

**Jackson College  
Board of Trustees**

**MONITORING REPORT FOR EL – 07 Compensation and Benefits  
DATE: 1/11/2021**

**Board Policy is indicated in bold typeface throughout.**

I hereby present this monitoring report regarding your Executive Limitations Policy: “Compensation and Benefits”, according to the schedule previously defined and approved by the Board. I certify that the information contained in herein is true and represents compliance, within a reasonable interpretation of the policy, unless specifically stated otherwise. Interpretations are unchanged from the previous report, unless otherwise noted.



1/9/2021

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

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Date

**POLICY STATEMENT: With respect to employment, compensation and benefits to employees, consultants, independent contractors and volunteers, the President shall not cause, or allow, jeopardy to the College’s fiscal integrity or public image.**

INTERPRETATION:

I report full compliance with this policy statement unless specified within the following report.

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

**1. Change his/her own compensation and benefits.**

INTERPRETATION:

Compliance will be demonstrated when:

- a) The President’s compensation amount has been verified by the Vice President of Finance and does match the approved amount established by the Board, and also appears in his contract
- b) The Presidents ordinary and necessary expenses match his employment contract.

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

EVIDENCE:

- a) On 12/21/20, the College Controller verified that the gross pay that the President has received as compensation as well as retirement and benefits since the last contract review in September 2020, is the amount listed in the Amendment to the Employment Agreement, dated August 13, 2020.
- b) On January 4, 2021, the Vice President of Finance confirmed that the President's ordinary and necessary expenses which have been reimbursed match his 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 Senior Vice President for Talent & Human Resources/COO are members of the Michigan Community College Human Resource Association and engage in the listserv for best practice conversations.
- c) The President and the Senior Vice President/COO review secondary salary and compensation data obtained from the annual survey of the Chronicle of Higher Education, which provides normative data from a national perspective.

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

**EVIDENCE:**

- a) The Senior Vice President confirmed on January 6, 2021 that a comparison was completed in March 2019.
- b) The Senior Vice President confirmed that herself, the Director of Human Resources and the Benefits Manager are all current members of MCCHRA.
- c) On January 7, 2021, the Senior Vice President confirmed that this review was held.

**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 annual by the President and the Senior Vice President/COO. Salary schedules are established by the bargaining process with both unions.
- b) The salary schedules that have been established, have not been changed prior to this period's monitoring.

This is reasonable because internal verification is provided.

**EVIDENCE:**

- a) On January 4, 2021, the Senior Vice President/Chief Operating Officer confirmed that salary schedules have been established as part of the bargaining process with both unions.
- b) On January 4, 2021, the Senior Vice President/Chief Operating Officer confirmed that no salary schedules have been or changed materially prior to monitoring for this period.

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

INTERPRETATION:

Compliance will be demonstrated when:

- a) The College Controller confirms that all employees part of the collective bargaining agreements have 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 January 4, 2021, the College Controller confirmed that all union employees were paid consistently, as per the last bargaining agreement, which is effective July 9, 2018 thru June 30, 2021.

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

INTERPRETATION:

Compliance will be demonstrated when:

- a) The President discusses and sets parameters with the Board of Trustees

This interpretation is reasonable because it includes the Trustees in the decision.

EVIDENCE:

- a) There was no collective bargaining during this monitoring period.

**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 President submits a monitoring report that the collective bargaining agreements are in compliance with 2, 4 and 5 in this policy.

This interpretation is reasonable because a monitoring report will be provided during periods when there are negotiations.

EVIDENCE:

- a) There have not been any negotiations in this period of monitoring.

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

INTERPRETATION:

Compliance will be demonstrated when:

- a) 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.

EVIDENCE:

- a) On January 4, 2021, the Vice President of Finance confirmed that the compensation and benefits agreed to within the letters of appointment for administration and obligations created under union agreements do not exceed the forecasted budget.

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

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

INTERPRETATION:

Compliance will be demonstrated when:

- a) No new retirement benefits beyond what are currently offered are introduced.

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

EVIDENCE:

- a) On January 7, 2021 the Senior Vice President confirmed no new retirement benefits have been implemented during this monitoring period.

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

The Board has fully interpreted this within 6.1 and 6.2.

- 6.1. Employ College administrators under a contract in excess of one year's duration.

6.2. Employ Executive Administration under a contract in excess of two year's duration.

INTERPRETATION:

Compliance will be demonstrated when:

- a) All administrators are issued a letter of appointment in June for one-year.
- b) No members of Executive Administration are issued a contract for a period greater than two years.

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

EVIDENCE:

- a) On December 21, 2020, the Chief Operating Officer confirmed all letters of appointment for salaried employees are issued for a one-year time period.
- b) No members of Executive Administration have been issued a two-year letter of agreement, only one-year letters of agreement for this monitoring period.