Jackson College
Board of Trustees

Monitoring Report:
EL – 07 Compensation & Benefits

Report Date: 01.08.24
Report Status: Fully Compliant

Note: Board Policy is indicated in bold typeface throughout the report.

I present this monitoring report to the Jackson College Board of Trustees which addresses the Board's Executive Limitations Policy: "Communication & Support to the Board". I certify that the information contained herein is true and represents compliance, within a reasonable interpretation of the established policy, **unless specifically stated otherwise below.**

01.08.24

Daniel J. Phelan, Ph.D. Date
President and CEO

POLICY STATEMENT:

With respect to employment, compensation and benefits to employees, consultants, independent contractors and volunteers, the CEO shall not cause, or allow jeopardy to the College's fiscal integrity or public image.

Further, without limiting the scope of the above statement by the following list, the CEO shall not:

1. Change his/her own compensation and benefits.

INTERPRETATION:

Compliance will be demonstrated when:

a) The CEO's compensation amount has been verified by the Chief Financial Officer and matches the approved amounts established by the Board as noted in the CEO's contract.

b) The CEO's ordinary and necessary expenses match his employment contract as verified by the CFO.

This interpretation is reasonable because internal controls are used for verification.

EVIDENCE:

a) On 12.18.23 the CFO and Director of Finance verified the compensation amount for the President and Chief Executive Officer for the period of September 2022 through August 2023 follows the Employment Agreement for the period of 09.01.19 through 08.31.24 and amended 03.09.22.
b) On 12.18.23, the CFO and Director of Finance confirmed that the President and Chief Executive Officer's ordinary and necessary expenses, which have been reimbursed or paid for by the College, match the employment contract.

2. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.

INTERPRETATION:

Compliance will be demonstrated when:

a) Prior to the time of contract negotiations, the College conducts a comparison with other community colleges in the State for salaries and benefits.
b) The College's Chief Operating Officer and Director of Human Resources are members of the Michigan Community College Human Resource Association and intentionally engage compensation review with the Association.
c) The CEO and the Chief Operating Officer annually review salary and compensation secondary data obtained from the annual survey of the Chronicle of Higher Education and the League for Innovation which provides normative data from a national perspective.

This interpretation is reasonable because institutional benchmarking is done to provide comparison data.

EVIDENCE:

a) The Chief Operating Officer confirmed on 12.07.23 that a comparison was completed throughout the year and completed by April 2023.
b) The Chief Operating Officer confirmed that she and the Director of Human Resources are current members of Michigan Community College Human Resource Association (MCCHRA).
c) On 12.07.23, the Chief Operating Officer confirmed that a review of salary and compensation secondary data, obtained from the annual survey of the Chronicle of Higher Education, and the League for Innovation, was conducted.

2.1. Establish or change salary schedules and plans prior to monitoring to ensure compliance with the criteria in this policy.

INTERPRETATION:

Compliance will be demonstrated when:

a) A salary schedule is prepared annually by the CEO and the Chief Operating Officer. Salary schedules are established by the bargaining process with both unions.
b) Any changes in salary schedules during the monitoring period are so noted in the monitoring report.

This is reasonable because internal verification is provided.

EVIDENCE:

a) On 12.09.23, the Chief Operating Officer confirmed that salary schedules have been established as part of the bargaining process with both unions.

b) On 12.09.23, the Chief Operating Officer confirmed that salary schedules have been changed for cost of living of adjustments, as negotiated during this period's monitoring.

3. Establish or change compensation and benefits that deviate from the current collective bargaining agreements.

INTERPRETATION:

Compliance will be demonstrated when:

a) The College CFO and Director of Finance confirms that all employees part of the collective bargaining agreements has been paid consistently with the most recent bargaining unit.

This is reasonable because payment of benefit and salaries are agreed upon within the contract.

EVIDENCE:

a) On 12.21.23 the CFO and Director of Finance confirmed that all employees of Jackson College are paid on a bi-weekly basis. Payroll is balanced, reviewed, and approved on a per-payroll basis. The Business Office utilizes a control sheet that tracks both permanent and temporary payroll adjustments for every employee.

3.1. Finalize negotiated collective agreements which exceed parameters established by the Board of Trustees.

INTERPRETATION:

Compliance will be demonstrated when:

a) The Board's attorney confirms that the negotiated agreement is consistent with negotiating parameters established by the Board of Trustees

This interpretation is reasonable because legal counsel has reviewed the bargaining agreement and reports their observations to the Board of Trustees.

EVIDENCE:

On 12.09.23, Brendon Beer, the College's attorney for contract negotiations, confirmed that the negotiated agreement is consistent with negotiating parameters established by the Board of Trustees

3.2. Ratify collective agreements prior to monitoring to ensure compliance with the relevant criteria in this policy.

INTERPRETATION:

Compliance will be demonstrated when:

a) When the CEO submits a request for union contract ratification that matches requirements stated in this policy.

This interpretation is reasonable because a monitoring report will only be submitted to the Board for ratification during periods of negotiations.

EVIDENCE:

a) A negotiated contract with the JCESP was reached during this monitoring period prior to expiration on 06.30.23 and appears on the College's web page.

4. Create obligations over a longer term than revenues can be safely projected.

INTERPRETATION:

Compliance will be demonstrated when:

a) The CFO confirms that compensation and benefits agreed to within the letters of appointment for administrators and obligations created under union agreements do not exceed the forecasted budget for the term of the agreement.

This interpretation is reasonable because there are internal controls in place that are verified by the CFO.

EVIDENCE:

a) On 12.21.23 the CFO and Director of Finance confirmed that during the budgeting process, management considers salary and benefit projections based on the employee's current and expected pay as determined by the appropriate letters of appointment and union agreements. Management is required to present a balanced budget each fiscal year.

5. **Change retirement benefits such that the provision:**

   - **Introduce retirement benefits beyond what is currently offered (MPSERS, the ORP and Emeriti)**

INTERPRETATION:

Compliance will be demonstrated when:

a) The Chief Operating Officer confirms that there are no new retirement benefit programs have been introduced beyond that which are currently offered.

This interpretation is reasonable because it confirms no change in retirement benefits.

EVIDENCE:

a) On 12.07.23, the Chief Operating Officer confirmed no new retirement benefits have been implemented during this monitoring period.

6. **Promise or imply permanent or guaranteed employment.**

   6.1 Employ Administrators under a contract in excess of two years' duration.

   6.2 No College employee, with the exception of the College CEO or their official designee, is permitted to extend an offer of employment to any candidate or non-employee.

INTERPRETATION:

Compliance will be demonstrated when:

a) All administrators are issued a letter of appointment in June for no more than two years.
b) No one has been offered College employment beyond the standard protocol employed by the Talent/HR office, and as described in 6.2.

This interpretation is reasonable because it fits with best practice in the higher education industry.

EVIDENCE:

a) On 12.09.23, the Chief Operating Officer confirmed all letters of appointment for salaried employees were issued for a one-year time period.
b) On 12.09.23, the COO confirmed that no members of Executive Administration have been issued a two-year letter of agreement, but rather only one-year letters of agreement for this monitoring period.

The Jackson College Board of Trustees assessed this monitoring report and found that it demonstrated full compliance with a reasonable interpretation of the policy at the regular Jackson College Board meeting on January 8, 2024.