Agenda

1. Approval of Minutes

2. Open Commentary

3. President’s Reports
   A. Board of Trustees – Tina White submitted a report on behalf of the Senate. Tina shared the report with the Board during their Winter Quarterly meeting on February 4-5 (Attachment).
   B. Other:
         • Benefits Updates, Lisa Gagnon, Benefits Manager
      2. Legislative Update, Matt Bundrick.

4. Treasurer’s Report, Julie Jones. Funds remaining in the operating budget as of February 8th are (a) Vending: $4,983.24; (b) Staff Senate funds: $2,850.10; (c) Travel: $23.76; (d) SDP: $2,219.20.

5. Committee Reports
   A. Standing Committees
      1. Activities, Roberta Balliet.
         • Planetarium Visit – The March 8th Senate meeting will be held at the Clemson University Planetarium. A short meeting will occur first in the theatre—about 15 minutes. The show will be about 45 minutes. The planetarium is located in 112 Kinard Laboratory of Physics. It seats up to 40.
         • Paw Pantry
      2. Communications, Julie Jones.
   3. Membership, Deveraux Williams.
      • Call for Officer Nominations – Membership is accepting nominations for the offices of Vice President (President-Elect), Secretary, and Treasurer for 2016-2017. The term is for one year. Officers are installed at the Annual Banquet in April. Nomination forms must be completed and returned before the start of the regularly scheduled Staff Senate meeting on March 8, 2016. Each candidate will have the opportunity to address the Senate at the March meeting. Voting will be conducted after the meeting in an online ballot. Elections will close at noon on March 16, 2016. The Executive Committee and Candidates will be notified of the results after they have been confirmed by the Membership Committee. One nominations has been received as of February 8. Leigh Dodson for Vice President/President Elect.
      • Membership is soliciting nominations for new Senators. The following areas require new Senators for 2015: PSA, CES, Provost, AAH, HEHD, CoES, PRES/BOT, Athletics, Student Affairs, Research, Facilities, School of Ed, and EconDev.
      • Stakeholder Policy Feedback – OHR has provided the Senate with the Separation from Employment Policy for review and feedback. Policy and Welfare is in the process of reviewing the policy and has recommended the policy also be sent to the entire Senate for review. Since the policy is 19 pages long, the senators will have extra time to review. Feedback should be sent to Policy and Welfare at staff_senate_policy-l@clemson.edu by Friday, February 12.
      • Article on Report on State Workers’ Salaries (Attachment).
   5. Scholarship, Leslie Doss and Erin Thomas.
      • Staff Senate Spring Soiree Presentation
Applications Now Open For Staff Senate Scholarship – If you have a child that will be attending Clemson as a full-time student next year, he or she is eligible to apply for the Staff Senate Scholarship. Thanks to our generous donors, TWELVE $1,500 scholarships will be awarded from the Staff Senate Scholarship Fund this year!

Eligibility - Who can receive the scholarship? The applicant must be a child of a currently employed full-time Clemson University staff (non-faculty) member and fit one of the two criteria:

- Academic Performance – To be eligible by academic performance, University policies state, in part, that students must have a minimum cumulative 2.5 GPA and be enrolled as a full-time undergraduate student to be considered for scholarship assistance. Official Registrar records are consulted to determine major, class, GPA and other selection criteria as of March 1.
- Financial Need – To be considered under financial need, applicants must also submit a Free Application for Federal Student Aid (FAFSA) by March 1. Contact Clemson's Office of Student Financial Aid at 864-656-2280 if you have questions about the FAFSA.

Applying – How do I apply for the scholarship? Eligible applicants must submit the Restricted Scholarships application each year (required). A separate letter identifying the applicant’s parent(s) as a staff member must accompany the application, including: the applicant's Clemson University ID number, his or her parent’s name(s) and address, and a statement that they would like to be considered for a Staff Senate Scholarship.

Deadlines - When is the scholarship application due? The application deadline is March 1, 2016. This deadline applies to:

- Submission of the Restricted Scholarships application
- Admissions acceptance (Students who wish to be considered for a Staff Senate scholarship must complete the admission process by March 1)
- Submission of the Free Application for Federal Student Aid (FAFSA) for those applying with financial need
- Submission of the letter identifying the staff parent and applicant

Selection Process - How are scholarships awarded? Recipients of the scholarships are selected by the University Scholarships and Awards Committee in early June. Recipients are emailed to check their iROAR account. Unused scholarships are awarded during the fall makeup period. Students who were accepted after the scholarship deadline, as well as students previously considered, will be reconsidered after October 15. Staff Senate scholarships are NOT automatically renewable. Applications must be resubmitted every year to be considered for scholarship eligibility. Of every two scholarships, one scholarship will be awarded based on academic achievement, and a second will be awarded to students demonstrating financial need.

For more eligibility and general scholarship information, visit:
1) http://www.clemson.edu/financial-aid/types/scholarships/cu-schol-restricted.html
2) http://www.clemson.edu/financial-aid/types/scholarships/cu-schol-index.html

B. University Committees
1. Joint City University Advisory Board, Julia Lusk. Members from the city of Clemson and Clemson University will travel to Manhattan, Kansas in March for an exchange visit with the city of Manhattan and Kansas State University. This will be a time for peers of each city and
institution to meet to discuss issues and share ideas of what works/doesn’t work within the respective communities and universities. The city of Clemson is accepting proposals for a re-imaging grant to discuss better CAT bus routes for the city of Clemson. Campus routes will remain unchanged, but with several new off-campus housing developments coming online within the next few years, it will be critical that those students use the CAT bus for transportation to campus so that there isn’t an influx of cars on campus.

