



UNIVERSITY OF SAN FRANCISCO
CHANGE THE WORLD FROM HERE

Compensation Workshop for University Budget Advisory Council

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Julie Kober, Director of Compensation

Maria Mays, Compliance & Compensation Specialist

David Philpott, Asst. VP for Labor & Employee Relations

Dawn Mayer, Director of Tax Compliance

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Today's Topics

- I. Introductions and What We Do**
- I. Compensation for Collectively Bargained Staff**
- I. Compensation for Executives and Disqualified Employees**
- I. Compensation for Staff**
- I. Questions**

Martha Peugh Wade – Assoc. VP, Compliance & Compensation

- **Collaborate with Risk Management and other departments around HR compliance/risk management issues**
- **Act as Resource Person to the Compensation Committee of the Board of Trustees**
- **Recommend best HR compliance practices**
- **Oversee all USF Compensation Practices**

Julie Kober – Compensation Director

- **Manage the compensation function to fully support and achieve the University's compensation philosophy and practices of promoting consistency in pay practices**
- **Design, implement, and administer the University's compensation programs covering executive, administrative, exempt, and non-exempt staff, faculty, and employees covered under other collective bargaining agreements**
- **Manage the job description review and evaluation process for all University non-faculty positions**

Maria Mays – Compliance & Compensation Specialist

- **Conduct research on best practice for various HR related compliance matters**
- **Provide research, analysis, and technical support for the university's compensation programs**
- **Conduct evaluations for union and non-union positions**
- **Through audits, reports and personal contact, ensure that compensation procedures/practices are consistently administered in compliance with policies, collective bargaining agreements and government regulations**

Dawn Mayer – Director of Tax Compliance

- **Manage the tax compliance function of the Office of Tax Compliance, Internal Audit, and Payroll Services**
- **Ensure the timely preparation and filing of all required tax returns for the University in accordance with applicable Federal, state, and local tax laws**
- **Advise the University community regarding tax-related issues and tax compliance matters**
- **Support the Compensation function in identifying disqualified persons and managing annual reporting of certain compensation information to taxing authorities**

David Philpott – Asst. VP for Labor & Employee Relations

- **Responsible for administering the collective bargaining agreements for:**
 - USFFA (Full-time Faculty and Librarians)
 - PTFA (Part-time Faculty)
 - ALP (Associate Law Professors)
 - OPEIU Local 29 (Clerical Workers)
 - SEIU-WEST (Laborers and Gardeners)
 - Local 39 (Stationary and Operating Engineers)
 - PSOA (Public Safety Officers Association)
- **Chief Negotiator for all collective bargaining agreements**
- **Coordinate employee relations matters in partnership with HR**
- **Liaison to unionized contract employees on campus**

History of Unions at USF

- **Only private university west of the Mississippi that is fully unionized**
- **San Francisco is one of the longest standing “union towns” in the country**
- **Trade Unions were on campus prior to early 70’s, Law School Faculty unionized first in the mid 70’s, followed by the USFFA in 1975**
- **OPE was recognized in 1973**
- **PTFA was affiliated with USFFA, until they split in 1983, to be a stand alone union**

Definitions of Collective Bargaining Agreement Terms

- **Across the Board vs. Merit Pool**
- **Rank & Steps**
- **Hire-in Rate**
- **Non-probationary Rate**

Collective Bargaining

- **How compensation is normed for bargaining units against similarly-situated workers throughout the region:**
 - **USF reviews total compensation, to include salary and benefits**
 - **USF conducts market studies in Higher Education and similar industries**
- **USF cannot always compete with salaries in the private sector for some positions, but the combination of the total compensation and work life balance helps to offset competition with the private sector**

Due to current financial constraints, exacerbated by the pandemic, these options may not currently be available

Bargained Compensation Ranges

- **USF bargains minimum salaries and management has the discretion to pay at a higher rate, based on their salary budget, operational needs, and economic conditions**
- **Overscale rates sometimes apply, due to competitive labor markets and hard to hire disciplines**
- **Economic realities are also a factor in what the university can afford, based on net tuition revenue**

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Questions?

