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The University of Georgia

**REPORT OF THE
THE AD HOC COMMITTEE FOR THE PAY AND BENEFITS
OF LOW WAGE EMPLOYEES**

APRIL 3, 2007

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I. Introduction

The Ad Hoc Committee on the Pay and Benefits of Low Wage Employees (hereafter referred to as the Committee) has completed deliberations in response to a charge on March 23, 2006 by University Council, and the Office of the Senior Vice President for Academic Affairs and Provost to study policies affecting low-wage workers at the University of Georgia. These recommendations are informed by analyses of a wide range of data and by testimonies from a number of unit heads and employees, as well as comparison with salary data from peer, aspirational institutions and local market data. However, the Committee ultimately views increasing the wages of our lowest paid employees as a matter of social and economic justice, just as much as it is good business practice. As the University of Georgia is the largest employer in the surrounding geographic area, and a national leader in higher education, we believe the University should approach these issues on that premise, and in that spirit.

The Committee makes its recommendations in the belief that all of our employees should be compensated in a manner that reflects both the value of their work and our moral obligation to provide fair pay for that work. Moreover, we believe it is essential to pay wages sufficient that our employees do not fall below the federal poverty guidelines and in fact should sufficiently exceed them. We believe treating our employees with the dignity and respect inherent in a fair and livable wage is in our economic best interest because it encourages loyalty and good work ethics. We also believe a great public university, like UGA, should contribute in every way possible to the well-being of the community of which it is a part. To that end, paying our employees a fair and livable wage will have many ancillary benefits for the larger community, including reduced costs of social services, lower incidence of crime, less stress on our local health community, reduced indigent care costs, reduced poverty and many other societal and economic benefits.

II. Background

In partnership with the Office of the Senior Vice President for Academic Affairs and Provost, the University Council passed a resolution on March 23, 2006, to establish an Ad Hoc Committee on the Pay and Benefits of Low Wage Employees in response to the "Proposal for Family Supportive Wage and Benefits on Behalf of the Lowest Wage Earners of the University of Georgia." (Appendix 2) The

Committee was charged with studying and making recommendations regarding pay and benefits policies for low wage employees working at UGA and prioritizing these recommendations with a view to advancing institutional priorities. (Appendix 1)

The eighteen-member committee (Appendix 3) was chaired by Tom Gausvik, Associate Vice President for Human Resources, and included employees from the faculty, administration, and staff levels. We sought to understand the total ramifications of living at or below defined poverty levels by reviewing national, regional, state, and local data.

To assist with productive discussion, the Committee performed the following:

- Studied data about the employment, wages, benefits, and other conditions of employment of lower-paid workers at the University of Georgia and at comparable employers.
- Deliberated on what is known about the consequences of alternative employment and contracting policies, and on the moral and economic factors that should guide the University's policies related to lower-paid employees.

Methodology:

The Committee utilized several methods to examine the wide-range of issues pertaining to low wage workers at UGA. These efforts can be categorized into three groups:

1. Examining internal facts, including employee demographics and budgeting practices
2. Reviewing external factors, including labor market information and professional journals
3. Discussing their own experiences and perceptions about the issues

III. Current Environment

The issues surrounding low-wage employees are complex, and there is a danger of substituting over-generalizations for facts. Therefore, one of our most important activities was to seek out information and

establish an understanding of the environment, prior to formulating recommendations.

Terms and definitions

In order to facilitate a common language, this report utilizes the following definitions:

- a. Regular Employee - Employees who work full time or at least 50% time and are eligible for employer-paid benefits, such as health insurance, retirement, paid leave, etc.
- b. Temporary Employee - Employees who do not generally work full time and are not in a benefits eligible position.
- c. Hourly rates are converted to annual rates based on 2080 work hours per year. For example, \$9.13 per hour equates to \$19,000 annually.

Recent history

Beginning in 2002, the University recognized the need to adjust the low end of its pay scale, and in the past five years, the minimum hiring rate (MHR) increased from \$6.15 per hour (\$12,790) to \$9.13 (\$19,000) per hour, which represents a 42.17 percent increase. During the same period, the percentage increase approved by the State of Georgia and the Board of Regents totaled only 11.25 percent (see Appendix 4). The University is to be commended on its past efforts to raise the minimum hiring rate.

Current structure and practice

Appendix 5 details the July 2006 salary ranges and the new ranges effective January 1, 2007. Appendix 6 includes the list of the classification titles in which low wage employees are situated. These pay ranges apply to all regular employees. Temporary employees have a minimum hiring rate of \$5.15.

Legislation and Federal Minimum Wage

The current federal minimum wage is \$5.15 per hour. The purchasing power of the current minimum wage is approximately \$4.04, adjusted for inflation using the CPI-U as of 1996 (Consumer Price Index for All Urban Consumers).

Recently, the Congress passed legislation to raise the federal minimum wage to \$7.25 per hour (\$15,080). If the federal minimum wage rate is increased, it will have a positive impact on our employees and our community. However, a higher federal minimum wage should be viewed solely as an entry rate for individuals with little or no experience or high school students who fill summer jobs at UGA. Although there are supporters on both sides of the issue of raising the federal minimum wage, the Committee supports this legislation as it is in the spirit of the recommendations made in this report.

Distribution of employees

Appendices 7 and 8 detail the current distribution, by salary categories, of both regular and temporary employees.

- a. 1,716 employees (approximately 25% of the total staff positions) have salaries below \$24,500 annually, or \$11.78 per hour. (data as of December 31, 2006)
- b. 1,824 temporary employees (approximately 61% of the total temporary population) have salaries below \$16,931 annually, or \$8.14 per hour. (data as of December 31, 2006)

IV. Discussion of Proposal for Family Supportive Wage and Benefits on Behalf of the Lowest Wage Earners of the University of Georgia

- a. **ITEM 1:** Hourly-wage workers [see page 5 for definition of “Temporary Employee”] who are residents in this area should be paid a minimum of \$10.50 per hour, to be followed by cost-of-living adjustments. Research has shown that “family supportive wages” do reduce rates of illness, depression, and family breakdown. The higher the wages, the less necessity parents feel to work two or three jobs and ignore their children while working.

Findings: Many low-wage workers have more than one job; UGA may be the primary employer but for some it is the second job. In cases where low wage employees at UGA (especially those in temporary positions) gain the skills to move to higher paying jobs within UGA or within the local labor market, UGA serves as a catalyst for better employment opportunities. The Committee agrees that, although many low wage employees see working two or more jobs as a financial necessity, this has a negative

impact on the quality of family life. Appendix 9 is a compilation of various minimum hiring rate philosophies and practices. (See Item 5.)

- b. **ITEM 2:** Substantial health benefits should be offered to all workers who work more than twenty hours per week for longer than three months, regardless of their status as “regulars” or “temporaries.” Workers who do not receive health benefits should be paid \$12 per hour. The inability to pay for health care makes the impact of “persistent anxiety” that much more harmful.

Findings: Although the Board of Regents Office administers the current employee health insurance plan, we recommend that the Human Resources Division further study this issue, and have discussions with USG officials and other USG institutions.

- c. **ITEM 3:** Further, the lower the wage level, the less a worker should have to pay toward his/her health benefits. In the current system, a person making \$16,000 per year and another making \$160,000 per year make the same payments on their health benefits. For low wageworkers, this is often simply not feasible.

Findings: Despite being benefit-eligible, many low wage employees do not participate in the University’s health insurance programs, primarily due to the higher premium cost for family coverage. Although the Committee believes that tiering the health insurance premiums might be a remedy, we know such a change requires Board of Regents action. A growing number of colleges and universities have implemented tiering plans or provide an economically means tested subsidy based on total family income for employees that qualify. Additional benefits may accrue from addressing this issue, such as a reduction in the level of indigent and emergency care being provided at local hospitals. We recommend that the Human Resources Division review this concept and discuss it with the appropriate officials in University Administration and in the BOR Office.

- d. **ITEM 4:** If, as reported by our legal advisors, the Georgia Defined Compensation Plan (GDGP) is required for temporary workers under state law, all participants in this plan should be informed of the availability of these funds when they leave the University or retire. As the system now works, workers often do not realize their GDGP funds exist, so they do not request it when they leave the university. Further, they receive no social security benefits.

Findings: The Committee found that temporary employees are aware of their ability to withdraw their GDGP contributions. (Appendix 10) The fact that nearly all temporary employees who separate employment with

UGA request reimbursement of all their GDCP contributions is an indication the program is not serving its intended purpose of a retirement plan. We would rather see the State of Georgia move back into the federal Social Security program so that employees would have a more secure retirement fund. We understand that any changes to the GDCP program must be legislated by the State, which benefits financially from not having to participate in the federal Social Security program. The Committee notes that the Human Resources Division routinely contacts temporary employees who have left UGA employment, to inform them of their GDCP contributions.

- e. **ITEM 5:** Workers who work more than 35 hours per week for six months should be reclassified as “regular” employees with full benefits. The practice of “continuation” for twelve months as temporary workers, followed by termination, followed by 30 days off, followed by being rehired, is simply a way for the university to avoid its responsibility to provide benefits to full time workers. At the same time, legally, they are considered by the state’s Unemployment Compensation program to have “a presumption of relationship” to the university while they are laid off, so they are not eligible for unemployment compensation.

***Findings:** The practice of employing long-term temporary employees is not as pervasive as commonly assumed. In reviewing the length of service of temporary employees, it was determined that the number of temporaries who work consecutive years diminishes significantly after the second and third year of consecutive employment. As of December 31, 2005, only five employees who started their employment in 1999 were still actively on payroll. (Appendix 12) In cases where a temporary employee has continued employment from year-to-year, we recommend that the Human Resources Division review these employment situations and develop procedures to facilitate the movement of these employees into regular, benefits-eligible positions.*

The Committee recommends that the pay rates for temporary employees should be the same as the rates paid to regular employees performing similar work. This is a best practice for the majority of higher education institutions and is a best practice for most private and public employers in the country.

ITEM 6: Contracted workers who are employed on a regular basis, such as security guards, should be pulled back into the university payroll. Again, privatization is simply a technique by which the university avoids its responsibility to full time, continuing employees. The contractors pay wages just slightly above the

minimum wage, with no benefits, thereby creating disastrous conditions for families and requiring workers to find one or two other jobs, working 60-90 hours per week in order to survive.

