**Recommendation from the Staff Subcommittee of the Compensation Committee in response to the 2022-23 charge from the Campus Budget Committee. Presented by Thecla Shubert, Chad Schonewill, Cathy Buckley, Mandy Sulfrian, AliciaRose Martinez, and Jen Bjurstrom.**

**Table of Contents:**



**Introduction:**

This year the Campus Budget Committee asked us to consider how to address compensation in the context of the current inflationary landscape. We, on the staff subcommittee, were also specifically asked to "assure that your recommended allocation of funds maintains a living wage and a competitive staff salary structure." In addition to this charge, we have also set ourselves the task of considering compensation in the context of President Richardson's call to make "CC the best place to work in the country." And, most importantly, the staff subcommittee, as representative of our peers, is dedicated to addressing the feedback and concerns of the CC community which we heard through our summer listening session. To this end, we have laid out four main priorities (in order of importance):

**Executive Summary:**

According to the Bureau of Labor Statistics, the most updated CPI calculation for Colorado Springs is 9.6%. Partly since it's unrealistic to suggest a 9.6% raise for all staff, and partly to help mitigate decades of pay ratio increases, we recommend distributing raises as a flat dollar value this year.

**Our recommendation focuses on bottom-up compensation because no one should have to choose between working in a community they love and value and basic subsistence.**

1. **Priority 1:** Address Living Wage by adopting the Glasmeier model for El Paso County and using the metric for “2 working adults, 1 child” going forward and raise all wages up to the $19.27 to reflect this.
2. **Priority 2**: $3,575 added to the base pay of all staff making less than $100,000 per year. Those impacted by the living wage increase should receive a raise of $3,575 minus the amount they received for living wage. If the amount received for the living wage adjustment exceeds $3,575, they will not receive an additional raise under priority two.
3. **Priority 3:** $28,000 total to add shift differential pay (a stipend for staff working swing / midnight shifts).
4. **Priority 4:** Parental Leave policy changes in preparation for Prop-118. There is no actual dollar allocation required for staff, but there would be for faculty.
5. **Priority 5:** $3,575 added to the base pay of all staff making $100,000 per year or more.

**Priority One – Addressing Living Wage:**

CC measures living wage by a single adult household. We on the staff subcommittee believe that this does not accurately reflect the community of CC. This does not account for the living wage of couples with children, single parents with children, those supporting multigenerational families, or those with other dependents.

We recommend CC adopt the living wage metric of a two working adults and one child household (just one step up from single working adult). In all our considerations, we use the Glasmeier living wage calculator by MIT which takes into account childcare and medical expenses.[1]

Currently, CC’s minimum wage is $17.00. According to Glasmeier living wage for a single adult household in El Paso County is $17.38. The living wage for a two adult working household with one child is $19.27. Not only is CC’s minimum wage notably below this subcommittee's preferred metric, **but it is currently below even the most conservative metric of a single adult household. We acknowledge that CC raised the minimum wage last year, but must simultaneously acknowledge that living wage needs to be an ongoing consideration, especially given our current inflationary landscape.**

Of note, the Glasmeier calculations are fairly conservative. As Dr. Amy K. Glassmeier remarks, this calculation does not account for entertainment, dining, investment, or savings. **Therefore, Dr. Glasmeier argues that one could consider these calculations not a living wage but a “subsistence wage.”[2] Despite some progress last year, CC does not currently meet the lowest metric.**

We recognize that there are many financial constraints on the College. It is with this understanding that we have set forth our recommendation. However, we also recognize that paying anything under a realistic living wage is completely unacceptable. No one at CC should have to live in poverty. No one at CC should have to worry about subsistence.

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[1] Living Wage Calculator (mit.edu)

[2] Living Wage Calculator (mit.edu)

To this end, we urge CC to take three steps:

- First, adopt the Glasmeier model and figures for El Paso County.
- Second, calculate living wage by using the two working adults and one child metric.
- **Third, give all employees making less than $19.27 a raise up to living wage.**

This would be a maximum of a $2.27 per hour raise for employees making under $19.27 (based on the College's current minimum wage of $17.00). This would impact primarily impact employees in bands 2 and 3. We estimate that 118 employees make less than $19.27, which would make the maximum cost of this adjustment $557,148.[3]

We understand that this would result in major adjustments in the band system. However, we do not believe that the necessary adjustments to the band system should deter us from paying a fair living wage**.** The band system provides valuable structure, but should not hold us back in the pursuit of a more equitable pay system. **The quality of life of our employees is a direct reflection of the quality of the institution. CC cannot be "the greatest" - it cannot be relatively great – if even a single one of our employees is living in poverty.**

## Priority Two – Flat Dollar Raises for those making less than $100,000 per year:

We, for the reasons explained below, recommend a flat dollar raise of $3,575 for *all CC employees who make less than $100k a year.*[4] This figure is calculated based on a 9.6% raise (at the rate of the cost-of-living increase for this year[5]) for the average salary of band two (there are no employees in band one). See appendix 1 for a full explanation of our calculations.

We have chosen to use the Bureau of Labor Statistics CPI index for Colorado Springs (updated October 5th 2022) as opposed to the Mountain Plains index because this is a more accurate measure of what our employees and community are actually paying to live.[6] It excludes rural areas and statistical outliers that sway the average CPI and is a more exact figure than the Mountain Plains index or El Paso County index. **We recommend CC adopt the practice of using this metric as well.**

**Note:** Those impacted by the living wage increase should receive a raise of $3,575 minus the amount they received for living wage. If the amount received for the living wage adjustment exceeds $3,575, they will not receive an additional raise under priority two.

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[3] This cost would likely be lower. We cannot know the exact wages of those making under $19.27 per an hour, so the calculation assumes that all 118 impacted employees were making $17 per an hour. In reality, we know many were making more.

[4] Our estimates indicate that the total cost of raises for those above $100k per year would be about $175,175. While ideally we would recommend raises for all (see priority 4), we also recognize that, if that is not feasible this year, these funds could be used to fund shift differential (priority two) and most, if not all, of parental leave (priority three).

