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Purpose

These compensation administrative guidelines have been developed to provide guidance to leaders at Bowling Green State University (BGSU) with respect to compensation and related issues for Classified Staff. These policies and guidelines are intended to be consistent throughout the University.

The guidelines are meant to address the typical types of decisions leaders are faced with in managing compensation on a day-to-day basis. Although not all inclusive, the guidelines address the most common compensation decision points.

Compensation Philosophy

At BGSU the intent is to position compensation for Classified Staff at the market 50th percentile, or median. However, at the individual Staff Member level, compensation may vary. BGSU has defined the market for Classified Staff as follows:

<table>
<thead>
<tr>
<th>Classification Grouping</th>
<th>Comparators / Industry*</th>
<th>Salary Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting and Budgeting (Grants)</td>
<td>Higher Education / Government General Industry</td>
<td>Market</td>
</tr>
<tr>
<td>Administrative and Clerical (Cashier, Stores, Parking, Dispatch, Personnel, Records)</td>
<td>Higher Education / Government General Industry</td>
<td>Market</td>
</tr>
<tr>
<td>Custodial/Housekeeping and Food Service</td>
<td>Higher Education / Government Hospitality / Health Care General Industry</td>
<td>Market</td>
</tr>
<tr>
<td>Grounds (Golf Course)</td>
<td>Higher Education / Government General Industry</td>
<td>Market</td>
</tr>
<tr>
<td>Information Technology and Technical (A/V, Broadcast)</td>
<td>Higher Education / Government General Industry</td>
<td>Market</td>
</tr>
<tr>
<td>Laboratory/Scientific</td>
<td>Higher Education / Government General Industry</td>
<td>Market</td>
</tr>
<tr>
<td>Library</td>
<td>Higher Education / Government General Industry</td>
<td>Market</td>
</tr>
<tr>
<td>Student Services (Public Inquiries, Scholarships)</td>
<td>Higher Education / Government General Industry</td>
<td>Market</td>
</tr>
<tr>
<td>Skilled Trades (Facilities)</td>
<td>Higher Education / Government General Industry</td>
<td>Market</td>
</tr>
<tr>
<td>Other (Security, Inventory Control, Graphics, Vehicle Operations, Theater)</td>
<td>Higher Education / Government General Industry</td>
<td>Market</td>
</tr>
</tbody>
</table>
Salary Structure

BGSU has a market-based salary structure.

The structure consists of grades with associated salary ranges. Each salary range has a defined minimum and maximum rate of pay. BGSU intends to pay all Classified Staff within the salary grades. However, during changes to the salary grades, there may be an implementation period during which some Staff pay may fall outside the ranges.

Internal Equity versus External Competitiveness

In determining appropriate grades for BGSU classifications, HR takes into account external market pay, skills and competencies required to perform the work, complexity, and scope of responsibility. BGSU wants to ensure compensation is appropriately calibrated to market.

- Both internal equity and external competitiveness are important, and are considered.
- HR uses a consistent methodology to make decisions across classifications at BGSU.

Salary Structure Maintenance

The salary structure will be reviewed at least annually to determine the amount of adjustment needed. If warranted, an adjustment will be applied to the structure.

Typically, a salary structure adjustment will be made at the same time as the annual increase. This minimizes the need for any “to minimum” increases to Staff pay levels.

When appropriate, BGSU may market-price one or more classifications on an ad-hoc basis. This will help BGSU HR determine whether external labor pressures warrant increasing the current grade assignments and whether market adjustments to individual pay levels are needed. It is expected that a more thorough market review of all classifications will occur at least every two to three years provided budget is available.

Based on budget and other considerations, BGSU plans to participate in local and national salary surveys on a regular, ongoing basis. The University will only participate in surveys that are conducted by a reputable third party.
Job Evaluation

Job evaluation is the process of evaluating classification specifications to determine placement into pay grades, considering both external (market) and internal equity. Appropriate internal considerations when slotting classifications include the following:

- Responsibility/impact of the classification specification on a department or work group.
- Supervisory scope of the classification specification.
- Knowledge and skills required and level of complexity.
- Career path progression; i.e., the various levels within a job family and reporting relationships.

BGSU may also consider recruiting and retention challenges such as labor supply issues when determining the grade of a classification specification.

Annual and Merit Increases

Each year, BGSU will determine the amount of its overall salary increase budget based on both the market and BGSU’s financial position. The timing for this annual performance period is April 1st through March 31st. Human Resources will provide guidance annually regarding the process.

