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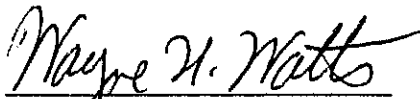
STATEMENT OF UNDERSTANDINGS

between the

JUNIOR COLLEGE DISTRICT OF
JEFFERSON COLLEGE

and the

JEFFERSON COLLEGE FACULTY
ASSOCIATION-NATIONAL EDUCATION
ASSOCIATION



Wayne H. Watts
Board Administration Team

2-12-04

Date



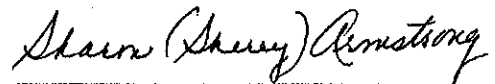
John Pleimann
Faculty Association Team

Approved:


Linda Schepers 4-15-04

Board of Trustees

Date



Sherry Armstrong, Secretary
Board of Trustees

NOTE: There is no change to the Table of Contents as a result of the 2004-2005
BAT/FAT agreement.

BAT RESPONSE TO FAT ITEM 1- SALARY COMPRESSION

BAT agrees that compression has taken place and that it will continue unless some corrective measures are instituted. BAT also agrees with the eight assumptions listed in FAT's proposal.

In order to resolve the compression issue, it was important to identify the possible causes of compression. BAT has conducted a thorough analysis of the specific policies, procedures and practices which have caused compression of faculty salaries. These were reviewed with the BAT-FAT subcommittee. The effect of compression on faculty salaries is the result of one or more of the following:

1. The process of arriving at a starting salary for faculty requires some subjectivity. It provides for the variables such as degree of educational attainment, prior teaching experience, prior work experience, and market conditions. Within the teaching experience category \$100 to \$500 can be added to the base depending on the number of years of experience and whether the teaching experience is with a community college, university, K-12, business school, industry teaching, military or in private systems. Every situation and circumstance is different. Amounts are determined after critical review of the candidates credentials, with considerable discretion applied. Similar judgement is applied to work experience and market conditions.

Over the years several facts have emerged which have resulted in our philosophy of offering new faculty **the highest justifiable salary at the time of hire**. These are:

- a. For the benefit of faculty we know that the most important salary he/she will ever earn is his/her starting salary. This is the salary upon which every future increase is based.
- b. In recent years we have had several first choice candidates for faculty positions decline the job after receiving a disappointing salary offer from us. The point is we could not get the starting salary up high enough.
- c. Applicants in some disciplines for which we have recruited have compiled significant credentials. Our society as a whole is more educated today and is more

Wayne H. Watts
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mobile and willing to relocate then 20-30 years ago. More credentials result in a higher starting salary.

2. Another factor which contributes to compression, although at this time affecting only a few faculty, is the implementation of the top-out provision in 1999. The top-out provision was implemented to be consistent with the Salary Administration Plan for classified and certified staff. This provision limits the earnings of faculty who do not seek promotion and, therefore, remain at their level for an extended time. It should be noted however, that the decision not to pursue promotional opportunities to a higher level is made by each individual faculty member.
3. Another factor which we believe has contributed to compression, in some cases, is that prior to 1991 there appears to be some inconsistencies in the setting of starting salaries for newly hired faculty. For example, some faculty were given the salary on the Faculty Salary Schedule at the time of the offer (spring) and not at the time of their start date (fall of the next fiscal year). Therefore, they did not benefit from any increase in the pay schedule which may have occurred for the new fiscal year. The compounding effect of this lower salary over the years could become material. It should be noted that it is sometimes impossible to reconstruct the rationale used for setting starting salaries prior to 1991.
4. Another factor which we believe has contributed to compression is that Board Policy and Procedure allow for newly hired faculty to be brought in at Level I or Level II. As stated earlier, the decision as to whether to bring a newly hired faculty in at a Level I or Level II is, with only limited restrictions, subjective and discretionary. It does appear that during the 1960's, 1970's, and 1980's it was a common practice to bring newly hired faculty in at Level I. As stated in #1 above, the philosophy that has existed for the past decade has been to bring newly hired faculty in at the **highest justifiable salary**, which includes bringing them in at Level II when possible.
5. Another factor in our pay practices which has allowed the salaries of newer faculty to "keep pace" with faculty with more years at the College concerns the granting of increments. In addition to promotions, there are two ways to increase the salary of faculty. One is the granting of a COLA (cost of living allowance). A COLA is defined as a fixed percentage increase to the entire salary schedule. Another way to increase the salary of faculty is to grant increments. Increments are, in effect, longevity increases. When granted, increments are awarded to all faculty who have been at the College for a minimum of one full contract year. The decision process we use to grant pay increases is once we determine how many dollars we have for pay