[5] Colorado Springs Area Economic Summary (bls.gov)

[6] Colorado Springs Area Economic Summary (bls.gov)

**Justification**

- **Pay ratio at CC:**

Pay ratio is the ratio between the salaries of the highest and lowest paid employees at a company or institution. For decades, Colorado College has done annual raises (also referred to as performance raises, inflation raises, cost of living raises, etc.) through a percentage-based system. In a percentage-based system, someone in band 12 receives a raise as much as ten times more than someone in band 2. For example, if we modeled a percentage-based raise at 9.6%, someone making $30,000 would receive a $2,880 raise, while someone making $300,000 would receive a $28,800 raise. That's a difference of $25,920 – a difference nearly equal to the total annual wage of a lower band employee. (See appendix 2 for additional modeling). Although inflation impacts everyone, a gallon of milk does not cost ten times more for someone in band 12 than it does for someone in band 2. **What this analysis reveals is that while these percentage-based raises purport to address *cost of* living, they are really addressing *cost of lifestyle* for the higher bands and while not even adequately addressing *cost of living* for the lower bands.**

Beyond this, a percentage-based raise system has created an exponentially growing class division at CC. Every year that we give percentage raises the pay ratio (distance between the lowest and highest salaries) increases. Class division – where some of our employees live in luxury while others struggle to make rent – breeds animosity and resentment. We firmly believe that CC should work to reduce the pay ratio and close these class divisions so that everyone in this community can live comfortably and securely.

Besides our own convictions, many scholars have written about the issues surrounding having a high pay ratio. In an article for Inequality.org, prolific author and respected economist, Sam Pizzigati, describes this issue saying, "Enterprises that tolerate these gaping differentials 'succeed' not by empowering employees, but by building and wielding monopoly power."[7] If CC is to become "the best place in the country to work," if it is to promote a healthy happy workplace culture and retain employees who are passionate about their work and the values of the institution, we must minimize class inequalities. We must address the growing pay ratio divides at CC.

Pizzigati further describes the psychological impacts of high pay ratios and the effects on employee morale:

> Workers who worry the most about making enough to live never forget for an instant that they must work to live. They never stop feeling compelled to work. And the more that these workers feel pressured to work, the less pleasure they will take from the work we do. The less pleasure we take from our work, in turn, the less likely we are to do our work with any creativity or imagination. No enterprise, of course, can turn work into play. But enterprises can, by helping employees feel more secure in their lives, take employee minds off the pressures that compel them to work. Enterprises that pay well and offer benefits that bring peace of mind can free employees to concentrate on the job at hand — and maybe even take some pleasure from it. ... **Inequality can poison any workplace.**[8]

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[7] https://inequality.org/great-divide/ceo-pay-enterprise-effectiveness-efficiency/

[8] https://inequality.org/great-divide/ceo-pay-enterprise-effectiveness-efficiency/

Therefore, high pay ratios not only breed interpersonal conflict and class divisions – they also impact the productivity of an institution's employees. Percentage-based raises, over time, worsen the pay ratio. **In order to stop these exponentially growing divides, we strongly recommend CC use a flat dollar raise system, at least temporarily.**

- **Equity and Justice:**

At the core of CC's values is a commitment to anti-racism, equity, and justice. Our compensation systems must, in every sense, reflect these values. The way we allocate resources is our biggest, most tangible reflection of our values.

CompassPoint, a nonprofit dedicated to social justice that recently shared the results of a major compensation review focused on wage equity, reports:

> Building on the inequities of the past won't set a foundation for a just future. **Giving people percentage-based raises often reinforces existing inequities.** When we set out to reimagine compensation to become more equitable the depth of realignment between our work and our values meant that some folks received significant increases compared to their existing salaries, while others received small or no increases, or even agreed to a phased reduction in their salary.[9]

Their report further describes how, as a company begins to emphasize diversity, much of the diversification of the workforce will inevitably happen at the lower levels of employment – where there are typically more vacancies. Therefore, "top-down" compensation systems often reinforce class divisions along racial lines.

Last year the compensation committee was presented with data from an analysis of CC's racial pay equity. While the results of the survey demonstrated that there was only a small gap between white and BIPOC's pay who hold the same or similar positions, it was noted that this analysis did not look at the distribution of BIPOC employees through the bands – or whether BIPOC employees at CC are as likely to be hired for high level positions as white employees. Therefore, the exact nature of racial pay equity at Colorado College is inconclusive.

When considering racial pay equity, we must also recognize that the effects of the COVID pandemic – including financial impact - disproportionally hurt Black, Latinx, and Indigenous communities.[10] It should be noted that the Time's Up Foundation states that institutions that pledge anti-racism should, "Devote resources toward efforts that actually enhance the lives of Black communities and communities of color. Invest in structural changes that will genuinely benefit communities of color."

While CC has made a conscious effort to welcome BIPOCs and minorities into leadership positions, we nonetheless believe that compensations systems that directly benefit the lowest paid employees would be in line with our commitment to antiracism. Further analysis – as described above – could advance our understanding of how compensation and race or minority status intersect.

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[9] https://www.compasspoint.org/blog/reimagining-compensation-it%E2%80%99s-time-stop-building-inequities-past-part-1

[10] https://timesupfoundation.org/work/equity/guide-equity-inclusion-during-crisis/building-an-anti-racist-workplace/

We know that there are countless barriers to equality in the workplace. CC must not let a compensation system that perpetuates class division be one of them.

- **Retention:**

One of the top struggles staff reported at our summer listening sessions was difficulty with hiring and retention. In a perfect world, we would address retention issues by giving everyone a raise of 8% of the average salary at CC (as opposed to the average salary of band 2). However, we recognize that compensation at CC is directly tied to tuition and that the resulting raise in tuition costs would be an undue burden on students.

So, we listened to the feedback from our staff peers. Who was leaving? Where are we struggling? The areas we heard the most struggles in were positions like paraprofessionals, facilities, and other positions that made up the lower bands at CC. The reality is that compensation becomes a more urgent factor of consideration when you're dealing with *cost of living* – not *cost of lifestyle.* We want to retain workers who value this community and share the values of the institution.

