

Pay Range – the range of pay rates from minimum to maximum set for a pay grade. Pay range is used for setting individual employee pay rates or hire rates.

Position Description – a summary of the most important functions of a job. It identifies the scope and essential functions of the position and details the knowledge, skills, abilities, education and experience required to perform the job.

Position Description Questionnaire (PDQ) – a detailed description of a position’s job content, used to establish the need for the position, determine the knowledge, skills, abilities, education and experience required for the position, identify the types of problems encountered by the employee and the degree of guidance, direction, and supervision received and/or performed.

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