Wayne H. Matts
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raises, that number is converted into a percentage. We then decide on how much of that percentage will be a COLA and how much will be an increment. Since 1997-98 no increments have been granted. That is, all pay raises have been in the form of a COLA. Granting increments increases the pay of existing faculty. Newly hired faculty would not receive an increment and so their pay would not increase. If we granted increments more often the effect of this would be more "stretch" in the faculty salaries. However, when we grant a pay raise in the form of a COLA only, newly hired faculty get the same percentage pay raise as faculty who have been at the College for another year. This allows new faculty to "keep pace" with faculty who have more years at the College.

6. The dollar amount given to faculty when a promotion was granted through the history of the College until July 1, 1999, was only \$100. This low amount has constrained the earnings of our senior faculty. For example, for a faculty member who was hired at Level I, was promoted to Level II, then was promoted to a Level III, and then was promoted to Level IV, the cash award for going through the rigors of the promotional system was only \$300. We believe that a \$300 total pay increase did not allow for a natural salary spread which would have occurred over the years had the amount for promotions been more. In 1998-1999 in an effort to at least partially rectify this situation, we increased the monetary value of each promotion to \$400. Faculty promoted since the time of this change, who are predominately newer faculty, have realized this increased amount (especially those who have received multiple promotions). This has added to the compression effect.
7. The circumstance concerning the cash award for a doctorate appears to have also contributed to compression. Faculty who have a doctorate at the time of hire have \$500 added to their salary. Faculty who earn a doctorate while employed at the College receive 3%. The 3% award amounts to three or more times the \$500.


BAT proposes to resolve the compression problem by addressing the aforementioned causes of compression, and to address the other recommendations included in FAT's proposal, as follows:

1. The current philosophy of starting new faculty at the highest justifiable salary at the time of hire will be continued. The current Board Policy and Procedure prescribing the methodology to arrive at a starting salary for newly hired faculty will also remain the same. The rationale for this is explained in 1 a, b, and c above.



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We will maintain the provision in which the starting salary of a newly hired faculty is reduced by \$500 for only possessing a bachelor's degree. We will add the provision that \$500 will be added to the base salary for the next contract year of faculty who, after being hired, earn a master's degree. The master's degree must be confirmed prior to the first day of classes of the ensuing academic year in order to receive the additional salary for that contract year. We will also add \$500 to the base salary of any faculty who we can determine was penalized \$500 at the time of hire for not possessing a master's degree and then subsequently earned a master's degree. This adjustment will be incorporated in his/her base salary for 2004-2005 if re-employed for the 2004-2005 contract year.

2. The top-out provision will be maintained for consistency with the certified and classified staff Salary Administration Plan, which includes a top-out provision. Salary ranges of the Faculty Salary Schedule are increased each year in the form of a COLA as the budget permits. Faculty can avoid being topped out at Levels I, II, and III by satisfying the criteria for promotion and being promoted. We will adjust the pay ranges of the Faculty Salary Schedule. See Appendix "A".
3. There will be no action taken on the matter of possible inconsistencies in the setting of starting salaries prior to 1991 based on work or teaching experience. We must assume that the decisions made on salaries at that time were made in the best interests of the College. The practice at that time was in compliance with Board Policy and Procedure and resulted in the hiring of many excellent faculty, some of whom are still with the College today.
4. There will be no action taken on the matter of possible inconsistencies in the setting of starting salaries prior to 1991 based on Level I or Level II. We must assume that the decisions made on salaries at that time were made in the best interests of the College. The practice at that time was in compliance with Board Policy and Procedure and resulted in the hiring of many excellent faculty, some of whom are still with the College today.
5. The five year period from 1997-98 to 2003-04 in which increments were not granted allowed the salaries of newer faculty to keep pace with faculty with more years at the College. Pay raises were granted in the form of a COLA only. This was done in order to raise the amounts of the overall faculty salaries. The administration is now aware of the adverse impact that this practice has had on our experienced faculty. Future pay increases will attempt to strike a better balance between COLA increases and increments.
6. We believe the current \$400 amount for promotion is inadequate and has contributed to compression. A larger amount, correlating more with the significance the College places on the attainment of promotions, is appropriate. Further, an increased amount