We've heard extreme examples of CC employees having to go on food stamps or welfare. We've heard stories of CC employees struggling with unhousing. No one at CC should have to live in poverty. **No one should have to choose between working in a community they love and value and basic subsistence.** It is because of this that we have made a recommendation that will focus on uplifting the most economically vulnerable at CC. We understand that this recommendation might be controversial amongst our highest paid employees, but we hope that in their mission to "make CC the best place to work in the country" that our highly paid leaders will recognize such sacrifices are necessary for upholding even basic financial security and subsistence for our economically vulnerable.

## **<u>Priority Three – Shift Differential:</u>**

In Spring 2022, the Compensation Committee submitted a shift differential proposal. We would like to resubmit that proposal as part of this recommendation.

As a residential institution of higher education Colorado College functions around the clock, 7 days a week, 24 hours a day. The staff members who step in to keep the College functioning outside of non-traditional work hours do so at the expense of family and lifestyle. These employees should be recognized for their on-going efforts. Municipal and state government workers are provided shift differential to address the 24-hour service needs. What would this look like for Colorado College?

Shifts for the college would be set at:

- 8:00 am to 4:00 PM
- 4:00 pm to Midnight (swing shift)
- Midnight to 08:00 am (midnight shift)

Employees would receive an additional hourly stipend based upon the hours which they work within these time periods. Employees would receive the higher rate when over half of their hours worked falls within the later time band.

An employee filling in for an absent shift worker would not receive the differential unless the time assigned to that shift is greater than a pay period.

Different businesses calculate shift differential using different formulas. For example, the State of Colorado uses a rate of 7% for swing shift and 10% for midnight shift for the Division of Youth Services. The Denver Sheriff's office uses a rate of 7% for swings shift and 12% for midnight shift. UCCS pays 7% for dispatchers on swings and 10% for midnights. The city of Colorado Springs pays $0.35 per hour for swing shift and $0.70 per hour for midnight shift.

Colorado College employees who work evening and night shifts include staff members in Tutt Library, Physical Plant, and Campus Safety. The Library has a maximum of four employees who may qualify for the differential on the swings shift. The Physical Plant has a maximum of five employees who may qualify for the swing or midnight shift. Campus Safety has a maximum of thirteen employees who would qualify for the swing or midnight shift.

The recommendation is to provide an hourly stipend based upon the time of the shift. For the swing shift the stipend would be $0.50 per hour and for the midnight shift the stipend would be $1.00 per hour. The cost to the College is calculated below based upon a 2080 FTE. (Note employees would not receive differential for vacation, holidays, or sick leave.)

- Swing shift employees: 12 maximum x 2000 x .50 = $12,000
- Midnight shift employee 8 maximum x 2000 x 1.0 = $16,000
- Total cost to provide shift differential $28,000

**Justification**

**Comparing Local Precedents**

As aforementioned, a number of our local competitors for hiring already offer shift differential – including the State of Colorado, the Denver Sheriff's office, UCCS, and the city of Colorado Springs. Beyond this, SHRM reports that 92% of companies with continuous operations structures pay shift differentials.[11]

**Retaining and Recognizing our Essential Workers**

Last year the compensation committee put forth a recommendation for a bonus system that would best recognize our essential and frontline workers. This recommendation was not accepted in favor of a universal bonus.

We feel that not enough has been done to recognize the contribution of our essential workers during COVID or to recognize the daily burdens they carry maintaining our continuous operation model. Offering a shift differential is an easy and low-cost way to recognize these essential workers and to show we value our most vital, but often undervalued workers. This policy would not merely recognize them for their unquantifiable contributions during COVID but would also recognize their continued and long-term sacrifices and contributions to the college.

[11] https://www.shrm.org/resourcesandtools/hr-topics/compensation/pages/shiftdifferentialpaypractices.aspx

**<u>Priority Four – Parental Leave:</u>**

Last year the compensation committee submitted a faculty and staff joint recommendation on parental leave. We would like to resubmit this recommendation for consideration. You can see the original recommendation in appendix 4. As a quick summary, the committee recommended:

- Within the 2023 fiscal year, increase allowable parental leave for each eligible employee to twelve (12) weeks;
- Within the 2023 fiscal year, increase allowable parental leave for each eligible employee to include an additional four (4) weeks of leave, when deemed medically necessary, which may be taken before or after a birth event;
- Within the 2023 fiscal year, remove the restriction that expanded parental leave benefits must be taken continuously;
- Confirm that Human Resources policy guidance and relevant Faculty Handbook and Staff Handbook language replaces gendered terms with inclusive language; and
- When all Colorado Proposition 118 ("Prop 118") benefits become available (January 1, 2024), expand benefits to include family and medical leave ("FML") benefits for all CC employees at the full amount of their salary.

In our proposal from last year, we included a few different cost estimates. However, given that staff are rarely replaced during their leave the cost of leave should not exceed their expected expenditure on the individual's wages. For faculty there is a slightly higher cost associated as faculty typically are replaced with visitors.

We estimated that, pre-Prop-118, the parental leave policy would cost $168,748 a year based on the average CC hourly rate of $31.96 or $105,177 a year, based on the mode distribution of employees (the majority of whom are in band three, making an average of $19.92 per hour). Both these figures use the average number of parental leaves taken – 11 per year.

Again, we note that these expenses are not on top of existing compensation expenses. So long as the person taking leave is not replaced, as is generally the case with staff, no additional expenses are accrued.

Post-Prop-118 our expanded policy would cost an estimated $84,377 per year. Again, this represents an amount of the total cost of compensation that would be spent on leaves – not an actual additional cost.

**Priorities in to Remove Discriminatory Language (separate from cost):**

- **Remove all distinctions between birth giver/primary caregiver and non-birth giver/secondary care giver so that all employees receive the same leave regardless of gender, sex, birthing status, or marital status. (Except in cases of medical necessity).**
- **Ensure that leave options are made readily available to foster and adoptive parents. Ensure that leave does not have to be taken consecutively to best accommodate these families who may need leave for court cases or other difficult circumstances.**

**Justification:**

- **Prop-118 is on its way**

Prop-118 will come into effect in 2025 regardless of any action CC takes. This proposed policy is designed to help CC smoothly transition into the new regulations Prop-118 will bring about. The proposal offers a phased approach to introducing the new policy that we think will make this transition easier for the CC community and administration.

