



UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees
Compensation and Labor Committee
May 16, 2019
8:00 a.m. – 8:25 a.m.
FAIRWINDS Alumni Center
800-442-5794, passcode 463796**

AGENDA

I. CALL TO ORDER

John Sprouls
*Chair, Compensation and Labor
Committee*

II. ROLL CALL

Elizabeth Richner
*Coordinator, Human
Resources*

III. MEETING MINUTES

- [April 17, 2019, meeting minutes](#)

Chair Sprouls

IV. NEW BUSINESS

- Market-Based Staff Salary Adjustments ([INFO-1](#))

Chair Sprouls
Misty Shepherd,
Interim Chief Operations Officer
Maureen Binder,
*Associate Vice President and
Chief HR Officer*

V. CLOSING COMMENTS

Chair Sprouls



UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees
Compensation and Labor Committee
April 17, 2019**

MINUTES

CALL TO ORDER

Chair John Sprouls called the meeting to order at 10:31 a.m. The following committee members attended the meeting: Chair John Sprouls, Vice Chair David Walsh, Joseph Conte, and John Lord. Trustees Boloña, Bradley, and Seay also attended the meeting.

MEETING MINUTES

The minutes of the March 21, 2019, meeting were approved as submitted.

NEW BUSINESS

Memorandum of Understanding for Salary Increases between the University of Central Florida Board of Trustees and the United Faculty of Florida (CLC-1)

Committee Chair Sprouls introduced Sherry Andrews, Associate General Counsel and Associate Provost, who provided an overview of the memorandum of understanding and answered questions from the committee. Committee members recommended that the university negotiating team address faculty-student engagement as a priority in future reopener bargaining with the United Faculty of Florida. After discussion, committee members unanimously recommended approval of the memorandum.

CLOSING COMMENTS

Chair Sprouls adjourned the meeting at 10:57 a.m.

Reviewed by:

John Sprouls
Chair
Compensation and Labor Committee

Date

Submitted by:

Grant J. Heston
Associate Corporate Secretary

Date

ITEM: INFO-1

**UCF BOARD OF TRUSTEES
Compensation and Labor Committee
May 16, 2019**

Title: Market-Based Staff Salary Adjustments

Background:

In May 2016, as part of a comprehensive strategy to strengthen the university's ability to attract, develop and retain top talent, UCF Human Resources embarked on a significant project to address UCF's classification system and compensation practices for more than 3,500 University System Personnel (USPS) and Administrative and Professional (A&P) positions. The completed study has resulted in updated job titles, pay grades (pay ranges), and job descriptions that reflect today's competitive talent market. The study also revealed that 1,007 employees were at salary rates below their benchmarked market minimum for the new pay grades.

Issues to be Considered:

Whether the university should provide salary adjustments to ensure employees receive at least the minimum of the market-based pay grade.

Alternatives to Decision:

Do not provide salary adjustments to employees paid below the market minimum.

Fiscal Impact and Source of Funding:

Recommended future action to adjust all staff currently reflected as below market would take effect June 14, 2019 and the fiscal impact to FY 2019 would be roughly \$250,000. The annualized impact would be approximately \$6 million, which represents 0.33% of the university's total annual operating budget. The annualized impact of the salary adjustments will be incorporated into the fiscal year 2020 operating budget that is scheduled to be presented to the board for approval at a future meeting, drawing on recurring funding sources across the university.

Recommended Action:

No action is requested at this time; rather, as part of the fiscal year 2020 budget at a future meeting, the administration will recommend approval of the proposed salary adjustments to bring all employees up to the minimum of the pay grade of their positions. This will help UCF attract and retain top talent.

Authority for Board of Trustees Action:

BOG Regulation 1.001(5)(a)

Committee Chair or Chairman of the Board approval:

Committee Chair John Sprouls approved the agenda and all supporting documentation.