Findings: The Committee found very little evidence of contracting out work to private employers. In fact, although many universities contract activities such as food services, parking, housekeeping services, and printing and duplication, the University of Georgia has no plans to contract this work to outside employers. Currently, the only contracted auxiliary unit is the UGA Bookstore. We recommend not contracting out major functions of the University that would displace existing employees. We understand that as the University evolves, contracting could occur; however, we recommend that existing employees (particularly those that are already vested in the TRS or those that are close to being vested) be offered a choice of keeping their employment with the University or moving to a contractor.

V. Recommendations Concerning Low Wage Jobs

Based on the guiding principles, research findings, and the current employment environment of the University, the Committee makes the recommendations below. (See Appendix 13 for a comprehensive summary of all recommendations.)

Recommendation # 1: The Committee recommends that the Minimum Hiring Rate (MHR) at the University of Georgia be raised to \$24,000 by January 1, 2010, but no later than January 1, 2012. The Committee strongly favors the earlier date. In addition, salary compression must be addressed each year to remedy internal alignment and equity issues, to address external equity issues, and to keep salaries competitive within their respective labor markets.

Appendix 11 provides an overview of the cost of implementing this recommendation. As of January 1, 2007, the Minimum Hiring Rate (MHR) was raised to \$19,000 (\$9.13 per hour). The difference between \$19,000 and \$24,000 is approximately 25%, some of which could be supported through the annual merit allocation as determined by the state and Board of Regents. <For example, assuming an average increase of 3% per year, the MHR could be increased by 9% percent over the three-year period or 15% over the five-year period. In these two scenarios, the University would need to budget additional dollars either from the merit increase pool or from other budget sources to raise the MHR to the proposed \$24,000. The shorter the period to raise

the MHR, the greater the additional budget cost. We feel that a three to five year period is achievable and favors a shorter period.>

In addition, additional budgeted funds would be needed each year. Typically, a dollar-for-dollar relationship exists between the costs of raising the MHR and the cost of addressing salary compression. We realize that many budgetary decisions are made at the Board of Regents level. Furthermore, since we possess neither the expertise nor the resources to achieve these remedies, we recommend that appropriate budgeting models be developed for this purpose. (See Section VI regarding funding issues related to auxiliary units.)

Recommendation # 2: The Committee recommends that by January 1, 2008, temporary employees must be paid within the pay grades for the position title and work performed. Consequently, the main difference between a regular and temporary employee in terms of pay would be eligibility for employer-paid benefits. This provision does not include summer work performed by high school students or university student workers in student temporary positions. Anecdotal research shows that many temporary employees are paid within the same pay scale as regular employees for the work they perform. Although it is difficult to assess the actual cost of implementing this recommendation, as many temporary employees are placed in generic classifications that do not accurately reflect their actual duties and responsibilities, our research indicates that very few temporary employees are paid outside of the actual classified staff pay grades for the work they perform. Therefore, the cost impact to units implementing this recommendation should be minimal. (See Section VI regarding issues related to auxiliary units.)

Recommendation # 3: The Committee recommends that the University administration provide a high-level summary report annually to the University Council regarding the level of the minimum hiring rate and the manner in which staff salary compression is being addressed.

Recommendation # 4: The Committee recommends that the MHR be reviewed annually and be adjusted, as feasible and appropriate, in those years in which the Board of Regents provides an allocation for salary (merit) increases. The MHR should be adjusted from the salary allocation provided by the BOR. As needed, the MHR should be adjusted to avoid erosion by inflation and in order to maintain competitive rates of pay for recruiting and retaining a highly qualified staff workforce.

Recommendation # 5: The Committee recommends that the Human Resources Division undertake a reform of the classified staff compensation plan, as the current plan is outdated and based on a civil service model, which is over thirty years old. We recognize that increasing the MHR and addressing salary compression will exacerbate existing structural problems with the staff compensation plan. A recent HR classification study updated class titles, but did not address the compensation plan's aged structure and aged pay practices. Most peer and aspirational institutions have completed reforms of their staff compensation plans to bring them in line with industry best practices and to make their plans more flexible to compete for and retain the best talent. Because UGA is one of the nation's top public universities, it is imperative that we reform our staff compensation plan to meet today's and tomorrow's recruitment and retention needs. (See Section VI regarding issues related to auxiliary units.)

Recommendation # 6: The Committee recommends that the Human Resources Division review Item #2 under section IV, as to whether workers who work more than twenty hours per week for longer than three months be eligible for health insurance. We understand that the Board of Regents Office administers the current employee health insurance plan and would need to approve any change to policy.

Recommendation # 7: The Committee recommends that the Human Resources Division further study Item #3 under section IV (a tiered health insurance premium based on annual salary) and discuss the concept and feasibility of this strategy with appropriate officials in the BOR Office.

Recommendation # 8: As discussed in Item #5 under section IV, the Committee recommends that the Human Resources Division annually review temporary employment situations and develop procedures to facilitate the movement of temporary employees into regular, benefit-eligible positions after a period where employees have had consecutive years of employment.

Recommendation # 9: As discussed in Item #5 under section IV, the Committee recommends that the pay rates for temporary employees should be the same as the rates paid to regular employees performing similar work.

Recommendation # 10: As discussed in Item #6 under section IV, the Committee recommends not contracting out major functions of the University that would displace existing employees. We understand that as the University evolves, contracting could occur; however, we

recommend that existing employees be offered a choice (particularly those that are already vested in the TRS or those that are close to being vested) of keeping their employment with the University or moving to the Contractor.

VI. Issues Related to the Adoption of Recommendations

- a. In connection with recommendations 1 & 2 under Section V, the University should explore the possibility of implementing a transition plan to ensure that auxiliary operations are not adversely impacted by additional costs created by raising the MHR. However, this transition plan should not adversely affect low wage employees in auxiliary units by delaying or postponing pay increases (in the minimum hiring rate or addressing pay compression), as these issues are addressed in non-auxiliary units across the University. Hence, the Committee does not support a temporary or permanent separate compensation (pay) system between auxiliary and non-auxiliary units. In addition, we do not believe that employees' sources of funds (e.g., grants, auxiliary, state, etc.) should dictate or determine employees' pay if they are performing work of equal skill, effort, and similar working conditions.
- b. In connection with implementing recommendations 1 & 2 under Section V, the Committee recognizes the financial impact and commitment of the University as presented in Appendix 11. We believe the University should give a high priority to addressing the salary of low wage employees and develop an appropriate funding plan to achieve the recommendations.

VII. Recommendations Concerning Training and Development

The Committee recognizes that salary enhancements, by themselves, are not sufficient to sustain personal growth and financial stability. Low-wage employees often lack the skills, education, or access to training required for them to advance. These issues are the foundation for sustainable economic growth and steps should be taken by the University to address these matters. To this end, we spent several sessions deliberating the University's overall responsibilities to its low wage employees. The following recommendations are based upon these discussions.

Recommendation #11: The Committee recommends that UGA employees, regardless of position, shall have access to personal and professional development opportunities, including English as a second language (ESL), basic literacy, GED preparation, and other adult basic education skills.

Recommendation #12: The Committee recommends the University take steps to provide convenient, workplace computer access to all levels of staff.

Recommendation #13: The Committee recommends that all staff be trained to use computers to accomplish basic University functions, including, but not limited to, parking registration, phone directory verification, checking email, and registering for training classes.

Recommendation #14: The Committee recommends that the Human Resources Division continue to develop and implement university leadership and supervisory management programs to improve the quality of leaders across the University. We wish to acknowledge Finance and Administration's efforts to improve their leadership bench strength. We believe that these programs should be expanded and enhanced so that all supervisors have training on compensation management, performance management, employee career development, etc.

Recommendation #15: The Committee recommends that the Human Resources Division develop and implement a strategic training and development plan aimed at improving the knowledge, skills, abilities, and competencies of our workforce. This should include programs aimed at low wage employees as well as staff employees at all levels.

VIII. Closing Comments

The University of Georgia has one of the largest workforces in the region that spans many communities including Athens-Clarke County, Oconee County, Madison County, Jackson County, Barrow County, etc. Albeit, UGA cannot solve the issue of poverty alone, we are keenly aware of the community impact our institutional decisions have on our workforce and the larger community served and touched by the University. We believe that UGA should continue to play a major leadership role in the efforts to reduce poverty in our region. As such, the Committee especially recognizes UGA's leadership role in Partners for a Prosperous Athens. We feel that the recommendations in this report complement the spirit and intent of PPA. By adopting these recommendations, we believe this will position the University as an "employer of choice," and as a community and national leader on these important issues.

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Appendix 1: Committee Charge as Stated in Actual Resolution by University Council

On March 23, 2005, the University Council passed a resolution to establish an Ad Hoc Committee on the Pay and Benefits of [UGA] Low Wage Employees in response to the "Proposal for Family Supportive Wage and Benefits on Behalf of the Lowest Wage Earners of the University of Georgia." The Committee will study and make recommendations regarding pay and benefits policies for low wage employees working at UGA and will prioritize these recommendations with a view to advancing institutional priorities.

Specific Focus of the Ad Hoc Committee includes:

1. Analyze relevant labor markets and peer institutions and develop our own recommendations for minimum pay rates (salaries and hourly rates);
2. Investigate laws and regulations about maximum period of employment and examine current practices at UGA. Generate/develop a policy (or code of ethics) for re-employability of a contingent workforce and recommend a standard period of employment for temporary employment;
3. Include a business rationale, cost-benefit analysis and budgetary impact assessment (one-time and permanent costs) for each recommendation;
4. Recommend alternative source(s) of funding to implement the Ad Hoc Committee's proposals;

Consider all the above in the context of actions that the University of Georgia may implement on its own and those that require external approval from the Board of Regents or the State of Georgia.

Appendix 2: Proposal for Family Supportive Wage and Benefits on Behalf of the Lowest Wage Earners of the University of Georgia

The Economic Justice Coalition of Athens and the UGA Living Wage Network request that the University Council offer its support to the following proposal:

Beginning in 2007, the University shall recognize its responsibility to pay hourly wage workers, both regular and temporary, increasingly at a family supportive level, with benefits. Because low-income employees need to work two or three jobs to pay their minimum bills, the goal of paying “family supportive wages and benefits” can have a beneficial impact on the community as a whole by increasing family stability and reducing stress-induced health problems. These changes will make it more feasible for the Partnership for a Prosperous Athens to reach its goals. The community as a whole will benefit from reductions in illness and family breakdown, supported by the research reported on the following sites:

Kempson, E. (1996) Life on a Low Income York Publishing Services Ltd.