Wayne H. Motts
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for promotions to higher ranks will provide some "stretch" in faculty pay. The amount for promotion from one level to another will be increased from \$400 to the following:

Level I to Level II = \$1,500
Level II to Level III = \$2,500
Level III to Level IV = \$3,500

Furthermore, we will adjust the salaries of existing faculty with these new promotion amounts as follows:

Level I's - no increase
Level II's who were hired at Level II - no increase
Level II's who were hired at Level I - will receive $(\$1,500 - \$400) = \$1,100$
Level III's who were hired at Level I - will receive $(\$1,500 - 400) + (\$2,500 - \$400) = \$3,200$
Level III's who were hired at Level II - will receive $(\$2,500 - \$400) = \$2,100$
Level IV's who were hired at Level I - will receive $(\$1,500 - \$400) + (\$2,500 - \$400) + (\$3,500 - \$400) = \$6,300$
Level IV's who were hired at Level II - will receive $(\$2,500 - \$400) + (\$3,500 - \$400) = \$5,200$

7. The amount of additional salary for faculty who possess an earned doctorate at the time of hire will be increased to \$1,500. For existing faculty who possessed an earned doctorate at the time of hire and received less than \$1,500, or for existing faculty who earned a doctorate while employed at the College and received less than \$1,500, the difference between \$1,500 and the amount received will be incorporated into their base salary for 2004-2005 if re-employed for the 2004-2005 contract year.

The amount of additional salary for faculty who earn a doctorate while employed at the College will be increased to \$1,500 for the next contract year. The doctorate must be confirmed prior to the first day of classes of the ensuing academic year in order to receive the additional salary for that contract year.

8. For Level II and Level III faculty whose salary is substantially disproportionate for the number of years they have been at the College, a one-time equity adjustment will be made to the base salary for 2004-2005. These faculty and their one-time equity adjustment are as follows (\$200 for each year of full-time service as of 6-30-2004):

Dubman, S.	\$1,400
Watkins, S.	1,400
Logan, M.	1,400

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Hovis, R. 1,200
Pleimann, J. 2,000

9. Depending on the College's budget situation, we may elect to incorporate all adjustments in the 2004-2005 contract or we may elect to spread the promotion adjustments over 2004-2005 and 2005-2006 contract years.

If we decide to incorporate all adjustments in the 2004-2005 contract then the sequence of applying the adjustments with any other pay increases will be as follows:

- First - Any promotion, master's and/or doctorate adjustments and any equity adjustments, (from #1, #6, #7 and #8 of this section)
- Second - Current promotions, earned master's and/or earned doctorate, if applicable
- Third - COLA, if granted
- Fourth - Increment, if granted

If we decide to spread the promotion adjustments over two contract years:

- a) One-half of the promotion adjustment will be incorporated into the base salary for 2004-2005 and the final one-half of the promotion adjustment will be incorporated into the base salary for 2005-2006. Faculty who are not re-employed for the 2004-2005 contract year will not receive any adjustment. Faculty who are not re-employed for the 2005-2006 contract year will not receive the second one-half of the promotion adjustment (except for early retirees - see b below). The sequence of applying the adjustments and any other pay increases will be as follows:

- First - Any master's and/or doctorate adjustments and any equity adjustments (from #1, #7 and #8 of this section)
- Second - Current earned master's or earned doctorate, if applicable
- Third - Any promotion adjustments (from #6 of this section) (*)
- Fourth - Current promotion, if applicable (*)
- Fifth - COLA, if granted
- Sixth - Increment, if granted

(*) One-half incorporated into the contract for 2004-2005 and one-half incorporated into the contract for 2005-2006. Faculty who are not re-employed for the 2004-2005 contract year are not entitled to any of the promotion amount. Faculty who are not re-employed for the 2005-2006 contract year are not entitled to the second one-half of the promotion amount.

- b) In the event that the Board of Trustees approves an Early Retirement Incentive Program (ERIP) for 2004-2005, faculty entitled to the second one-half of the

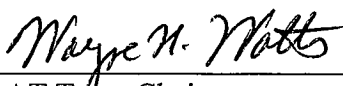
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BAT Team Chair

2-12-04
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promotion adjustment who elect to retire under the ERIP effective June 30, 2005, will receive a one-time payment of the amount due for 2005-2006 on their last paycheck for the 2004-2005 contract year. Furthermore, the ERIP cash incentive will be calculated using the 2004-2005 base salary plus the one-time payment of the second one-half of the promotion adjustment.