Increases are awarded as follows:

<table>
<thead>
<tr>
<th>If Increases are</th>
<th>The Following Increases Apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than 3%</td>
<td>Annual Increase and Merit Increase</td>
</tr>
<tr>
<td>Less than 3%</td>
<td>Annual Increase only</td>
</tr>
</tbody>
</table>
Increases are dependent upon Staff performance levels as follows:

<table>
<thead>
<tr>
<th>Minimum Performance Score Requirement</th>
<th>Eligibility for Increase Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.0</td>
<td>Annual Increase and Merit Increase (if applicable)</td>
</tr>
<tr>
<td>2.99 - 2.0</td>
<td>Annual Increase only</td>
</tr>
<tr>
<td>Less than 2.0</td>
<td>Not Eligible for Pay Increase</td>
</tr>
</tbody>
</table>

Classified Staff currently in a probationary period or any Staff member who completed their probationary period between January 1st and March 31st should not be evaluated during the process.

Treatment of Out of Range Staff

Any staff whose base pay exceeds the maximum of their assigned grade will be considered to be “red circled.” Red circled Staff will not be eligible for any base pay increase until their base pay falls within the assigned grade; typically this occurs as a result of regular adjustments to the salary structure.

A red circled Staff member may be eligible to receive a bonus increase when their individual performance level is at an acceptable level of 2.0 or higher. The Staff member’s base pay will not change.

Use of a lump sum must have approval of the Chief Human Resources Officer.

New Hire Base Pay Levels

Compensation for a newly-hired Classified Staff member will be set at the minimum of the salary range. Newly hired Staff member, or an existing employee who has bid and has been offered a position that results in a higher pay range, must complete a probationary period. Full time staff and part time staff working a portion of each normal work day, will be considered on probation for the first 120 days. If the schedule is broken, the probationary period is 700 work hours. At the end of the probationary period, the Staff member will be eligible for an end of probationary increase.
On an exception basis, with approval from the Chief Human Resources Officer, a newly hired Staff member may start at the probationary rate. This may occur only when market pressure is substantial. In this situation, no probationary increase will be provided at the end of the probationary period.

Promotions

A promotion is the movement of a Classified Staff member to a classification with greater responsibility and one with a higher pay grade than the Staff member’s present classification. An increased workload will not result in a promotion. Promotions are usually accompanied by a base pay increase as follows:

- If you are promoted to a higher classification in the civil service, you will be placed at the starting rate of the new pay grade or a 4% increase, whichever is higher.
- At the conclusion of the 120 day probationary period, you will be placed at the end of probation rate or a 4% increase, whichever is greater.
- Typically, only one promotion and increase may occur during a 12 month period. Additional promotions require approval from Chief Human Resources Officer.
- If the promotion occurs at the same time as an annual increase is being given, calculate the Staff member’s annual increase first.

Demotions

Demotions may occur for the following reasons:

- Re-assignment to a classification with less (but different) responsibilities to enhance overall University performance, as in the event of a reorganization.
- Performance-based demotions due to inadequate performance.
- Voluntary (staff-initiated demotions).

Treatment of base pay due to demotions is as follows:
The staff member will be assigned to a rate of pay in the lower classification that provides the same percentage differential between the ends of probation rates for the two classifications. The staff member’s hourly rate will be reduced by this percentage. Approval from the Department Head, applicable Vice President and Chief Human Resources Officer is required for all demotions.

Lateral Transfers

A lateral transfer is the movement of a Classified Staff member to another classification within the same pay grade as their present classification.

Lateral transfers should be accomplished without an increase in salary and without a probationary period in the new role. All proposed lateral transfers must be reviewed and approved by the Department Head(s) and Chief Human Resources Officer.

Re-Classifications or Job Family Progressions

A re-classification occurs when a Classified Staff member progresses to a higher level within a job family. This occurs when the Staff member performs work in the higher level classification more than the current classification. The Staff member's performance must be at an satisfactory level. Re-classifications are usually accompanied by a base pay increase as follows:

- If the re-classification occurs at the same time an annual increase is being given, calculate the staff member’s annual increase first.
- Grant an increase of 6%. The increase will be effective the next pay period after the request for the re-classification was received.
- All proposed re-classifications must be reviewed and approved by Human Resources.

Emerging Classifications

Emerging classifications are new and/or changing jobs at BGSU. A new classification specification must be developed and approved by Human Resources. Market data will be gathered, if available, for the new classification. The new classification will be evaluated and placed into the salary structure based on market (external) and internal equity.

Any incumbents in the emerging classification will be considered to have undergone a re-classification provided the new grade is higher than the Staff member’s existing grade.
Out-of-Cycle Market Adjustments

An out-of-cycle market adjustment will be considered when the market for a classification has increased so significantly as to warrant an out-of-cycle market adjustment for the classification, for example, when labor pressures create attraction and/or retention issues.

The salaries of all Classified Staff members impacted by the increase in market value and/or grade (i.e., classifications with multiple incumbents) would then be reviewed to determine eligibility for a base pay adjustment. The Staff member’s performance must be at an acceptable level. In making this determination, the following factors should be considered:

- The degree of market pressure, i.e., attraction and retention issues at BGSU.
- Market adjustments are typically 4% to 6%.
- Approval from Human Resources is required for all out-of-cycle market adjustment requests.

Governance

The implementation of any practices outside of these policies requires approval from Human Resources.