<http://www.hon.ch/News/HSN/515544.html>

<http://www.stpt.usf.edu/~jsokolov/311stress1.htm>

<http://www.rockefeller.edu/research/abstract.php?id=109>

The proposal has six elements:

- 1) Hourly-wage workers who are residents in this area should be paid a minimum of \$10.50 per hour, to be followed by cost-of-living adjustments. Research has shown that “family supportive wages” do reduce rates of illness, depression, and family breakdown. The higher the wages, the less necessity parents feel to work two or three jobs and ignore their children while working.
- 2) Substantial health benefits should be offered to all workers who work more than twenty hours per week for longer than three months, regardless of their status as “regulars” or “temporaries.” Workers who do not receive health benefits should be paid \$12 per hour. The inability to pay for health care makes the impact of “persistent anxiety” that much more harmful.
- 3) Further, the lower the wage level, the less a worker should have to pay toward their health benefits. In the current system, a person

making \$16,000 per year and another making \$160,000 per year make the same payments on their health benefits. For low wage workers, this is often simply not feasible.

- 4) If, as reported by our legal advisors, the Georgia Defined Compensation Plan (GDCP) is required for temporary workers under state law, all participants in this plan should be informed of the availability of these funds and pursued to receive them when they leave the university or retire. As the system now works, workers often do not realize their GDCP funds exist, so they do not request it when they leave the university. Further, they receive no social security benefits.
- 5) Workers who work more than 35 hours per week for six months should be reclassified as “regular” employees with full benefits. The practice of “continuation” for twelve months as temporary workers, followed by termination, followed by 30 days off, followed by being rehired, is simply a way for the university to avoid its responsibility to provide benefits to full time workers. At the same time, legally, they are considered by the state’s Unemployment Compensation program to have “a presumption of relationship” to the university while they are laid off. So they are not eligible for unemployment compensation.
- 6) Contracted workers who are employed on a regular basis, such as security guards, should be pulled back into the university payroll. Again, privatization is simply a technique by which the university avoids its responsibility to full time, continuing employees. The contractors pay wages just slightly above the minimum wage, with no benefits, thereby creating disastrous conditions for families and requiring workers to find one or two other jobs, working 60-90 hours per week in order to survive.

It is likely that it would take more than a year to implement these policies, but we propose that a near term timeline be established to meet these objectives. Further, we propose that the Arch Foundation, the Board of Regents, and the legislature be informed and educated on the consequences to workers of not meeting these objectives. These practices are ethical and moral. We want the University of Georgia to be proud of its treatment of its hourly wage workers, and we want the students and faculty to be fully supportive of these changes.

5. Appendix 3: Committee Membership

1. Thomas E. Gausvik, Associate Vice President for Human Resources **CHAIR**
2. Chuck O'Kelley, M.E. Kilpatrick Chair of Corporate Finance & Securities Law (Law School) **VICE CHAIR**
3. Brenda P. Keen, Business Manager I (Georgia Review) **VICE CHAIR**
4. Margaret A. Amstutz, Assistant to the President
5. Dawn D. Bennett-Alexander, Associate Professor (Institute of Legal Studies & Real Estate)
6. Pete J. Brosius, Associate Professor (Anthropology)
7. Christopher M. Cornwell, Professor & Director of Academic Economics (Economics)
8. Marcus A. Eason, Director of Fiscal Affairs (Agriculture)
9. Nancy Felson, Professor of Classics and Representative from the Executive Committee of University Council
10. Dexter L. Fisher, Director of Physical Plant Services
11. J. Michael Floyd, Director of Food Services
12. Andrew J. Herod, Professor (Geography)
13. Deborah J. Jackson, Building Services Worker II (Physical Plant)
14. Kathryn J. Leache, Library Assistant III, (Main Library)
15. Robert B. Leiter, Director of Administrative Continuing Education (Georgia Center)
16. Gail Martin, Building services Supervisor (Housing)
17. Garnett S. Stokes, Dean, College of Arts & Sciences
18. Veronica Wallace, Baker I at Snelling Dining Commons

Note: The above membership represents individuals that attended at least one meeting.

Ex-Officio:

- ❖ Shannon Scott, President of Staff Council, Assistant Editor (Continuing Legal Education)
- ❖ Robert E. Ratajczak, Jr., Research Professional II & Staff Council Past President

Appendix 4: History of UGA minimum rate

Increases to UGA Minimum Hiring Rate for Regular Salaried Employees from July 1, 2002 through January 1, 2007:

Fiscal Year	State/BOR Budget Allocation	Minimum Hiring Rate Increase	Base Salary From	Base Hourly Rate	Annualized Increase	Base Salary To	Base Hourly Rate
2002-2003	3.25%	17.3%	\$12,790	\$6.15	\$2,210	\$15,000	\$7.21
2003-2004	0.0%	0.0%	\$15,000	\$7.21	\$0	\$15,000	\$7.21
2004-2005	2.0%	13.3%	\$15,000	\$7.21	\$2,000	\$17,000	\$8.17
2005-2006	2.0%	3.0%	\$17,000	\$8.17	\$500	\$17,500	\$8.41
2006-2007	4.0%	8.57%	\$17,500	\$8.41	\$1,500	\$19,000	\$9.13
	11.25%	42.17%					

Notes:

- 1 Effective January 1, 2007, UGA's minimum hiring rate for regular salaried employees will be \$19,000 annually (\$9.13 per hour)
- 2 The above does not include the value of fringe benefits in the minimum hiring rates. The value of fringe benefits is approximately \$3.45 per hour for a single employee.
Total compensation for a single employee with benefits as of January 1, 2007 would be approximately \$26,166 annually (\$12.58 per hour).

