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10-123

MANAGEMENT AND CONFIDENTIAL SALARY  
ADJUSTMENTS FOR FY 2010-11

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APPROVED BY: Wing-Kit Chung, Vice President, Administrative Services  
Dr. Preston Pulliams, District President

REPORT: Following a study of compensation for Management and Confidential employees, in June 2007 the Board adopted the first phase of a recommended three year plan to bring PCC's Management and Confidential compensation into better alignment with our competitive labor market. The first two years of that recommendation were implemented.

In light of the economic downturn and the resulting PCC budget impact, granting the level of salary adjustment (7.5%) originally recommended for the third year of implementation was not feasible for FY2009-10. Also, the economic conditions put into question the assumptions of labor market movement inherent in the planned third year. Accordingly, the third year plan was set aside and the adjustment for FY2009-10 was based on the College's ability to pay and internal relationships with other employee groups. The FY2009-10 salary structure was increased by 1.75%; individual incumbent managers received a 2% increase; individual incumbent confidential staff received a 3% increase; and, the maximum monthly health care contributions were increased to the same level as other employee groups.

To evaluate the impact of the recession, the same 20 comparator colleges and market survey sources used in the 2007 study were surveyed by Human Resources staff during the current year. Briefly stated, the survey information shows that the market slowed substantially and a structure adjustment of 1.89% (versus the projected 4.0%) and individual incumbent salary adjustment of 2.39% (versus the projected 7.5%) would be required to close out the third year implementation.

The Human Resources survey also determined that for FY2010-11 employers in our market are moving their management salary structures an average of 0.87% and individual incumbent pay by an average of 0.99%.

**RECOMMENDATION:** That the Board of Directors approve for FY 2010-11 the following adjustments:

- To close out the third year implementation of the Management/Confidential study, an increase of 1.89% to the salary structure and an increase of 2.39% applied to the salaries of each individual management/confidential employee; plus
- To adjust for FY2010-11, an increase of 0.87% to the salary structure and an increase of 1.0% applied to the salaries of each individual management/confidential employee.
- Such adjustments to be applied in accordance with Human Resource practice, such increases to be effective as of the first pay period of FY 2010-11.
- That the college maximum monthly contributions for health insurance for management and confidential employees be increased based on the employee's elected tier of enrollment as follows: employee only: \$560; employee + spouse: \$940; employee + child(ren): \$875; family: \$1113. That the increase on maximum monthly health insurance contributions become effective with the September 2010 pay period (pay date October 1<sup>st</sup>).