Compensation Committee of the Board of Trustees

- **Appointed by the Board of Trustees to assist the Board in its efforts to ensure the compensation paid by the University to the its officers and other individuals deemed to be “disqualified persons” (a person who is in a position to exercise substantial influence over the affairs of a tax exempt organization) is aligned with the mission of the University and is reasonable**
- **Committee has overall responsibility for evaluating and recommending to the Board compensation packages to be paid to University’s officers and other disqualified persons, as well as performing other duties as may be directed by the Board**

Responsibilities of the Compensation Committee

- **Review the University's executive compensation policies and programs, including the comparable talent market and executive compensation philosophy, and implement changes, as needed**
- **Review and recommend to the Board the total compensation of the University's officers and other disqualified positions based upon a review and analysis of applicable data**
- **Review the annual and long-term goals for the President and evaluate the performance of the President, with input from other Board members**
- **Review the standards used in performance evaluation of the University's officers**
- **Review the University's compensation, retirement and benefit policies and plans**

Executive Compensation Philosophy

- **USF's executive compensation philosophy is to align pay practices to our defined national, high cost-of-living metropolitan area labor market.**
- **Specifically, the University will:**
 - **Use as a guide the 50th percentile of benchmark positions, accounting for variance of portfolios where needed**
 - **Select peer institutions that are similar in organization, total revenue, total assets, and are in high cost labor markets**
 - **Pay may vary from the 50th percentile on the basis of performance, experience, market competition, and the strategic needs of the University**

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Compensation for Executives

- **Salary and benefits of executives are typically reviewed annually by the Compensation Committee and the President**
- **To establish ranges, executive salary survey data is compiled from the national annual surveys of university executives and from for-profit surveys where appropriate**
- **We also use this data to determine pay ranges when launching a search to hire an executive**
- **The committee retains an outside compensation consultant to provide advice and salary data with respect to the ongoing compensation of executives**

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Executive Compensation Peer Group Characteristics

Peers institutions:

- Have similar type of organization, sector, size, and complexity - USF's peer group is primarily
- U.S. private universities
- Total revenue of .5X to 2.5X
- In similar high cost of living - universities in metro areas with col Index >_ 70% with SF as base city at 100%
- US News and World Report ranking of better than 125
- Carnegie classifications of Doctoral w/ Moderate or Higher Research Activity or Larger Master's Colleges and Universities
- No hospitals

USF Executive Compensation Peer Group

<ul style="list-style-type: none"> American University - Washington, DC 	<ul style="list-style-type: none"> Sacred Heart University - Fairfield, CT
<ul style="list-style-type: none"> Catholic University of America - Washington, DC 	<ul style="list-style-type: none"> San Francisco State University - San Francisco, CA
<ul style="list-style-type: none"> Chapman University- Orange, CA 	<ul style="list-style-type: none"> San Jose State University - San Jose, CA
<ul style="list-style-type: none"> DePaul University - Chicago, IL 	<ul style="list-style-type: none"> Santa Clara University - Santa Clara, CA
<ul style="list-style-type: none"> Fairfield University - Fairfield, CT 	<ul style="list-style-type: none"> Seattle University - Seattle, WA
<ul style="list-style-type: none"> Fordham University - Bronx, NY 	<ul style="list-style-type: none"> Seton Hall University - South Orange, NJ
<ul style="list-style-type: none"> Illinois Institute of Technology - Chicago, IL 	<ul style="list-style-type: none"> St. Joseph's University - Philadelphia, PA
<ul style="list-style-type: none"> Loyola Marymount University - Los Angeles, CA 	<ul style="list-style-type: none"> Saint Mary's College of California - Moraga, CA
<ul style="list-style-type: none"> Loyola University Maryland - Baltimore, MD 	<ul style="list-style-type: none"> University of San Diego - San Diego, CA
<ul style="list-style-type: none"> Loyola University of Chicago - Chicago, IL 	<ul style="list-style-type: none"> University of St. Thomas - St. Paul, MN
<ul style="list-style-type: none"> Pepperdine University - Malibu, CA 	<ul style="list-style-type: none"> Yeshiva University - New York, NY
<ul style="list-style-type: none"> Quinnipiac University - Hamden, CT 	

What is a Disqualified Person?

- A "disqualified person" includes any person who was in a position to exercise substantial influence over the affairs of the University at any time during the five-year period ending on the date of the transaction.
- Voting members of our Board of Trustees, Fr. Fitzgerald, S.J. (as President) and Charlie Cross (as CFO) are deemed by the IRS to exercise substantial influence over the University because of the positions they hold, and they are therefore "disqualified persons."
- Family members of a "disqualified person" include spouse, siblings, spouses of siblings, ancestors, children, grandchildren, great grandchildren, and spouses of children, grandchildren or great grandchildren.