Appendix 5: Classified Staff Pay Ranges

Effective July 1, 2006							Effective January 1, 2007						
Pay Range	Hourly Minimum	Hourly Maximum	Monthly Minimum	Monthly Maximum	Annual Minimum	Annual Maximum	Pay Range	Hourly Minimum	Hourly Maximum	Monthly Minimum	Monthly Maximum	Annual Minimum	Annual Maximum
**	\$5.150	\$48.076	\$892.67	\$8,333.25	\$10,712.00	\$99,999.00	**	\$5.150	\$48.076	\$892.67	\$8,333.25	\$10,712.00	\$99,999.00
027	\$8.413	\$12.417	\$1,458.33	\$2,152.33	\$17,500.00	\$25,828.00	027	\$9.135	\$12.666	\$1,583.33	\$2,195.38	\$19,000.00	\$25,828.00
028	\$8.413	\$12.500	\$1,458.33	\$2,166.75	\$17,500.00	\$26,001.00	028	\$9.135	\$12.500	\$1,583.33	\$2,166.75	\$19,000.00	\$26,001.00
029	\$8.413	\$12.584	\$1,458.33	\$2,181.17	\$17,500.00	\$26,174.00	029	\$9.135	\$12.584	\$1,583.33	\$2,181.17	\$19,000.00	\$26,174.00
030	\$8.413	\$12.667	\$1,458.33	\$2,195.58	\$17,500.00	\$26,347.00	030	\$9.135	\$12.667	\$1,583.33	\$2,195.58	\$19,000.00	\$26,347.00
031	\$8.413	\$13.148	\$1,458.33	\$2,279.00	\$17,500.00	\$27,348.00	031	\$9.135	\$13.148	\$1,583.33	\$2,279.00	\$19,000.00	\$27,348.00
032	\$8.413	\$13.234	\$1,458.33	\$2,293.92	\$17,500.00	\$27,527.00	032	\$9.135	\$13.234	\$1,583.33	\$2,293.92	\$19,000.00	\$27,527.00
033	\$8.413	\$13.319	\$1,458.33	\$2,308.67	\$17,500.00	\$27,704.00	033	\$9.135	\$13.319	\$1,583.33	\$2,308.67	\$19,000.00	\$27,704.00
034	\$8.413	\$13.406	\$1,458.33	\$2,323.67	\$17,500.00	\$27,884.00	034	\$9.135	\$13.406	\$1,583.33	\$2,323.67	\$19,000.00	\$27,884.00
035	\$8.413	\$13.570	\$1,458.33	\$2,352.08	\$17,500.00	\$28,225.00	035	\$9.135	\$13.570	\$1,583.33	\$2,352.08	\$19,000.00	\$28,225.00
036	\$8.413	\$13.908	\$1,458.33	\$2,410.67	\$17,500.00	\$28,928.00	036	\$9.135	\$13.908	\$1,583.33	\$2,410.67	\$19,000.00	\$28,928.00
037	\$8.413	\$14.311	\$1,458.33	\$2,480.58	\$17,500.00	\$29,767.00	037	\$9.135	\$14.311	\$1,583.33	\$2,480.58	\$19,000.00	\$29,767.00
038	\$8.510	\$14.669	\$1,475.00	\$2,542.67	\$17,700.00	\$30,512.00	038	\$9.135	\$14.669	\$1,583.33	\$2,542.67	\$19,000.00	\$30,512.00
039	\$8.582	\$15.036	\$1,487.50	\$2,606.17	\$17,850.00	\$31,274.00	039	\$9.135	\$15.036	\$1,583.33	\$2,606.17	\$19,000.00	\$31,274.00
040	\$8.678	\$15.411	\$1,504.25	\$2,671.25	\$18,051.00	\$32,055.00	040	\$9.135	\$15.411	\$1,583.33	\$2,671.25	\$19,000.00	\$32,055.00
041	\$8.895	\$16.276	\$1,541.83	\$2,821.25	\$18,502.00	\$33,855.00	041	\$9.207	\$16.276	\$1,595.83	\$2,821.25	\$19,150.00	\$33,855.00
042	\$9.118	\$16.682	\$1,580.42	\$2,891.50	\$18,965.00	\$34,698.00	042	\$9.279	\$16.682	\$1,608.33	\$2,891.50	\$19,300.00	\$34,698.00
043	\$9.346	\$17.100	\$1,619.92	\$2,963.92	\$19,439.00	\$35,567.00	043	\$9.346	\$17.100	\$1,619.92	\$2,963.92	\$19,439.00	\$35,567.00
044	\$9.579	\$17.527	\$1,660.33	\$3,038.00	\$19,924.00	\$36,456.00	044	\$9.579	\$17.527	\$1,660.33	\$3,038.00	\$19,924.00	\$36,456.00
045	\$9.819	\$17.965	\$1,701.92	\$3,113.92	\$20,423.00	\$37,367.00	045	\$9.819	\$17.965	\$1,701.92	\$3,113.92	\$20,423.00	\$37,367.00
046	\$10.065	\$18.414	\$1,744.67	\$3,191.83	\$20,936.00	\$38,302.00	046	\$10.065	\$18.414	\$1,744.67	\$3,191.83	\$20,936.00	\$38,302.00
047	\$10.316	\$18.875	\$1,788.17	\$3,271.58	\$21,458.00	\$39,259.00	047	\$10.316	\$18.875	\$1,788.17	\$3,271.58	\$21,458.00	\$39,259.00
048	\$10.575	\$19.346	\$1,833.08	\$3,353.33	\$21,997.00	\$40,240.00	048	\$10.575	\$19.346	\$1,833.08	\$3,353.33	\$21,997.00	\$40,240.00
049	\$10.838	\$19.830	\$1,878.67	\$3,437.17	\$22,544.00	\$41,246.00	049	\$10.838	\$19.830	\$1,878.67	\$3,437.17	\$22,544.00	\$41,246.00
050	\$11.110	\$20.326	\$1,925.67	\$3,523.17	\$23,108.00	\$42,278.00	050	\$11.110	\$20.326	\$1,925.67	\$3,523.17	\$23,108.00	\$42,278.00
051	\$11.387	\$21.447	\$1,973.67	\$3,717.50	\$23,684.00	\$44,610.00	051	\$11.387	\$21.447	\$1,973.67	\$3,717.50	\$23,684.00	\$44,610.00
052	\$11.672	\$21.982	\$2,023.08	\$3,810.25	\$24,277.00	\$45,723.00	052	\$11.672	\$21.982	\$2,023.08	\$3,810.25	\$24,277.00	\$45,723.00
053	\$11.964	\$22.533	\$2,073.75	\$3,905.75	\$24,885.00	\$46,869.00	053	\$11.964	\$22.533	\$2,073.75	\$3,905.75	\$24,885.00	\$46,869.00
054	\$12.263	\$23.096	\$2,125.58	\$4,003.25	\$25,507.00	\$48,039.00	054	\$12.263	\$23.096	\$2,125.58	\$4,003.25	\$25,507.00	\$48,039.00
055	\$12.570	\$23.672	\$2,178.83	\$4,103.08	\$26,146.00	\$49,237.00	055	\$12.570	\$23.672	\$2,178.83	\$4,103.08	\$26,146.00	\$49,237.00
056	\$12.884	\$24.265	\$2,233.25	\$4,205.92	\$26,799.00	\$50,471.00	056	\$12.884	\$24.265	\$2,233.25	\$4,205.92	\$26,799.00	\$50,471.00
057	\$13.206	\$24.870	\$2,289.00	\$4,310.83	\$27,468.00	\$51,730.00	057	\$13.206	\$24.870	\$2,289.00	\$4,310.83	\$27,468.00	\$51,730.00
058	\$13.535	\$25.494	\$2,346.08	\$4,418.92	\$28,153.00	\$53,027.00	058	\$13.535	\$25.494	\$2,346.08	\$4,418.92	\$28,153.00	\$53,027.00
059	\$13.874	\$26.130	\$2,404.83	\$4,529.25	\$28,858.00	\$54,351.00	059	\$13.874	\$26.130	\$2,404.83	\$4,529.25	\$28,858.00	\$54,351.00
060	\$14.221	\$26.784	\$2,464.92	\$4,642.50	\$29,579.00	\$55,710.00	060	\$14.221	\$26.784	\$2,464.92	\$4,642.50	\$29,579.00	\$55,710.00
061	\$14.577	\$27.453	\$2,526.67	\$4,758.58	\$30,320.00	\$57,103.00	061	\$14.577	\$27.453	\$2,526.67	\$4,758.58	\$30,320.00	\$57,103.00
062	\$14.941	\$28.140	\$2,589.83	\$4,877.58	\$31,078.00	\$58,531.00	062	\$14.941	\$28.140	\$2,589.83	\$4,877.58	\$31,078.00	\$58,531.00
063	\$15.313	\$28.842	\$2,654.33	\$4,999.33	\$31,852.00	\$59,992.00	063	\$15.313	\$28.842	\$2,654.33	\$4,999.33	\$31,852.00	\$59,992.00
064	\$15.697	\$29.563	\$2,720.83	\$5,124.33	\$32,650.00	\$61,492.00	064	\$15.697	\$29.563	\$2,720.83	\$5,124.33	\$32,650.00	\$61,492.00

The original University of Georgia Comprehensive Pay Plan is on file in Human Resources. In the event of any discrepancy, the original document will take precedence.

Appendix 6: Low Wage Classification Titles

UGA Low Wage Classified Positions Minimum \$8.41 Per Hour

Administrative

- Administrative Assistant I
- Data Entry Clerk II
- Phone Directory Assistant
- Records Coordinator I

Agriculture

- Dairy Worker
- Farm Worker I & II
- Forestry Worker I & II
- Nursery Worker
- Poultry Worker I & II

Animal Care

- Animal Caretaker I
- Lab Animal Care Tech I
- Necropsy Tech
- Veterinary Animal Caretaker I

Building Operations

- Building Service Worker I & II
- Laundry Worker
- Cashier Clerk

Equipment Operation

- Equipment Operator I
- Garage Attendant
- Grounds Keeper I

Food Services

- Baker I & II
- Cook I & II
- Food Service Supervisor I
- Food Service Worker I & II
- Host / Hostess

Health Services

- Medical Records Tech I
- Physical Therapy Aide

Human Resources

- Human Resources Assistant I

IT

- Data Entry Operator I

Library

- Library Assistant I, II, & III

Media

- Instructional Resource Specialist I
- Photographic Technician

Medical Lab

- Medical Lab Tech I

Parking

- Parking Services Attendant
- Parking Services Monitor
- Sr. Parking Services Monitor

Police

- Security Guard

Postal

- Mail Carrier
- Mail Clerk

Public Relations

- Publications Specialist I & II

Research & Lab

- Electron Microscopy Tech I
- Lab / Research Assistant
- Lab / Research Tech I

Student Services

- Child Development Aide I
- Psychometric Assistant

Supplies & Storage

- Delivery Worker I & II
- Materials Handler I

Trades

- Utility Worker II

Appendix 7: Distribution of Regular Employees

Current Distribution of Low Wage
Salaried Employees
June 2006

Total Number of Salaried Employees = 6,882

Salary Range	Number of Employees	Cumulative Total	Cumulative Percent of All Salaried Employees
\$17,500 - \$18,499 \$8.41 - \$8.89	398	398	5.78%
\$18,500 - \$19,499 \$8.89 - \$9.37	289	687	9.98%
\$19,500 - \$20,499 \$9.37 - \$9.85	223	910	13.22%
\$20,500 - \$21,499 \$9.85 - \$10.34	197	1,107	16.09%
\$21,500 - \$22,499 \$10.34 - \$10.82	216	1,323	19.22%
\$22,500 - \$23,499 \$10.82 - \$11.30	184	1,507	21.90%
\$23,500 - \$24,499 \$11.30 - \$11.78	209	1,716	24.93%
\$24,500 - \$25,499 \$11.78 - \$12.26	170	1,886	27.40%
\$25,500 - \$26,499 \$12.26 - \$12.73	198	2,084	30.28%
\$26,500 - \$27,499 \$12.73 - \$13.22	265	2,349	34.13%
\$27,500 - \$28,499 \$13.22 - \$13.70	282	2,631	38.23%
\$28,500 - \$29,499 \$13.70 - \$14.18	243	2,874	41.76%
\$29,500 - \$30,499 \$14.18 - \$14.66	208	3,080	44.75%
Grand Total	3,080		

Appendix 8: Distribution of Temporary Employees

Distribution of Hourly Employees
by Salary Ranges
Calendar Year 2005

Attachment 4

Salary Range	Number of Employees	Cumulative Total	Cumulative Percent of All Hourly Employees
\$5.15 - \$6.14 \$10,712 - \$12,771	269	269	8.98%
\$6.15 - \$7.14 \$12,792 - \$14,851	994	1,263	42.17%
\$7.15 - \$8.14 \$14,872 - \$16,931	561	1,824	60.90%
\$8.15 - \$9.14 \$16,952 - \$19,011	204	2,028	67.71%
\$9.15 - \$10.14 \$19,032 - \$21,091	266	2,294	76.59%
\$10.15 - \$11.14 \$21,112 - \$23,171	76	2,370	79.13%
\$11.15 - \$12.14 \$23,192 - \$25,251	76	2,446	81.67%
\$12.15 - \$13.14 \$25,272 - \$27,331	37	2,483	82.90%
\$13.15 - \$14.14 \$27,352 - \$29,411	42	2,525	84.31%
\$14.15 - \$15.14 \$29,432 - \$31,491	69	2,594	86.61%
\$15.15 and over \$31,512 and over	401	2,995	100.00%
Grand Total	2,995		

Appendix 9: Research on Minimum Hiring Rates

Aspirational Institution Minimum Entry Rates
Updated 8/14/06

		<i>Temporary Entry Rates (Regular Position)</i>		<i>Regular Entry Rates*</i>
	Aspirational Institution			Aspirational Institution
	Illinois	7.96		Illinois
	UGA	8.01		Washington
	Washington	8.12		Northwestern
	Northwestern	8.35		UGA (current)
	Arizona	8.50		Arizona
	Cal. San Diego	9.00		Cal. San Diego
	Virginia	9.37		UGA (eff. 1/1/07)
	Michigan	9.40		Virginia
	Wisconsin	9.50		Minnesota
	North Carolina	9.67		Michigan
	Minnesota	9.79		Duke
	Duke	10.00		North Carolina
	Texas	11.00		Wisconsin
	Cal. Berkeley	11.25		Texas
	Cornell	11.35		Cal. Berkeley
				Cornell

minimum floor for all employees

* Rates are through December 2006

Appendix 9 cont: Research on Minimum Hiring Rates and Philosophies

Peer Institution Minimum Entry Rates
Updated 8/14/06

Temporary Entry Rates
(Regular Position)