This policy only expands parental and family leave slightly beyond the scope of Prop-118. The main distinction is that our proposed policy would offer fully paid leave instead of the maximum of $1,100 per week that Prop-118 dictates. We chose to make this recommendation because we do not believe that people should have to suffer financially because of family emergencies, expanding families, or any of the other types of leave that are covered under Prop-118.

Working with this phased approach will help CC be proactive in the interim period before Prop-118 comes into effect. We believe implementing the proposed policy would be an "easy win" within the CC community and would help demonstrate that CC cares for the personal lives of its employees.

- **Equity across Class and Race**

Access to parental leave has two factors. First, whether a person has parental leave through their job that they can actually qualify for, and second, whether the person can afford to take leave. Parental leave policies that do not fully cover a person's wages (i.e., like the $1,100 weekly cap of Prop-118) make it harder for already financially vulnerable individuals and families to take leave. According to Zara Adams of the American Psychological Association, people who get paid leave are much more likely to be affluent, well educated, and White. U.S. Bureau of Labor Statistics data indicate that about 47% of White parents, 41% of Black parents, and just 23% of Hispanic parents have access to paid leave.[12] Likewise, the Center on Budget and Policy Priorities states that:

> There are stark disparities by race and income in access to paid leave: white, non-Hispanic workers and those with high wages are more likely to have access than Black or Hispanic workers and those paid low wages. Black, Hispanic, and Native American workers are less likely to be able to afford unpaid leave from work than white workers, reflecting racial disparities in access to wealth-building opportunities and higher-paying jobs. Even before the COVID-19 pandemic, some 11 percent of Black employees and 10 percent of Hispanic employees reported that they needed family or medical leave from work in the past 12 months but could not take it, compared to 6 percent of white workers. Low-paid workers were also more likely to report an unmet need for leave.[13]

The proposed parental and family leave policy would expand access to leave in two ways. First, it would offer a more progressive, comprehensive leave policy – allowing people to take the necessary and meaningful amounts of leave by expanding CC's policy to up to 12 weeks of paid leave. Second, by offering fully paid leave (again, as opposed to the Prop-118 cap), it would ensure that all employees could take leave regardless of their financial status.

This policy would address the prevalent research that suggests access to leave falls along class and racial divides. It recognizes that unpaid leave isn't an option for many people and is statistically less likely to be an option for BIPOC employees. It would address the current antiquated parental leave

[12] https://www.apa.org/monitor/2022/04/feature-parental-leave
[13] https://www.cbpp.org/research/economy/a-national-paid-leave-program-would-help-workers-families

policies at CC and move the institution from an unpaid FML policy to a paid one. We believe that this policy will make leave more accessible and equitable for all.

- **Equity across Gender, Sexuality, and Family Structure**

The current CC paternal leave policy makes a distinction between leaves for birth parents and non-birth parents. Although, as of April 2022, the policy no longer contains overtly gendered language this distinction is still rooted in gendered ideology. Our proposed policy does recognize that birth givers may require extra leave for medical reasons, but that the general concept that non-birth giving parents should not qualify for leave, or qualify for less leave, is exclusionary and sexist.

Such distinction devalues the non-birth giver's role in the family and puts the burden of care on the birth giver. While CC took the terms "father" and "mother" out of the policy, the policy still – by distinguishing between leave for birth givers and non-birth givers, is built on the foundational assumptions that parents consist of a mother-father couple and that the mother will have a more active role as primary caregiver while the father will be the secondary caregiver whose time with the child is therefore less important. The policy, although under the guise of gender-neutral terminology, *expects* mothers to take time away from work and fathers to continue work. It therefore reinforced historic – and deeply problematic – ideologies of separate and heterosexist gender spheres. We want to give all parents, regardless of gender, equal opportunity to bond with their child and be an active caregiver in their families. Studies show that the non-birth giver's ability to take parental leave helps reduce family stress and reduces the likelihood of the birth giver experiencing postpartum depression.[14]

These distinctions also devalue and exclude non-traditional family structures, LGBTQIA families, and adoptive or foster families. Additional concerns about how we accommodate adoptive and foster families are included in the original proposal in appendix 4.

We propose that, except in cases where extensions are needed for medical reasons, all CC employees be eligible for the same parental and family leave, regardless of gender, sexual orientation, or marital status.

- **Consistency**

CC's parental leave varies depending on the block in which a child is adopted or born. While the block plan is an integral part of this institution, we must acknowledge that life does not run on the block plan. The need for leave – for being able to adapt to family changes, bond with children, and in some cases physically recover from birth, all while maintaining financial stability, does not change based on the block a child was born, adopted, or fostered. This lack of consistency makes the policy confusing, convoluted, and an unrealistic representation of the needs of our community.

**CC needs to be consistent in terms of (1) who is eligible, (2) how much leave they are eligible for, and (3) how much they can be expected to be paid. To this end we recommend that:**

**(1) All CC employees, regardless of gender, sexuality, or marital status, be eligible for (2) Up to twelve weeks of paid leave (3) Paid at their full normal rate of pay.**

**This creates an inclusive, consistent, and easy to understand policy.**

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[14] https://www.cbpp.org/research/economy/a-national-paid-leave-program-would-help-workers-families

- **Comparing to our sister institutions**

Many of our peer institutions provide more competitive parental leave than CC's current policy. Our recommendation would help us provide a more competitive and progressive benefits package.

