



# University of Alaska

## Preliminary Total Compensation Project Overview

June 1, 2018

# Project Overview

At the direction of the President, UA Human Resources is facilitating a total compensation review and pay equity analysis for competitiveness, equity, and retention.

## UA total compensation projects

- Executive\* market salary & structure review
- Faculty market salary review
- Staff market salary & structure analysis
- Pay equity review
- Employee benefits market comparison

\*Officers and Senior Administrators

# Executive Market Salary & Structure Review

## Objective

Review UA's compensation and benchmarking methodology for relevant market matches and placement.

## Initial Vendor Analysis

- UA target is currently 90% of market median
  - Salaries, on average, are at 87% of market median
  - Salaries range from 68% to 125% of the market median among individual positions (excludes individuals in an interim role)

# Executive Market Salary & Structure Review

## Potential Options

- Strengthen market benchmarking methodology for institutional consistency
- Define compensation philosophy (e.g. relationship to market median)
- Adopt new salary range structure to include administrative guidelines for placement based on market, education, experience, and performance

## Next Steps

- Finalize analysis and potential options
- Consider implementation strategy and timeline
- Review with Total Compensation Project (TCP) Advisory Committee and SW Executive Council

# Faculty Market Salary Review

## Objectives

- Conduct a baseline salary comparison relative to faculty rank and discipline (excludes special, summer or additional assignments)
- Evaluate faculty compensation practices to include discipline (CIP code) and peer group market database selections

## Initial Vendor Analysis

- UNAC: Salaries range from 95.1% to 107.3% of the market median
- UAFT: Salaries range from 100.8% to 108.4% of the market median (prior to merge w/ UNAC)

# Faculty Market Salary Review

## Potential Option

Expand peer groups for each institution to provide additional data points for more stable market data.\*

## Next Steps

- Complete market analysis
- Finalize cost of labor
- Define UA compensation philosophy for faculty
- Develop options and discuss with United Academics (UNAC)

\*UA faculty working group reviewed and agreed on the peer institution list recommended by vendor.

# Staff Market Salary & Structure Analysis

## Objectives

- Provide a market comparison of staff positions by a series of related job families (e.g. Administrative Generalist, Fiscal Professional, etc.)
- Evaluate compensation best practices to improve transparency and adopt industry best practices for institutional consistency

## Initial Vendor Analysis

- Industry standard market competitiveness is considered 90% to 110% of market median
- UA salaries, on average, are at 97.6% of market median

# Staff Market Salary & Structure Analysis

## Potential Option

Modify salary structure for best practices & institutional consistency

## Next Steps

- Define UA staff compensation philosophy
- Identify unique or “hot” jobs (hard to fill or high demand)
- Complete market analysis
- Review with Staff Council, TCP Advisory Committee and SW Executive Council



# Pay Equity Review

## Objectives

- Determine if there are any concerns or issues related to gender, race, age and/or pay disparities within the system
- Develop controls to mitigate risk and ensure institutional consistency
- Improve transparency and understanding of compensation objectives throughout the system

## Initial Vendor Analysis

- In progress. First cut of employee salary data has been sent to vendor.

# Pay Equity Review

## Next Steps

- Conduct a detailed analysis requiring additional data collection
- Identify which areas to address first (e.g. gender, race, age and/or pay disparities)
- Develop an option to include functional area/discipline, education, experience, and performance to determine possible pay inequities

# Employee Benefits Market Comparison

## Objectives

- Conduct benefit plan benchmarking against peer groups as provided by UA Institutional Research
- Develop a total compensation analysis including benefits and salary

## Initial Vendor Analysis

- Current medical, pharmacy, dental and vision plan designs and employee contributions are considered in line with peers
- UA leave and holiday benefits are in line with peers
- Voluntary employee and dependent life insurance plans are below market
- Long-term disability plan is below market
- UA Pension Plan is not competitive with State of Alaska Supplemental Benefit System

# Employee Benefits Market Comparison

## Potential Options

- Life Insurance
  - Increase voluntary employee life benefit range to \$400k - \$600k
  - Recommend adding voluntary dependent life insurance plans
- Long-term disability (LTD)
  - Increase benefit from \$3,000/month by offering a voluntary buy-up plan. Voluntary buy-up benefit amount would be \$5,000/month.
- Retirement
  - Increase maximum contribution to 401(a) UA Pension Plan to greater than \$3,213 annually, by increasing salary cap (currently at \$42k)
  - Review current vesting schedules for ORP and UA Pension Plans

## Next Step

- Incorporate benefits with salary offerings to present total compensation for faculty, staff and executives

# Project Timeline

University of Alaska 2018 Total Compensation Project							
ACTIVITY	May	June	July	Aug	Sept	Oct	Nov
	Executive Market Analysis Report	█					
Review Proposed Executive Compensation Matrix Structure & Placement		█					
Staff Compensation Market Analysis Report		█					
Review Proposed Staff Salary Structure		█					
Faculty Market Analysis Report		█					
Benefits Market Comparison Report		█					
Pay Equity Report			█				
Total Compensation Analysis for all Employee Types			█				
Review of Potential Pay Equity Findings				█			
Report Total Comp Analysis and Pay Equity Study Report to UA Board of Regents					█		
Develop Compensation Strategy for FY19						█	
Present Compensation Plan and Funding Strategy to UA Board of Regents							█



# Questions?