Peer Institutions	
Iowa	7.68
Iowa St.	7.68
Missouri	7.77
Maryland	8.00
Nebraska	8.00
Virginia Tech	8.00
UGA	8.01
Texas A&M	8.03
Oregon	8.22
Indiana	8.68
Kansas	8.74
Arizona St.	9.00
Colorado	9.06
Michigan St.	9.06
Cal. Davis	9.36
NC State	10.00

Regular Entry Rates*

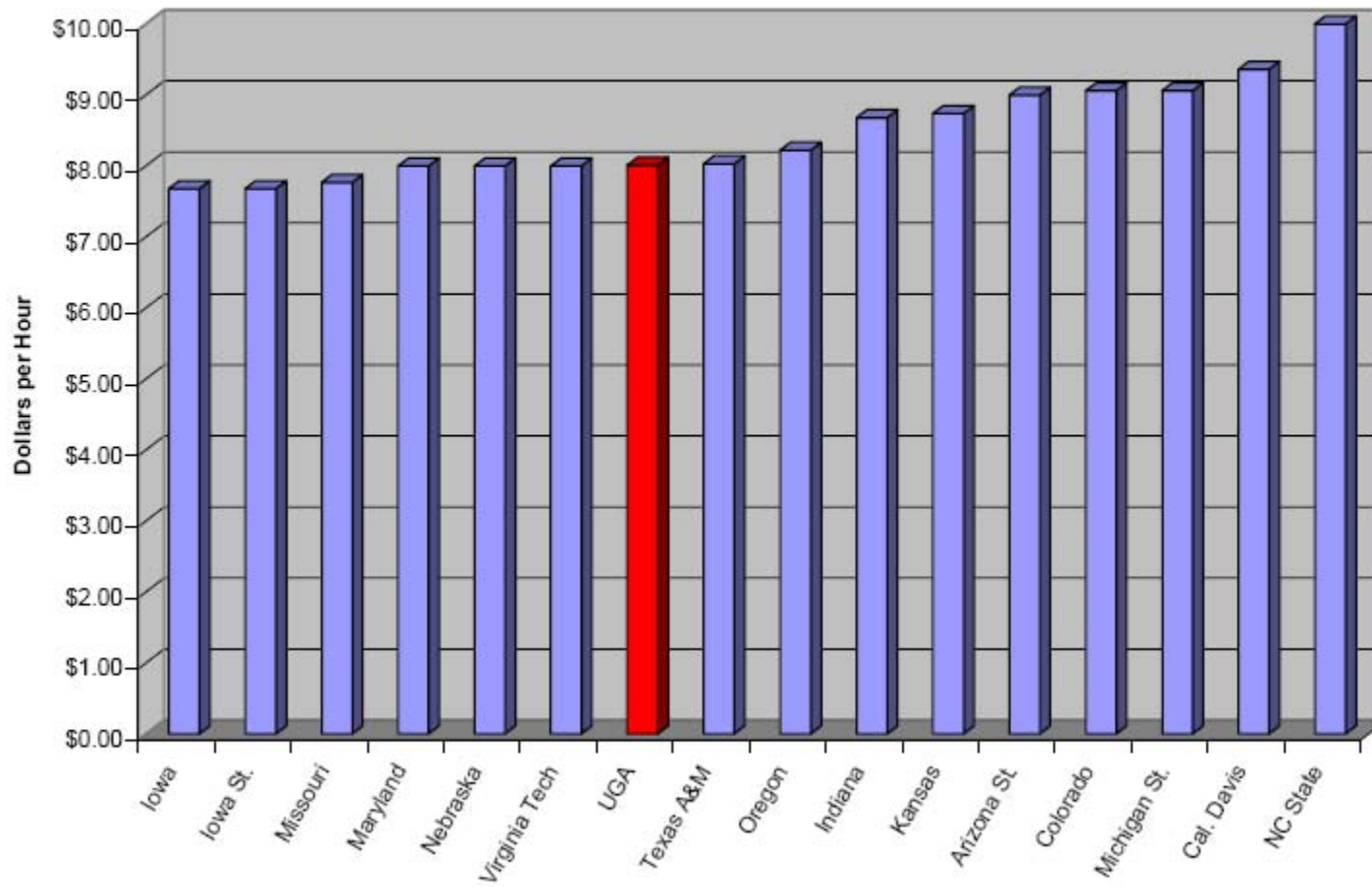
Peer Institutions	
Missouri	7.77
Nebraska	8.00
Virginia Tech	8.00
Texas A&M	8.03
Oregon	8.22
UGA (current)	8.41
Indiana	8.68
Kansas	8.74
Arizona St.	9.00
Colorado	9.06
UGA (eff. 1/1/07)	9.13
Cal. Davis	9.36
Maryland	9.79
NC State	10.00
Michigan St.	10.17
Iowa	10.38
Iowa St.	10.38

minimum floor for all employees

* Rates are through December 2006

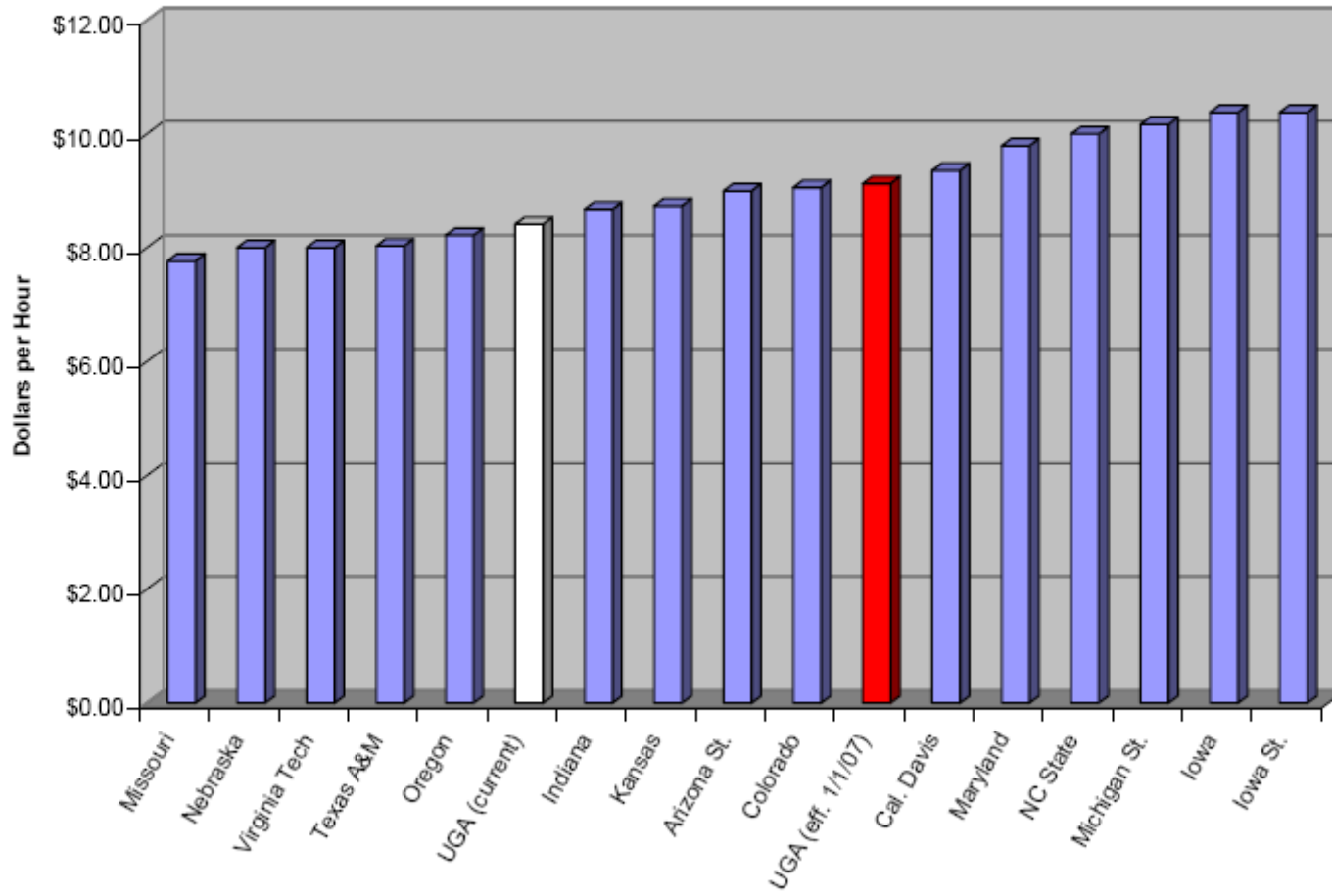
Appendix 9 cont: Research on Minimum Hiring Rates and Philosophies