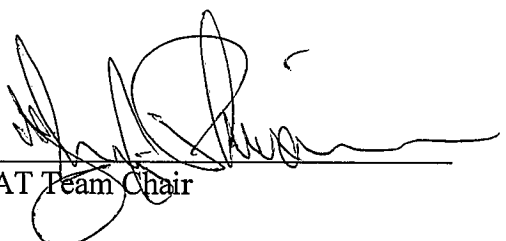
10. If after all adjustments are applied, a faculty member's base contract salary is below the minimum for his/her current rank or to the rank to which the faculty member is promoted, the base contract salary of the faculty member will be increased by such additional amount as to raise the faculty member's salary to the minimum of the faculty member's rank.
11. We believe the combination of the above mentioned actions will have both an immediate impact and a long range impact on eliminating compression of faculty salaries. For this reason, and that according to the "Statement of Understandings" between the Board of Trustees and JCNEA each party may submit issues to the other each year, BAT does not believe it is necessary to "Establish a system to monitor future salary compression every 3-5 years and report the outcome to faculty."
12. With these adjustments, the Jefferson College Faculty Association-National Education Association affirms that the administration and Board of Trustees have taken exceptional steps in increasing faculty salaries. The Association also affirms that these increases have adjusted the salaries of individual faculty, and have established the ranges of pay of the Full-Time Faculty Salary Schedule, to levels deemed by the Association to be fair and equitable. The faculty still reserves the right to review faculty salary data and propose changes in future years.



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2-12-04

Date



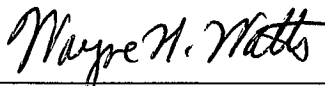
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Appendix "A"

Faculty Salary Schedule

		<u>Current</u> <u>2003-2004</u>	<u>Proposed</u> <u>2004-2005 (*)</u>
Level I	Instructor	\$34,104 - \$43,909	\$34,104 - \$46,040
Level II	Assistant Professor	\$35,942 - \$48,386	\$35,942 - \$52,116
Level III	Associate Professor	\$38,582 - \$53,577	\$39,536 - \$61,281
Level IV	Professor	\$43,395 - \$72,644	\$45,466 - \$75,018

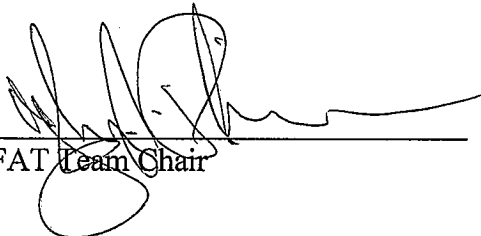
(*) Does not include any COLA granted for 2004-2005, if any.



BAT Team Chair

2-19-04

Date



FAT Team Chair

Date: Fri, 19 Mar 2004 09:59:55 -0600 (CST)

From: "Joe Edmund Lange" <jlange@jeffco.edu> **Block Address**

Subject: **CPS review of BAT-FAT**

To: wwatts@jeffco.edu

Cc: ckuchar@jeffco.edu, smorgan@jeffco.edu, clile@jeffco.edu, jpierce@jeffco.edu

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Wayne:

As per your request, the BAT-FAT proposed agreement was circulated through the Certified Professional Staff for comment at the February 24th meeting, and the draft minutes reflected that copies could be obtained from Terry Ponzar.

As of this date, no comments have been received from teh Certified Professional Staff.

Joe

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Date: Thu, 18 Mar 2004 13:51:02 -0600 (CST)
From: "Victoria L Morgan" <vmorgan@jeffco.edu> **Block Address**
Subject: **BAT-FAT Agreement**
To: bmckenna@jeffco.edu
Cc: wwatts@jeffco.edu

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The Classified Professional Staff appreciates the opportunity to respond to the proposed BAT-FAT issue regarding the Faculty Salary Schedule. The document was presented to the Classified Professional Staff Executive Committee for review. No comments specific to the issue were received.

Vickie Morgan, Instructional Designer
Gateway Community College Consortium
636-797-3000, ext. 357

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