What is a Disqualified Person? (Continued)

- **The term “substantial” is not clearly defined in the Treasury Regulations; instead, its meaning depends on all relevant facts and circumstances.**
- **An individual is generally considered to have "substantial influence" over the University if they have or share authority to control or determine a substantial portion of the University's capital expenditures, operating budget, or compensation for employees; OR**
- **If the individual manages a discrete segment or activity of the University that represents a substantial portion of the activities, assets, income, or expenses of the University.**

Disqualified Persons

<ul style="list-style-type: none"> ● President 	<ul style="list-style-type: none"> ● Provost & Vice President, Academic Affairs
<ul style="list-style-type: none"> ● Vice President, Business and Finance 	<ul style="list-style-type: none"> ● Vice Provost, Center for Institutional Planning & Effectiveness
<ul style="list-style-type: none"> ● Vice President & General Counsel 	<ul style="list-style-type: none"> ● Vice Provost, Strategic Enrollment Management
<ul style="list-style-type: none"> ● Vice President, Development 	<ul style="list-style-type: none"> ● Dean, College of Arts & Sciences
<ul style="list-style-type: none"> ● Vice President, Marketing Communications 	<ul style="list-style-type: none"> ● Dean, School of Nursing and Health Professions
<ul style="list-style-type: none"> ● Vice President, Student Life 	<ul style="list-style-type: none"> ● Dean, School of Education
<ul style="list-style-type: none"> ● Vice President & Chief Information Officer 	<ul style="list-style-type: none"> ● Dean, School of Management
<ul style="list-style-type: none"> ● Associate Vice President, Compliance & Compensation 	<ul style="list-style-type: none"> ● Dean, School of Law
<ul style="list-style-type: none"> ● Associate Vice President, Facilities 	<ul style="list-style-type: none"> ● Head Men's Basketball Coach

Questions?

What Compensation Does

- **Manage and deliver programs that are designed to provide competitive and sustainable compensation to help recruit, retain, and recognize qualified, diverse and mission driven employees**
- **Compensation Philosophy:**
 - rewards employees based on skill, responsibility and effort required for the position, as well as individual performance
 - ensures market competitiveness and internal equity by reviewing job descriptions, pay ranges and rates of pay within these ranges
 - promotes consistency in pay practices across the university
 - demonstrates fiscal responsibility

What Compensation Does Continued

- **Review and approve additional pay requests when employees take on additional duties**
- **Provide consultation on department reorganizations as requested**
- **Create/maintain Supervisor Organizations for USFworks, including:**
 - create and assign organizations to managers
 - reassign organizations to new managers
 - move employees to new organizations
 - deactivate organizations not being used
 - ensure “Supervisory Review” information is reviewed by managers requesting JSUP’s
- **Provide consultation on USFworks transactions on an as needed basis**

What Compensation Doesn't Do

- **Review requisitions within USFworks (Employment)**
- **Amend offers within USFworks (Business Officer/ Manager)**
- **Manage job postings (Employment)**
- **Initiate job changes (Business Officer/Manager)**
- **Evaluate student jobs (Student Employment)**
- **Create non-compensation reports (HR Reports Manager)**

Evaluating a Position

- **Manager/Business Officer completes new job description template that is located on the compensation website**
- **The position is emailed to compensation@usfca.edu so Compensation can evaluate the position for title, internal equity and external competitiveness**
- **Once Compensation has all the information needed to evaluate the position, they will assign a position title, job profile, and salary range, and send the details back to the requesting party**
- **Ranges includes a minimum, midpoint and maximum; ranges are evaluated against comparative survey data regularly**

Establishing Salary Ranges

- **USF subscribes to several annual salary surveys; these surveys range from industry specific, general industry, to localized surveys, to ensure we have access to various data points**
- **We submit data to surveys and purchase data, which allows us to pull reports based on USF needs**
- **We may pull reports based on a discipline, specific city, target market area, and job titles**
- **We compare survey data to USF data to ensure that our ranges are aligned with market trends and costs of labor, always taking into consideration USF's budget**

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Determining Compensation when an Employee is Hired

- **While Compensation determines salary ranges for all positions, the hiring department, business officer, and budget office ultimately determine the salary of the incoming employee**
- **On extremely rare occasions, if an offer needs to go outside of the salary range, compensation will need to approve an offer outside of the salary range**
- **Typically, someone who is being paid above maximum of range, should only receive merit bonuses at merit time, rather than continuing to increase further outside the range**

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Pay Increases at USF

There are several ways an employee can receive pay increases at USF, including but not limited to:

- **promotion to a new position**
- **taking on new duties in their existing position (in-place promotion)**
- **Annual Merit Process, typically effective June 1st**
- **Off-cycle Merit request to Compensation via manager**
 - These are very rare cases where a manager believes an employee has done extraordinary work and is requesting that they be recognized with a salary increase

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When Outside Markets Drive Compensation at USF

- **For difficult to recruit positions or high demand careers, it may be necessary to assign a premium to a compensation range to accommodate the high and low demands of the local area market**
- **For universities, some of those areas may be Development, Business & Finance, areas in Information Technology, such as Information Security, Cloud Based Technology, and/or Data Analytics**
- **We may also allow employees to be paid above maximum of range due to a certain position being hard to fill, when it's not justified to apply a premium to an entire range for one employee or one position**

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Questions?

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