Temporary Minimum Entry Rates (Regular Position)
Peer Institutions



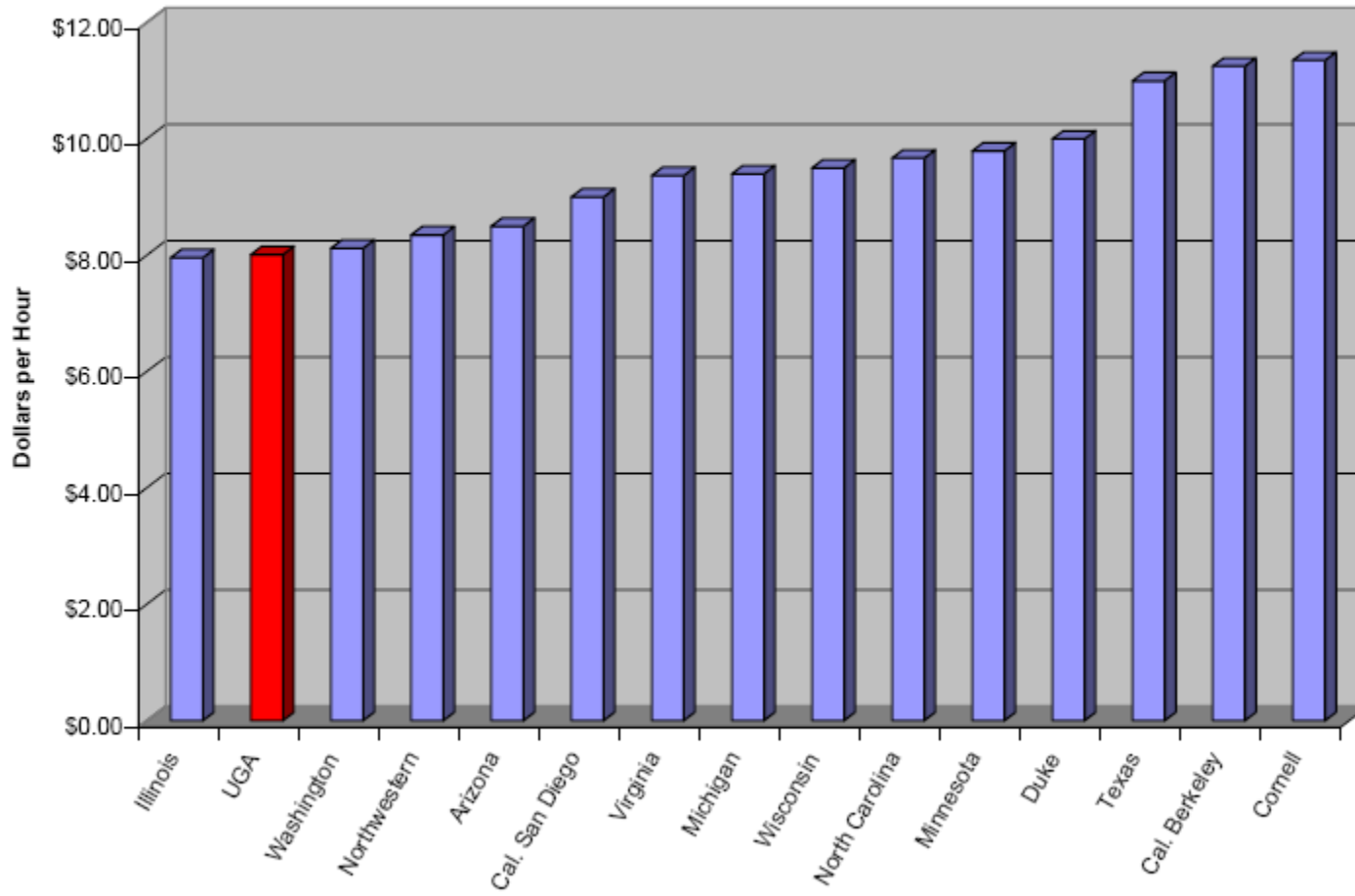
Appendix 9 cont: Research on Minimum Hiring Rates and Philosophies

Regular Minimum Entry Rates
Peer Institutions



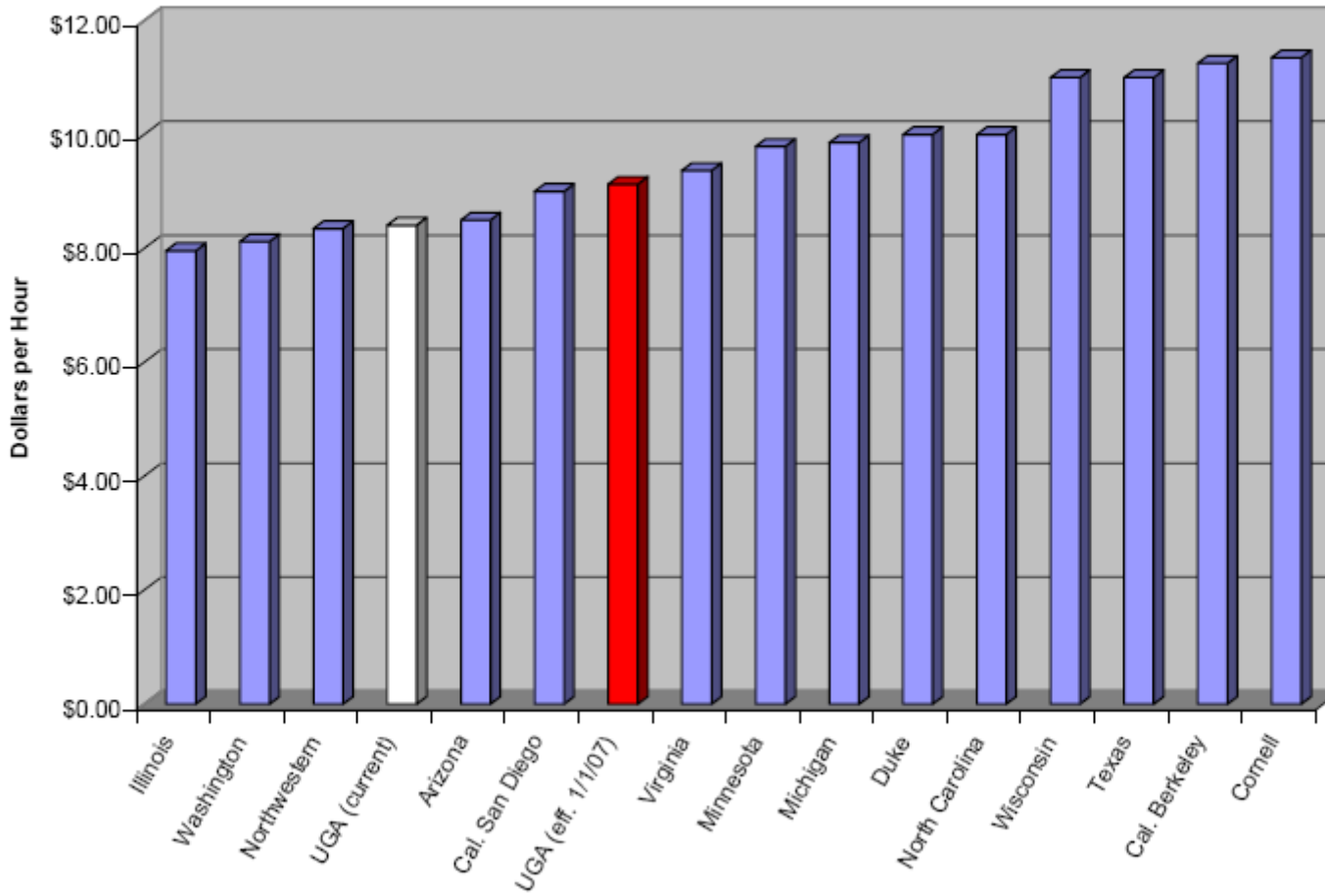
Appendix 9 cont: Research on Minimum Hiring Rates and Philosophies

Temporary Minimum Entry Rates (Regular Position)
Aspirational Institutions



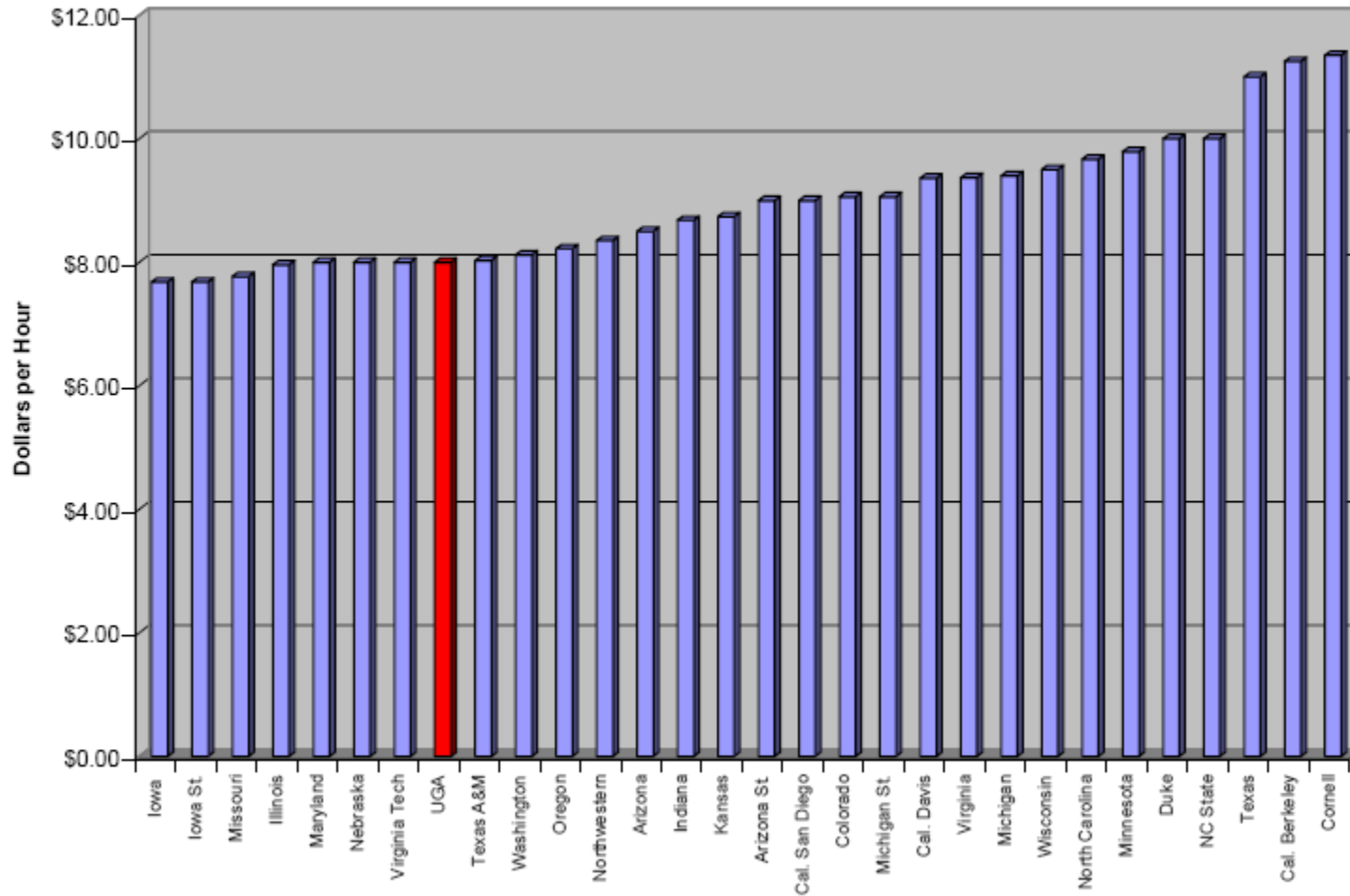
Appendix 9 cont: Research on Minimum Hiring Rates and Philosophies

