Jackson College
Board of Trustees

Monitoring Report:
EL – 07 Compensation & Benefits

[FULL COMPLIANCE]

Note: Board Policy is indicated in bold typeface throughout the report.

I present this monitoring report to the Jackson College Board of Trustees which addresses the Board's Policy EL-07: "Compensation & Benefits". I certify that the information contained herein is true and represents compliance, within a reasonable interpretation of the established policy, unless specifically stated otherwise below. Please note that all of my interpretations of the policy remain unchanged from the previous report, unless otherwise noted.

01.13.25

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

Date

POLICY STATEMENT:

With respect to employment, compensation and benefits to employees, consultants, independent contractors and volunteers, the CEO shall not cause, or allow jeopardy to the College's fiscal integrity or public image.

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

1. Change his/her own compensation and benefits.

<u>INTERPRETATION:</u>

Compliance will be demonstrated when:

a) The CEO's compensation amount has been verified by the Chief Financial Officer (CFO) and matches the approved amounts established by the Board as noted in the CEO's contract.

b) The CEO's ordinary and necessary expenses match his employment contract as verified by the CFO.

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

EVIDENCE:

a) On 12.11.24 the CFO verified the compensation amount for the President and CEO for the period of September 2023 through August 2024 follows the signed Employment Agreement.

b) On 12.11.24, the CFO confirmed that the President and CEO's ordinary and necessary expenses, which have been reimbursed or paid for by the College, match the Employment Agreement.

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 Chief Operating Officer (COO) and Director of Human Resources are members of the Michigan Community College Human Resource Association (MCCHRA) and intentionally engage compensation review with the Association.
c) The CEO and the COO annually review salary and compensation secondary data from external sources which can provide normative data from a national perspective.

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

EVIDENCE:

a) The COO confirmed on 11.21.24 that no contract negotiations occurred during this reporting period. Relatedly, a comparison with other community colleges in the State for salaries and benefits was conducted by the Director of Human Resources.

b) The COO confirmed on 11.21.24 that she and the Director of Human Resources are current members of the MCCHRA.

c) On 11.21.24, the COO confirmed that a review of salary and compensation secondary data, obtained from the annual survey of the Chronicle of Higher Education, and the League for Innovation, was conducted.

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) Salary ranges for administrators are prepared annually by the CEO and the COO. Salary ranges within classifications for faculty and staff are established by the bargaining process with both unions.

b) Any changes in salary ranges during the monitoring period are so noted in the monitoring report.

This is reasonable because the Board can compare the monitoring report from the current and fiscal year to note any variation.

EVIDENCE:

a) On 11.21.24, the COO confirmed that salary schedules have been established as part of the bargaining process with both unions operating at the College.

b) On 11.21.24, the COO confirmed that salary schedules have been changed for cost of living of adjustments, with performance pay bonuses, as negotiated during this period's monitoring.

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

INTERPRETATION:

Compliance will be demonstrated when:

a) The College CFO and Director of Finance confirms that all employees who are part of the collective bargaining agreements, have been paid consistently with the most recent contract.

This is reasonable because payment of benefit and salaries are agreed upon within the contract and are verifiable through the payroll register.

EVIDENCE:

a) On 12.11.24 the CFO confirmed that all employees of Jackson College are paid on a bi-weekly basis. Payroll is balanced, reviewed, and approved on a per-payroll basis. The Business Office utilizes a control sheet that tracks both permanent and temporary payroll adjustments for every employee.

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

INTERPRETATION:

Compliance will be demonstrated when:

a) The Board's attorney confirms that the negotiated agreement is within the negotiating parameters established by the Board of Trustees to the CEO.

This interpretation is reasonable because legal counsel has reviewed the bargaining agreement and reports their observations to the Board of Trustees.

EVIDENCE:

a) On 11.21.24, the College's attorney for contract negotiations confirmed that the negotiated agreement is consistent with the negotiating parameters established by the Board of Trustees.

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

INTERPRETATION:

Compliance will be demonstrated when:

a) The CFO confirms that 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 that are verified by the CFO.

EVIDENCE:

a) On 12.11.24 the CFO confirmed that during the budgeting process, management considers salary and benefit projections based on the employee's current and expected pay, as determined by the appropriate letters of appointment and union agreements. The CEO is required to present a balanced budget each fiscal year to the Board of Trustees for consideration.

5. Change retirement benefits such that the provision Introduce retirement benefits beyond what is currently offered (MPSERS, the ORP and Emeriti)

INTERPRETATION:

Compliance will be demonstrated when:

a) The COO confirms that there are no new retirement benefit programs beyond that which were offered over the previous 12 months.

This interpretation is reasonable because the Board is able to compare benefits programs from year to year via monitoring reports.

EVIDENCE:

a) On 11.21.24, the COO confirmed no new retirement benefits have been implemented during this monitoring period.

6. Promise or imply permanent or guaranteed employment.

6.1 Employ Administrators under a contract in excess of two years' duration.

6.2 No College employee, with the exception of the College CEO or their official designee, is permitted to extend an offer of employment to any candidate or non-employee.

INTERPRETATION:

Compliance will be demonstrated when:

a) All administrators are issued a letter of appointment in June for no more than two years.
b) No one has been offered College employment beyond the standard protocol employed by the HR office, and as described in 6.2.

This interpretation is reasonable because it is verifiable through human resources records and is consistent with best practice in the higher education industry.

EVIDENCE:

a) On 11.21.24, the COO confirmed all letters of appointment for salaried employees were issued for a one-year time period.

b) On 11.21.24, the COO confirmed that no members of Executive Administration have been issued a two-year letter of agreement, but rather only one-year letters of agreement for this monitoring period.

The Jackson College Board of Trustees assessed this monitoring report and found that it demonstrated full compliance with a reasonable interpretation of the policy at the regular Jackson College Board meeting on February 17, 2025.