- **Carleton -** Twelve weeks of paid leave for primary caregivers and nine weeks of paid leave for secondary caregivers.
- **Pitzer** – Eighteen weeks of paid leave at 75% of salary or six weeks fully paid leave and up to an additional six weeks of unpaid leave.
- **Wesleyan –** Paid leave for one semester at two thirds of salary or course load reduction at full leave. Six weeks paid for staff. (Specified for birth mothers only.)
- **Holy Cross –** Eight weeks of paid leave for primary caregivers and one week of paid leave for secondary caregivers.
- **Colgate –** Twelve weeks of paid leave at 67% of salary.
- **Hamilton –** Twelve weeks of paid leave, paid in full for the first four weeks and at 67% for the remaining eight weeks. Given regardless of gender or sex.

**Priority Five - Flat Dollar Raises for those making $100,000 per year or more:**

We recognize that those making $100,000 per year or more are losing buying power with current inflation. If enough funds are available, we'd like them to receive the same flat dollar amount, $3,575 to help mitigate that issue. In a perfect world we would wholeheartedly recommend a flat dollar raise of $3,575 for all. However, because of the pressing issues of equity, justice, and subsistence for the lower ends, all of which laid out above, we have chosen to set other priorities above raises for the higher end.

**Additional Notes**

On October 1st, 2022, funds were distributed to further address the compression issues that resulted from raising the minimum wage in July 2022. Therefore, two efforts have been made to address compression – one in the initial pay raise that came into effect at the beginning of the fiscal year, and one on Oct 1st. Therefore, given the limited resources of the college, further addressing compression is not a priority of the committee this year.

Additionally, our charge has asked us to specifically address market considerations. Given the inflationary landscape and, again, our limited resources, it does not seem possible to give significant raises that would keep everyone at market rates. We recognize that trying to keep up with inflation is already a difficult challenge this year. However, we believe that the two plans we laid out – for shift differential and parental leave – will help keep our benefits packages more competitive and boost morale. We also prioritize a living wage, as described above, above market considerations. However, we also believe that our recommendation will in fact help our lower bands maintain market competitiveness,

We realize that a flat dollar raise of $3,575 will be a financial stretch. Although we believe our reasons are sound, we recognize that the College may not be able to meet this recommendation. In that case, we advocate that the flat dollar amount simply be reduced so that all the other principled reasons we outlined above still apply, and only the dollar amount changes. We strongly advocate against any percentage-based raise system, whether it be across the board or a scaled approach.

## Conclusion

The Staff Subcommittee of the Compensation Committee would like to thank you for your time and consideration, as well as for your service to the CC community. Please feel free to reach out to us for any additional clarifications or questions.

We would also like to thank the Faculty Subcommittee of the Compensation Committee for their continual support and assistance with this recommendation as well as our ex-offico members who provided additional insight and data.

Sincerely,

Thecla Shubert, Chad Schonewill, Cathy Buckley, Mandy Sulfrian, AliciaRose Martinez, and Jen Bjurstrom.

**Appendix 1: (flat dollar data)**

- CPI: 9.6%
- Average hourly wage in band 2: $17.90 ($37, 232 / year)
- Math: 37,232 x .096 = $3,574.27
- Staff making less than $100,000 / year: 504 (approximate, we don't know exactly)
    - 504 x $3,575 = $1,801,800 (or a 4.68% increase in staff salary pool)
- Staff making more than $100,000 / year: 49 (approximate, we don't know exactly)
    - 49 x $3,575 = $175,175 (or a 0.45% increase in staff salary pool)
- Total staff: 553
    - 553 x $3,575 = $1,976,975 (or a 5.13% increase in staff salary pool)

A flat dollar raise of $3,575 equates to the following percentage at the average of each band:

- Band 1: N/A
- Band 2: 9.60%
- Band 3: 8.63%
- Band 4: 7.64%
- Band 5: 6.57%
- Band 6: 5.36%
- Band 7: 4.52%
- Band 8: 3.81%
- Band 9: 3.02%
- Bands 10-12: 1.58%

**Appendix 2: (modeling of long-term impacts of percentage raises).**

An across-the-board percentage-based increase of 5.13% would look like this in actual dollars at the average salary of each band for the current year:

- Band 1: N/A
- Band 2: $1,910
- Band 3: $2,126
- Band 4: $2,401
- Band 5: $2,790
- Band 6: $3,419
- Band 7: $4,057
- Band 8: $4,816
- Band 9: $6,072
- Bands 10-12: $11,598

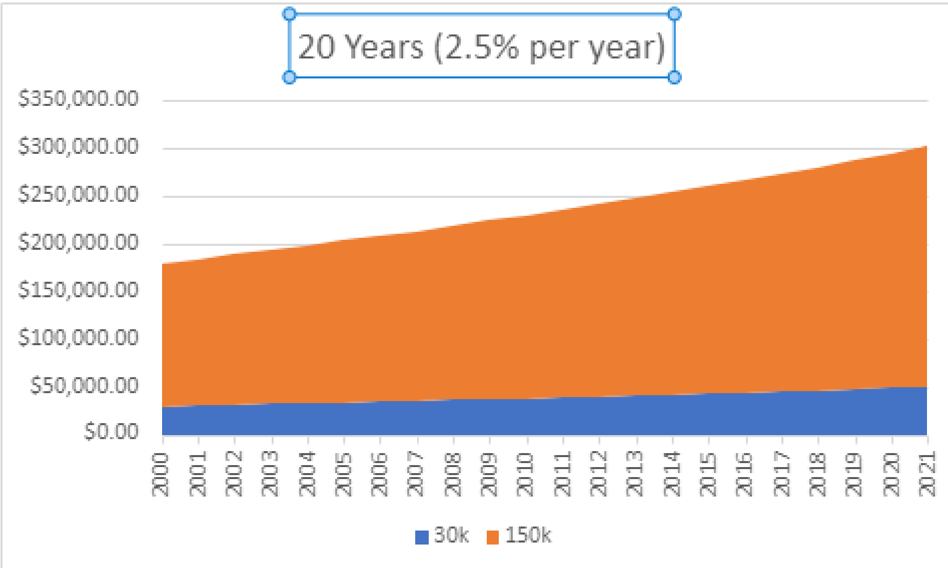
The effect is striking even in one year, but over decades of across-the-board percentage-based increases (which is exactly what we have done at CC), it results in an exponential increase in the gap between the lowest and highest paid employees.