Regular Minimum Entry Rates
Aspirational Institutions



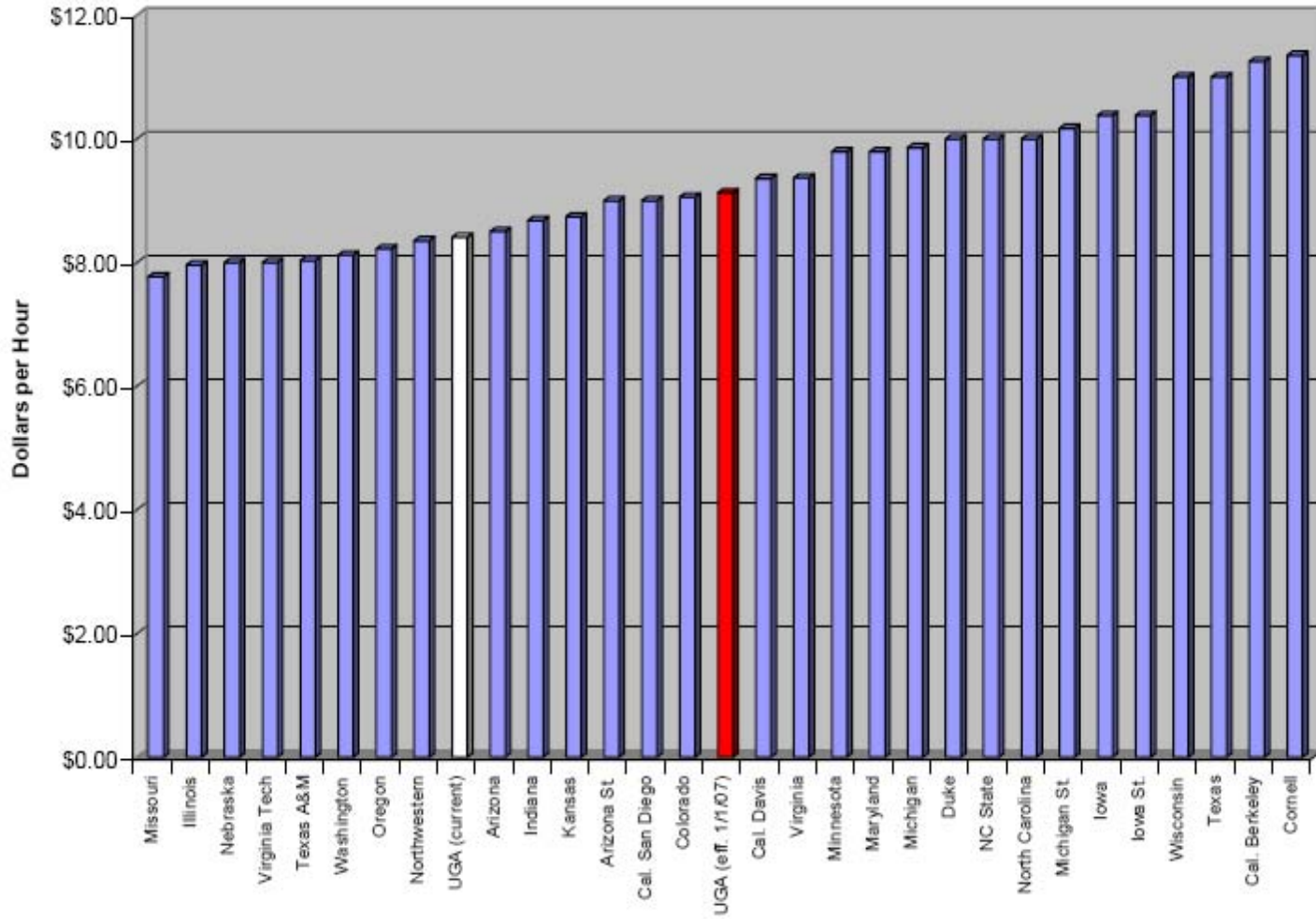
Appendix 9 cont: Research on Minimum Hiring Rates and Philosophies

All Temporary Minimum Entry Rates (Regular Position)



Appendix 9 cont: Research on Minimum Hiring Rates and Philosophies

All Regular Minimum Entry Rates



Appendix 10: Georgia Defined Contribution Plan

From the website of the Employees Retirement System (ERS) of the State of Georgia (<http://www.ersga.org/gdcp.htm>):

The Georgia Defined Contribution Plan (GDCP) was created by the 1992 Georgia Law, Act 996 and became effective on July 1, 1992. The administration and responsibility for the GDCP is under the Board of Trustees of the Employees' Retirement System (ERS).

The purpose of this law is to provide a retirement system for temporary, seasonal, and part-time employees of the State of Georgia who are not eligible for membership in the Employees' Retirement System (ERS) or the Teachers Retirement System (TRS).

Individuals employed by, the State Board of Education, the Board of Regents of the University System of Georgia, and other state agencies, departments, bureaus, institutions, boards or commissions are covered by this plan. Excluded from this plan are:

- 1. persons qualified as bona fide independent contractors*
- 2. active members of ERS or TRS*
- 3. retirees of ERS or TRS*
- 4. persons working for an institution in which they are regularly enrolled and are attending classes **and who meet the IRS student exclusion criteria.***

Special Note: *Members of the GDCP are only covered for Medicare. **There is no Social Security Coverage.***

- 2,270 current participants in GDCP/UGA as of the May 2006
- 2,290 refund requests processed by UGA HR in 2005 (about 190 per month)
- 648 refund requests processed January – May 2006 (about 130 per month)
- “Why are 2006 monthly numbers lower than the 2005 monthly numbers?”
 - The annual summer/fall peak in GDCP activity has not yet occurred for 2006.
- “How many former UGA employees have money in GDCP but haven't gotten it out?”
 - GDCP/ERS advises that ERS does not keep employer source data with individual employee account information and therefore individual account holders cannot be tracked to specific employers.
 - A key point: GDCP is a retirement program whose main purpose is to provide a retirement benefit for employees not covered under Social Security or TRS or ERS.
 - Former employees may leave contributions in GDCP for retirement.
 - Although GDCP is intended to be a retirement savings program, GDCP guidelines do allow employees to obtain a refund of their GDCP contributions within a few months after termination (vs. having to wait until retirement).
 - UGA assists employees in that refund process (note that UGA HR processed more than 2,000 refund requests during 2005).

Appendix 11: Cost Impact of Recommendations

\$24,000 in 2009
(Assumes 4% merit increase per year)

Regular Employees	Total Cost		
	Salary	Benefits	Total
AUX	\$1,000,870	\$300,261	\$1,301,131
NSF	\$301,017	\$90,305	\$391,322
SF	\$1,664,762	\$499,429	\$2,164,191
TOTAL	\$2,966,649	\$889,995	\$3,856,644
Temporary Employees	Total Cost		
	Salary	Benefits	Total
AUX	\$4,038,177	\$403,818	\$4,441,995
NSF	\$1,698,546	\$169,855	\$1,868,401
SF	\$1,404,030	\$140,403	\$1,544,433
TOTAL	\$7,140,753	\$714,075	\$7,854,828
Total	Total Cost		
	Salary	Benefits	Total
AUX	\$5,039,047	\$704,079	\$5,743,126
NSF	\$1,999,563	\$260,160	\$2,259,723
SF	\$3,068,792	\$639,832	\$8,002,849
TOTAL	\$10,107,402	\$1,604,071	\$11,711,473

\$24,000 in 2010
(Assumes 4% merit increase per year)

Regular Employees	Total Cost		
	Salary	Benefits	Total
AUX	\$704,509	\$211,353	\$915,862
NSF	\$206,628	\$61,988	\$268,616
SF	\$1,089,981	\$326,994	\$1,416,975
TOTAL	\$2,001,118	\$600,335	\$2,601,453
Temporary Employees	Total Cost		
	Salary	Benefits	Total
AUX	\$4,038,177	\$403,818	\$4,441,995
NSF	\$1,698,546	\$169,855	\$1,868,401
SF	\$1,404,030	\$140,403	\$1,544,433
TOTAL	\$7,140,753	\$714,075	\$7,854,828
Total	Total Cost		
	Salary	Benefits	Total
AUX	\$4,742,686	\$615,171	\$5,357,857
NSF	\$1,905,174	\$231,843	\$2,137,017
SF	\$2,494,011	\$467,397	\$7,494,874
TOTAL	\$9,141,871	\$1,314,411	\$10,456,282

\$24,000 in 2011
(Assumes 4% merit increase per year)

Regular Employees	Total Cost		
	Salary	Benefits	Total
AUX	\$439,396	\$131,819	\$571,215
NSF	\$126,688	\$38,006	\$164,694
SF	\$634,779	\$190,434	\$825,213
TOTAL	\$1,200,863	\$360,259	\$1,561,122
Temporary Employees	Total Cost		
	Salary	Benefits	Total
AUX	\$4,038,176	\$403,818	\$4,441,994
NSF	\$1,698,546	\$169,855	\$1,868,401
SF	\$1,404,030	\$140,403	\$1,544,433
TOTAL	\$7,140,752	\$714,076	\$7,854,828
Total	Total Cost		
	Salary	Benefits	Total
AUX	\$4,477,572	\$535,637	\$5,013,209
NSF	\$1,825,234	\$207,861	\$2,033,095
SF	\$2,038,809	\$330,837	\$7,046,304
TOTAL	\$8,341,615	\$1,074,335	\$9,415,950

\$24,000 in 2012
(Assumes 4% merit increase per year)

Regular Employees	Total Cost		
	Salary	Benefits	Total
AUX	\$215,025	\$64,508	\$279,533
NSF	\$66,194	\$19,858	\$86,052
SF	\$282,037	\$84,611	\$366,648
TOTAL	\$563,256	\$168,977	\$732,233
Temporary Employees	Total Cost		
	Salary	Benefits	Total
AUX	\$4,038,177	\$403,818	\$4,441,995
NSF	\$1,698,547	\$169,855	\$1,868,402
SF	\$1,404,029	\$140,403	\$1,544,432
TOTAL	\$7,140,753	\$714,076	\$7,854,829
Total	Total Cost		
	Salary	Benefits	Total
AUX	\$4,253,202	\$468,326	\$4,721,528
NSF	\$1,764,741	\$189,713	\$1,954,454
SF	\$1,686,066	\$225,014	\$6,675,982
TOTAL	\$7,704,009	\$883,053	\$8,587,062