Submitted by:

Maureen M. Binder, Associate Vice President and Chief HR Officer

Supporting Documentation:

Attachment A: UCF's Investment in Talent

Facilitators/Presenters:

Chair Sprouls; Misty Shepherd, Interim Chief Operating Officer; Maureen Binder, Associate Vice President and Chief HR Officer



UCF's Investment in Talent

Background:

In May 2016, UCF Human Resources embarked on a comprehensive project to address the university's classification system and compensation practices for over 3,500 University System Personnel (USPS) and Administrative and Professional (A&P) employees. This project was undertaken in partnership with Sibson Consulting, a national human resources consulting firm recognized for its work with higher education institutions. At stake was the university's ability to recruit and retain quality talent in an increasingly competitive local, regional, and national market.

While this is a challenging undertaking for an established institution of this size, it is foundational to UCF's commitment to and investment in excellence. Excellence for our university must include investing in our most important resource for achieving excellence, our people. The completion and implementation of the Classification and Compensation Project is the valuable first component of the university's investment in talent. This project lays the groundwork for a competitive model to attract and retain top talent across campus by ensuring that individuals receive market-rate compensation, as well as providing a clear path for career development. UCF strives to create an environment that recognizes and rewards excellence in all of our employees and provides them with the resources to succeed and grow.

Goals of the Project and Desired Outcomes:

- Increase UCF's ability to attract and retain top talent
- Create accurate job titles and descriptions comparative to industry standards that clearly reflect roles and responsibilities aligned with skillsets necessary for success in the position
- Develop a process and guidance for recognizing employees' contributions through merit increases
- Provide career growth opportunities that are well-defined and communicated to all employees
- Create fair and equitable pay practices that are aligned with UCF's goals and competitive with the external market
- Increase professional development and continued education

Results:

| Old Compensation Program | New Compensation Program |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outdated pay system <ul style="list-style-type: none"> – Last system update in early 2000s – Inaccurate job descriptions Continued concerns around: <ul style="list-style-type: none"> – Inconsistent administration of pay – Pay compression – Misalignment of pay to the external market – Internal inequity – Pay may not be linked to individual contributions – Unclear and inconsistent titling – Poorly defined / limited career progression opportunities | Competitive, market-based structure Policies for pay administration to ensure: <ul style="list-style-type: none"> – Fairness and consistency across the institution – Ongoing maintenance of program Foundation for future HR initiatives <ul style="list-style-type: none"> – Performance management – Career progression Increased communication and transparency |



UNIVERSITY OF CENTRAL FLORIDA

Human Resources

Attachment A

The completed study resulted in updated job titles, pay grades and salary ranges, and job descriptions. The study also revealed 1,007 employees were being paid below the benchmarked market minimum for their new pay grades.

Recommendations:

To enable the next phase of implementation for this project, the university calculated that \$5-6 million would be needed in the first year to adjust affected employees' salaries to meet the newly established minimums for their positions. This amount translates to roughly a two percent increase in the university's overall annual salary budget for USPS and A&P. The next step will be to identify and evaluate compression issues created by increasing the minimum. While acknowledging that there is no legal obligation for the university to adjust salaries to this minimum, the highest-performing organizations invest in their employees, and university administration feels strongly that it is in UCF's best interest to recognize and value the work of the staff we rely on to help accomplish our mission.

University administration will thus seek approval to incorporate into the fiscal year 2020 operating budget the annualized impact of the salary adjustments, drawing on recurring funding sources across the university. The funds identified provide the resources necessary to establish the new pay grades. Sustainability will depend on incorporating these new pay grades into each college's and unit's annual budget and evaluating new or existing resources available to meet those budget needs.

To champion and monitor the success of this initiative, Interim President Thad Seymour, Jr. has appointed a task force comprised of himself along with Provost Elizabeth Dooley, Interim Chief Operating Officer Misty Shepherd, Interim Chief Financial Officer Robert Caslen, as well as other key stakeholders and voices across campus. The team has been tasked with exploring strategies that will ensure the university is utilizing its resources to the highest and best potential, while adhering to its highest priorities of affordability and academic excellence.