To model this over time, we used the following assumptions:

- $30,000 / year (low salary)
- $150,000 / year (high salary)
- 2.5% per year

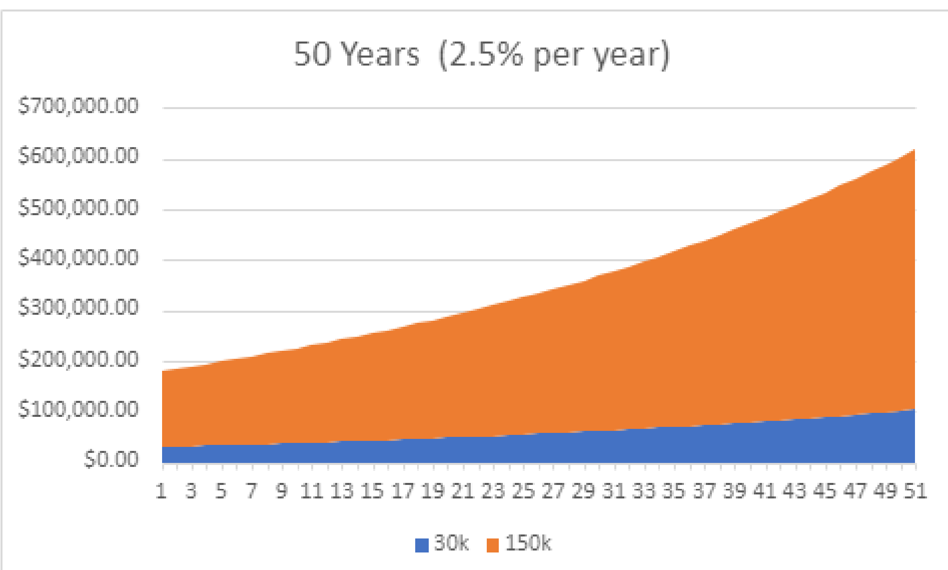
After 20 years

- $30,000 / year increases by $20,387 to a total of $59,387
- $150,000 / year increases by $101,937 to a total of $251,937




After 50 years

- $30,000 / year increases by $73,113 to a total of $103,113
- $150,000 / year increases by $365,566 to a total of $515,566



**Appendix 3: (Shift differential – Original Proposal)**

As a residential institution of higher education Colorado College functions around the clock, 7 days a week, 24 hours a day. The staff members who step in to keep the college functioning outside of non-traditional work hours do so at the expense of family and lifestyle. These employees should be recognized for their on-going efforts. Municipal and state government workers are provided shift differential to address the 24-hour service needs. What would this look like for Colorado College?

Shifts for the college would be set at:

8:00 am to 4:00 pm

4:00 pm to Midnight (swing shift)

Midnight to 08:00 am (midnight shift)

Employees would receive an additional hourly stipend based upon the hours which they work within these time periods. Employees would receive the higher rate when over half of their hours worked falls within the later time band.

An employee filling in for an absent shift worker would not receive the differential unless the time assigned to that shift is greater than a pay period.

Different businesses calculate shift differential using different formulas. For example the State of Colorado uses a rate of 7% for swing shift and 10% for midnight shift for the Division of Youth Services. The Denver Sheriff's office uses a rate of 7% for swings shift and 12% for midnight shift. UCCS pays 7 % for dispatchers on swings and 10% for midnights. The city of Colorado Springs pays .35 per hour for swing shift and .70 per hour for midnight shift.

Colorado College employees who work evening and night shifts include staff members in Tutt Library, Physical Plant, and Campus Safety. The Library has a maximum of four employees who may qualify for the differential on the swings shift. The Physical Plant has a maximum of five employees who may qualify for the swing or midnight shift. Campus Safety has a maximum of thirteen employees who would qualify for the swing or midnight shift.

The recommended is to provide an hourly stipend based upon the time of the shift. For the swing shift the stipend would be .50 per hour worked and for the midnight shift the stipend would be 1.00 per hour worked. The cost to the college is calculated below based upon a 2080 FTE. (Note employees would not receive differential for vacation, holidays, or sick leave)

Swing shift employees: 12 maximum X 2000 X.50 = 12,000

Midnight shift employee 8 maximum X2000 X 1.0 = 16,000

Total cost to provide shift differential 28,000

It is anticipated that the actual cost would be less as the number of eligible library employees may only be fewer than calculated.

**Appendix 4: (Parental Leave – Original Proposal)**

## I. Introduction

In its spring 2022 charge, the Colorado College ("CC") Compensation Committee ("Compensation Committee") was tasked with evaluating the existing CC parental leave policy and proposing any necessary amendments.[15] As detailed below, we adopt and extend the recommendations put forth by the 2020-21 Compensation Committee. We recommend that CC revise its parental leave policy, as follows:

- Within the 2023 fiscal year, increase allowable parental leave for each eligible employee to twelve (12) weeks;
- Within the 2023 fiscal year, increase allowable parental leave for each eligible employee to include an additional four (4) weeks of leave, when deemed medically necessary, which may be taken before or after a birth event;
- Within the 2023 fiscal year, remove the restriction that expanded parental leave benefits must be taken continuously;
- Confirm that Human Resources policy guidance and relevant Faculty Handbook and Staff Handbook language replaces gendered terms with inclusive language; and
- When all Colorado Proposition 118 ("Prop 118") benefits become available (January 1, 2024), expand benefits to include family and medical leave ("FML") benefits for all CC employees at the full amount of their salary.