Appendix 12: Longitudinal Study of Hourly Temporary Employees Working More than 1039 Hours per Calendar Year

	2005	2004	2003	2002	2001	2000	1999
ADMINISTRATIVE SERVICES DIV	1	0	0	0	0	0	0
ATHENS & TIFTON VETERINARY LAB	1	0	0	0	0	0	0
ATHLETIC	10	3	2	2	1	1	1
FOOD SERVICES	94	25	15	9	3	2	2
CAMPUS TRANSIT SYSTEM	26	1	0	0	0	0	0
PARKING SERVICES	3	2	1	1	0	0	0
UNIVERSITY GOLF COURSE	7	4	3	2	0	0	0
HOUSING ADMINISTRATION	2	0	0	0	0	0	0
RESIDENCE HALL FACILITIES ADM	1	0	0	0	0	0	0
UNIVERSITY HEALTH CENTER	3	1	0	0	0	0	0
CONT ED: AUX OPER - FOOD SERV	3	1	1	1	1	1	0
CONT ED: AUX OPER - HOTEL	6	3	1	0	0	0	0
COASTAL EXPERIMENT STATION	13	9	2	1	1	0	0
COLLEGE EXPERIMENT STATION	6	6	2	1	0	0	0
COLLEGE OF AGRIC & ENVIRON SCI	2	0	0	0	0	0	0
COLLEGE OF ARTS & SCIENCES	12	4	1	0	0	0	0
COLLEGE OF EDUCATION	5	1	0	0	0	0	0
COLLEGE OF ENVIRONMENT & DESIGN	3	0	0	0	0	0	0
COLLEGE OF FAMILY & CONSUM SCI	3	0	0	0	0	0	0
COLLEGE OF PUBLIC HEALTH	1	0	0	0	0	0	0
COLLEGE OF VETERINARY MEDICINE	3	2	1	0	0	0	0
CONTINUING EDUCATION	3	1	1	0	0	0	0
COOPERATIVE EXTENSION SERVICE	60	22	10	4	2	2	2
ENTERPRISE IT SERVICES	14	1	0	0	0	0	0
GEORGIA EXPERIMENT STATION	19	6	3	1	0	0	0
GRADUATE SCHOOL	1	0	0	0	0	0	0
HUMAN RESOURCES DIVISION	1	0	0	0	0	0	0
LIBRARIES - GENERAL	2	1	0	0	0	0	0
MARINE EXTENSION SERVICE	4	0	0	0	0	0	0
REGENTS SPECIAL ALLOCATIONS	1	0	0	0	0	0	0
SCHOOL OF FOREST RESOURCES	10	1	0	0	0	0	0
SR VP ACADEMIC AFFAIRS UNITS	2	0	0	0	0	0	0
TERRY COLLEGE OF BUSINESS	1	1	0	0	0	0	0
VETERINARY TEACHING HOSPITAL	1	0	0	0	0	0	0
VP FOR INSTRUCTION UNITS	1	0	0	0	0	0	0
VP FOR PUBSV & OUTREACH UNITS	11	7	2	0	0	0	0
VP FOR RESEARCH UNITS	5	2	0	0	0	0	0
VP FOR STUDENT AFFAIRS UNITS	2	0	0	0	0	0	0
GRAND TOTAL	343	104	45	22	8	6	5
Number that applied for Regular employment through HR during the CY	77	67	10	3	0	0	0

TEMPORARY EMPLOYEES PAID BY THE HOUR ONLY. COUNT DOES NOT INCLUDE STUDENTS, TEMPORARY ACADEMIC, TEMPORARY MONTHLY, OR EMPLOYEES RECEIVING A WAGE SUPPLEMENT

Where are the ones no longer on the list?	From:	2005	2004	2003	2002	2001	2000
Change in hours worked or temp pay type		141	34	14	6	2	1
Hired into Regular UGA position		41	11	3	2	0	0
Terminated		57	14	6	6	0	0
TOTAL		239	59	23	14	2	1

Appendix #13: Summary of Recommendations – Ad Hoc Committee on the Pay & Benefits of Low Wage Employees (January 2007)

No.	Recommendation
1	<p><u>Recommendation # 11:</u> The Committee recommends that the Minimum Hiring Rate (MHR) at the University of Georgia be raised to \$24,000 by January 1, 2010, but no later than January 1, 2012. The Committee strongly favors the earlier date. In addition, salary compression must be addressed each year to remedy internal alignment and equity issues, to address external equity issues, and to keep salaries competitive within their respective labor markets.</p> <p>Appendix 11 provides an overview of the cost of implementing this recommendation. As of January 1, 2007, the Minimum Hiring Rate (MHR) was raised to \$19,000 (\$9.13 per hour). The difference between \$19,000 and \$24,000 is approximately 25%, some of which could be supported through the annual merit allocation as determined by the state and Board of Regents. <For example, assuming an average increase of 3% per year, the MHR could be increased by 9% percent over the three-year period or 15% over the five-year period. In these two scenarios, the University would need to budget additional dollars either from the merit increase pool or from other budget sources to raise the MHR to the proposed \$24,000. The shorter the period to raise the MHR, the greater the additional budget cost. We feel that a three to five year period is achievable and favors a shorter period.></p> <p>In addition, additional budgeted funds would be needed each year. Typically, a dollar-for-dollar relationship exists between the costs of raising the MHR and the cost of addressing salary compression. We realize that many budgetary decisions are made at the Board of Regents level. Furthermore, since we possess neither the expertise nor the resources to achieve these remedies, we recommend that appropriate budgeting models be developed for this purpose. (See Section VI regarding funding issues related to auxiliary units.)</p>
2	<p>The Committee recommends that by January 1, 2008, temporary employees must be paid within the pay grades for the position title and work performed. Consequently, the main difference between a regular and temporary employee in terms of pay would be eligibility for employer-paid benefits. This provision does <u>not</u> include summer work performed by high school students or university student workers in student temporary positions. Anecdotal research shows that many temporary employees are paid within the same pay scale as regular employees for the work they perform. Although it is difficult to assess the actual cost of implementing this recommendation, as many temporary employees are placed in generic classifications that do not accurately reflect their actual duties and responsibilities, our research indicates that very few temporary employees are paid outside of the actual classified staff pay grades for the work they</p>

	perform. Therefore, the cost impact to units implementing this recommendation should be minimal. (See Section VI regarding issues related to auxiliary units.)
3	The Committee recommends that the University administration provide a high-level summary report annually to the University Council regarding the level of the minimum hiring rate and the manner in which staff salary compression is being addressed.
4	The Committee recommends that the MHR be reviewed annually and be adjusted, as feasible and appropriate, in those years in which the Board of Regents provides an allocation for salary (merit) increases. The MHR should be adjusted from the salary allocation provided by the BOR. As needed, the MHR should be adjusted to avoid erosion by inflation and in order to maintain competitive rates of pay for recruiting and retaining a highly qualified staff workforce.
5	The Committee recommends that the Human Resources Division undertake a reform of the classified staff compensation plan, as the current plan is outdated and based on a civil service model, which is over thirty years old. We recognize that increasing the MHR and addressing salary compression will exacerbate existing structural problems with the staff compensation plan. A recent HR classification study updated class titles, but did not address the compensation plan's aged structure and aged pay practices. Most peer and aspirational institutions have completed reforms of their staff compensation plans to bring them in line with industry best practices and to make their plans more flexible to compete for and retain the best talent. Because UGA is one of the nation's top public universities, it is imperative that we reform our staff compensation plan to meet today's and tomorrow's recruitment and retention needs. (See Section VI regarding issues related to auxiliary units.)
6	The Committee recommends that the Human Resources Division review Item #2 under section IV, as to whether workers who work more than twenty hours per week for longer than three months be eligible for health insurance. We understand that the Board of Regents Office administers the current employee health insurance plan and would need to approve any change to policy.
7	The Committee recommends that the Human Resources Division further study Item #3 under section IV (a tiered health insurance premium based on annual salary) and discuss the concept and feasibility of this strategy with appropriate officials in the BOR Office.
8	As discussed in Item #5 under section IV, the Committee recommends that the Human Resources Division review temporary employment situations and develop procedures to facilitate the movement of temporary employees into regular, benefit-eligible positions after a period where employees have had consecutive years of employment.
9	As discussed in Item #5 under section IV, the Committee recommends that the pay rates for temporary employees should be the same as the rates paid to regular employees performing similar work.

10	As discussed in Item #6 under section IV, the Committee recommends not contracting out major functions of the University that would displace existing employees. We understand that as the University evolves, contracting could occur; however, we recommend that existing employees be offered a choice (particularly those that are already vested in the TRS or those that are close to being vested) of keeping their employment with the University or moving to the Contractor.
11	The Committee recommends that UGA employees, regardless of position, shall have access to personal and professional development opportunities, including English as a second language (ESL), basic literacy, GED preparation, and other adult basic education skills.
12	The Committee recommends the University take steps to provide convenient, workplace computer access to all levels of staff.
13	The Committee recommends that all staff be trained to use computers to accomplish basic University functions, including, but not limited to, parking registration, phone directory verification, checking email, and registering for training classes.
14	The Committee recommends that the Human Resources Division continue to develop and implement university leadership and supervisory management programs to improve the quality of leaders across the University. We wish to acknowledge Finance and Administration's efforts to improve their leadership bench strength. We believe that these programs should be expanded and enhanced so that all supervisors have training on compensation management, performance management, employee career development, etc.
15	The Committee recommends that the Human Resources Division develop and implement a strategic training and development plan aimed at improving the knowledge, skills, abilities, and competencies of our workforce. This should include programs aimed at low wage employees as well as staff employees at all levels.

Reference Material

Neumark article: <http://www.nber.org/papers/w9702>

Pollin article: <http://www.umass.edu/peri/pdfs/WP61.pdf>

Sabia article: http://www.epionline.org/studies/sabia_05-2006.pdf

Yelowitz article: http://www.epionline.org/studies/yelowitz_09-2005.pdf