## II. Background

CC's current parental leave policy provides for one leave per event following the birth or adoption of a child (with limited exceptions permitting earlier commencement of benefits for qualifying adoptions). In its current formulation, parental leave must be taken continuously-and concurrently with Family Medical Leave (FML) benefits.[16] For faculty, the extent and availability of this benefit is conditioned further by the block during which a qualifying birth or adoption event occurs: birth-giving faculty experiencing a qualifying event during Block 8 or the summer will receive only one block (3.5 weeks), rather than two blocks (7 weeks), of leave).[17] In 2020, Colorado voters approved Proposition 118, which establishes broad paid medical and family leave benefits for qualified employees of qualifying employers, to be funded equally through payroll tax and employer contributions.[18] As CC is a qualifying employer under the terms of Prop 118, it will be bound by its provisions for parental, family, and other hardship leave upon enactment. In its

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[15] Our specific charge was to: "Discuss the College's benefits package and suggest recommendations, if any, for changes to College benefits (especially parental leave). Focus on any adjustments that may be needed in the next few years. The recommendations should reflect specific details about a proposed timeline for implementation, along with consideration of the incremental cost or budget neutrality of such recommendations."

[16] https://www.coloradocollege.edu/basics/welcome/leadership/policies/parental-leave-and-parental-medical-leave.html

[17] [1] https://www.coloradocollege.edu/basics/welcome/leadership/policies/parental-leave-and-parental-medical-leave.html

[18] https://www.sos.state.co.us/pubs/elections/Initiatives/titleBoard/filings/2019-2020/283Final.pdf

current formulation, Prop 118 will require payroll and employee contributions to commence in 2023; beginning January 1, 2024, it will allow eligible employees to claim up to 12 weeks of paid family and medical leave benefits annually under its provisions.[19] It further specifies that this leave need not be taken continuously.

In spring 2022, the Compensation Committee surveyed CC faculty compensation sentiment, and included two questions regarding support for expanding parental and medical leave benefits. In relevant part, these results indicate preliminary support for extending parental and family medical leave benefits, even if (a) such expansion were not explicitly mandated by legislation and (b) doing so could encumber additional expense, to be borne equally by CC and individual employees.

## I. Cost Calculations[20]

Our analysis is guided by cost calculations for (a) expanding CC's parental leave benefits, as computed by last year's committee, and (b) expanding family and medical leave benefits, as calculated by this year's committee (see Appendix D).

a. Cost estimates: Expansion of parental leave benefits: We estimated that pre-Pro-118 the parental leave policy would cost $168,748 a year based on the average CC hourly rate or $31.96 or $105,177 a year, based on the mode distribution of employees (the majority of whom are in band three, making an average of $19.92 per hour). Both these figures use the average number of parental leaves taken – 11 per year. (Compared to current estimated costs of $76,770 per year)

2020-21 members of the Compensation Committee modeled projected costs for an expanded parental leave policy using data provided by CC Human Resources. We incorporate these projections, with gratitude, here in full:

1. The College's current policy provides 6 weeks of full paid leave to birth parent staff, 3 weeks to non-birth parent staff, 7 weeks to birth parent faculty whose babies arrive during the academic year, 3.5 weeks to birth parent faculty whose babies arrive during the summer, and 3.5 weeks to non-birth parent faculty. Employees are eligible after 1 year of employment.
2. Since 2010, the College has provided an average of 10.5 leaves per year: 4 to birth parent staff, 3.6 to non-birth parent staff, 1.7 to birth parent faculty, and 1.2 to non-birth parent faculty. This has cost the college an average of $54,827 per year.
3. The new payroll tax is projected to cost the College $293,621 beginning in 2023.
4. If the College were to maintain its current policy, the first $37,551 of the costs of parental leaves in 2024 would be covered by the State, while the College would pay an additional $20,632. Employees could take additional time off with partial pay up to the statute's maximums.
5. If the College were to offer full paid leave for 12 weeks to all employees, it would cost the College an additional $26,012 per year.

[19] https://leg.colorado.gov/sites/default/files/initiative%2520referendum_2019-2020%20283bb.pdf

[20] All cost calculations based on average salary data from the 2022 fiscal year.

6. If the College were to offer full paid leave for 12 weeks to all employees beginning July 1, 2021, it would cost approximately $79,230 more in the years 2021-2023, in addition to the $54,827 per year in costs from the current policy.

b. <u>Cost estimates: Expansion of family and medical leave benefits</u>: $84,377 per year (if introduced after Proposition 118 funds are available) to cover difference above $1,100/wk salary cap. For detailed, additional/alternate cost estimates, see Appendix D.

## II. Recommendations and Justification

Our recommendations reflect a ***phased approach*** that seeks to balance (a) the costs of administering employee leave policies, (b) a changing regulatory landscape in Colorado, and (c) support within the CC community for expansion and greater uniformity of parental and family medical leave benefits across and within employee classes. Our phased approach recommends amending CC's parental leave policies, while also providing a foundation for broader expansion of family and medical leave policies. Adopting recommendations in this phased manner will begin to align CC's leave policies with pending legislative obligations. Affording these benefits sooner, wherever practicable, will better reflect the values enshrined in CC's accessibility, diversity, equity, and inclusion commitments.[21]

### a. Recommended changes to policy language[22]

We first recommend that, effective immediately, CC revise parental leave policy language to omit gendered language from all relevant documentation. Specifically, the term "birth mother" should be replaced with "birth giver" or "birthing people" in all instances. We further advocate similar review and update, as appropriate, of parental leave policy language in the Staff Handbook and Faculty Handbook.

Similarly, we advocate that the revised parental leave policy removes the distinction between primary caregivers and secondary caregivers (otherwise termed as birth parent and non-birth parent), in all cases except when referencing medical complications.

- This will better support Colorado College's commitment to diversity and inclusion as it will recognize that not all birth givers are mothers or women and not all families reflect a traditional two parent structure. It will recognize that "family" looks different for everyone and be more inclusive of LGBTQIA+ families.
- Furthermore, removing gendered language will prevent the policy from promoting antiquated and sexist ideas that the birth giver's time with the child is more valuable or that they are always the primary caregiver. Instead, it will put equal value on both parents' time with their child (when applicable).

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[21] https://www.coloradocollege.edu/other/antiracism-commitment/goals/goal_2.html

[22] See Appendix C

We also recommend that CC, following the texts of Proposition 118, revise any policy text in the Human Resources policy, Staff Handbook, and Faculty Handbook to include adoptive and foster parents.

- Again, this shows a commitment to diversity that is more inclusive of nontraditional family structures, the various roles CC employees taken to support children, and the LGBTQIA+ community.

**b. <u>Recommended expansion and flexibility changes in parental leave benefits (See Appendix B for Proposed Policy Text)</u>**

Within the 2023 fiscal year, we first recommend that CC update its parental leave benefits policy to provide qualifying employees with 12 weeks' fully paid parental leave,[23] thus making the policy equitable between staff and faculty and equitable for all employees regardless of marital status. Doing so would require CC to absorb the full cost of these leaves for a 6-12 month period before payroll tax receipts become available to qualifying employers, in 2024. However, we recommend these changes as a valuable bridge to a sustained, equitable, supportive, and predictable parental leave policy which will meet and, in limited fashion, exceed[24] legislative requirements in Colorado.

Second, we further recommend that CC simultaneously incorporate the provision that birth givers may claim an additional four (4) weeks' of medical leave in instances when an eligible employee experiences a serious health condition related to pregnancy or childbirth complications, providing a maximum potential leave of 16 weeks. This would advance the goal of promoting the health and welfare of CC employees, and matches the anticipated requirements of Prop 118. Moreover, we believe CC would be likely to incur minimal additional expense by providing this important protective benefit, since such benefits would require medical documentation and likely occur less frequently than the total number of parental leaves documented in §3(a), above.

Third, we further recommend that CC remove the existing requirement that parental leave benefits be taken continuously; doing so will better accommodate diverse family situations and circumstances and will align with Proposition 118's specification that leave need not be taken continuously. We acknowledge that such a change may have differential impacts across faculty and staff-and within specific offices and programs. Therefore, we further recommend that the amended parental leave policy, while preserving this flexibility, continue existing practice which encourages employees to consult with supervisors in determining the scheduling and effect of their leave.

**c. <u>Mid-term changes: Expansion of employee family medical leave benefits (See Appendix B for Proposed Policy Additions)</u>**

Finally, we view the expansion of parental leave benefits as an initial step toward provision of broader family medical and other benefits, as will be required by Prop 118 and as is supported by CC faculty. Therefore, we recommend that, in parallel with the revision of parental leave benefits, CC should prepare to provide all benefits contained within the legislative text of Prop 118 at the employee's full salary rate (Prop 118 only mandates that salary during leave be paid in full to

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[23] Under Prop 118, this term is legislatively defined, and we advocate that CC act in accordance with this language here.

[24] The only additional expense that we recommend, beyond those legislatively mandated, is that CC compensate the full salary of an employee during the leave period. Once enacted, Prop 118 will only require that employers compensate qualified employees to a maximum $1,100 per week during the period of leave.

$1,100/wk and then at a percentage of the state average thereafter), through a cost-share between the College and the employee. While we acknowledge that providing benefits at employees' full salary will in some instances encumber additional expense, we believe that the covered circumstances are tremendously impactful to CC faculty and staff, who would benefit from the security of their full compensation: serious health conditions; child care obligations; requirements to care for family members with serious health conditions; instances when a family member is on active-duty military status; and instances of domestic violence, stalking, or sexual assault.[25]

**Appendix A (of Parental Leave)**

In 2020, Colorado voters approved Proposition 118, which establishes broad paid medical and family leave benefits for qualified employees of qualifying employers, to be funded equally through payroll tax and employer contributions. As CC is a qualifying employer under the terms of Prop 118, it will be bound by its provisions for parental, family, and other hardship leave upon enactment. In its current formulation, Prop 118 will require payroll and employee contributions to commence in 2023; beginning January 1, 2024, it will allow eligible employees to claim up to 12 weeks of paid family and medical leave benefits annually under its provisions. It further specifies that this leave need not be taken continuously.

In spring 2022, the Compensation Committee surveyed CC faculty compensation sentiment, and included two questions regarding support for expanding parental and medical leave benefits. In relevant part, these results indicate preliminary support for extending parental and family medical leave benefits, even if (a) such expansion were not explicitly mandated by legislation and (b) doing so could encumber additional expense, to be borne equally by CC and individual employees.

**Appendix B (of Parental Leave)**

**Proposed outline of additions to policy, to take place in concurrence with Proposition 118:

All employees are offered up to 12 weeks of paid leave to be used in cases that the individual:

- Because of the birth, adoption, or placement of a foster child (regardless of age) (must be used within the first year of the birth, adoption, or placement of a foster child).
- Is caring for a family member with a serious health condition*
- Has a serious health condition*
- Because of any qualifying exigency leave*
- Has a need for safe leave *

*(All terms as defined by Prop 118)

[25] https://leg.colorado.gov/sites/default/files/initiative%2520referendum_2019-2020%20283bb.pdf (at 2).

**Appendix C (of Parental Leave)**

Current Faculty Handbook text:[26]

Colorado College's Parental Leave policy provides a full-time faculty member time away from normal College responsibilities in order to care for and bond with their newborn or newly- adopted child. The paid leave provided by the College is taken concurrently with the first eight weeks of the twelve- week parental leave guaranteed by the Family Medical Leave Act. Faculty members who anticipate taking parental leave should discuss their plans with their department chair, submit any necessary documentation to the Human Resources Office, and request the Dean's approval of the leave. Someone who wishes to take parental leave as a domestic partner must file an Affidavit of Domestic Partnership with the Human Resources Office. Additional information regarding parental leaves is available from the Human Resources Office

Proposed new text in Faculty Handbook: (changes in italics)

Colorado College's Parental Leave policy provides a full-time faculty member with time away from normal College responsibilities in order to care for and bond with a *newly born, adopted, or fostered child.* The paid leave provided by the College is taken *concurrently with Family Medical Leave as described in Proposition 118 and in the federal Family Medical Leave Act.* Faculty members who anticipate taking parental leave should discuss their plans with their department chair, submit any necessary documentation to the Human Resources Office, and request the Dean's approval of the leave. Someone who wishes to take parental leave as a domestic partner must file an Affidavit of Domestic Partnership with the Human Resources Office. Additional information regarding parental leaves is available from the Human Resources Office

[26] Page 31 of the Faculty Handbook