2. President’s Commission on the Status of Women, Tina White. Call for nominations for the Outstanding Women Awards. The President’s Commission on Women annually honors individuals who have made outstanding contributions to improve the status of women. These awards include:

- outstanding woman academic faculty member
- outstanding woman classified staff
- outstanding woman graduate student
- outstanding woman undergraduate student
- distinguished contributor
- Thea McCrary Student Award for Outstanding Service, named in honor of the late Thea McCrary, former captain of the Clemson University Police Department and a former chair of the President’s Commission on the Status of Women

Complete nomination packets for all awards must be submitted to the Women's Commission office in 127 Hardin Hall no later than 4:30 p.m. on Friday February 26, 2016. Honorees will be recognized by President James P. Clements at a lunch reception Wednesday, March 9, 2016. Download nomination forms from the Women’s Commission Web site.

6. Unfinished Business

A. Staff Senate Open Forum Update – Information received via email from George N. Smith, Ph.D., Associate Vice President and Chief of Staff for Student Affairs.

Q. Parking: what is being done/said concerning the parking situation at Sikes, Martin, and Long? There has been a large number of green spaces taken up with development. (Dan Hofmann of the Staff Senate is willing to share publicly a response to open forum concerns.)

A. The number of green spaces in the Sikes, Martin Hall and Long Hall area has actually increased by one as a result of development and parking space reallocations There was a reductions in the number of metered spaces by 5 to allow for the for the 5 VP spots on the side of Sikes. One carpool space was converted to an employee LEV spot in this area. Dan and his staff are always happy address all concerns regarding parking plans.

Q. Transportation Safety: employee golf carts forced onto Perimeter Rd. due to construction/restructuring; staff safety a concern (bicycle/moped/golf cart lane for safe transportation perhaps a solution?)

A. A review committee is being formed to address all of the golf cart issues to include routes, parking, speed and etc. The committee will consist of representatives from Risk Management, CUPD, Campus Planning and Design, General Counsel’s Office, University Facilities and Parking and Transportation Services to fully consider a comprehensive plan for golf carts moving forward. Their recommendations will include research from comparable peer institutions.

Q. Concerns for the safety of staff who regularly have to drive a golf cart on busy roads on campus due to the recent addition of narrowly place ballards. These ballards are preventing golf carts access to the side walk that is between the Sikes/Long Hall parking lot and the Hendrix Center forcing golf carts onto Cherry Rd and Perimeter. Alternative to such actions could be attained by designating a golf cart/moped/bicycle lane in this
area with signage instructing all in the proper use of such and awareness of pedestrians and riders of all wheeled forms of transportation.
A. This issue too will be addressed by the review committee looking into these matters.

Q. On-campus massage therapist rates sharply increasing. Can anything being done to ensure that rates are comparable to services provided? This is housed by Student Affairs, but available to all of campus.
A. All service providers in Student Affairs are being asked to review their rate structures and service agreements with providers.

Q. Recent Student Affairs Cabinet Meeting: informed that there would be no early retirement or voluntary separation incentives offered during the reorganization; where does that leave staff? Will a reduction in force be used?
A. There was no reduction in force resulting from the Student Affairs’ reorganization, nor is one planned or foreseen. An early retirement/voluntary separation plan was considered, but found to be cost prohibitive and not aligned with our current staffing needs.

7. New Business

8. Announcements – Please note the April 12th meeting has been pushed 1 week to Tuesday, April 19th. The annual luncheon will follow the meeting on the 19th.

9. Adjournment

Next Meeting: Tuesday, March 8, 2016, 10:30 a.m., Planetarium, 112 Kinard

Members Absent: Leigh Dodson, Jeff Leyh, Sarah Reeves, Andy Riggins, Rebecca Trutwin, and Terri Vaughan.


1. Approval of Minutes

Janeen Putman moved to approve the minutes from the December 8, 2015 Staff Senate meeting as written. Roberta Balliet seconded the motion and the vote was unanimous. The minutes were approved.

2. Open Commentary –

Matt Bundrick informed the group that a Lactation Support Policy was released in late January. Lactation rooms, also known as Wellness Rooms, are currently acquiring micro-fridges for these rooms. Visit www.clemson.edu/lactation-network for more information on these mother-friendly, multi-purpose wellness rooms.

3. President’s Reports

A. Board of Trustees – Tina White submitted a report on behalf of the Senate. Tina shared the report with the Board during their Winter Quarterly meeting on February 4-5 (Attachment).

B. Other:

1. Human Resources, Lisa Gagnon, Benefits Manager. Gagnon presented an updated report on Benefits coverage for CU employees, including services that are and are not available under the specified employee coverage (Attachment)

2. Legislative Update, Julia Lusk. Lusk shared results on a study confirming that SC state employees make less and pay for more the same benefits as other state employees (Attachment). Senators were encouraged to talk with their Legislators to support the 5% cost-of-living adjustment, as well as the $800 bonus for TLPs not included in similar bonuses in the past.

4. Treasurer’s Report, Julie Jones. Funds remaining in the operating budget as of February 8th are (a) Vending: $4,983.24; (b) Staff Senate funds: $2,850.10; (c) Travel: $23.76; (d) SDP: $2,219.20.

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- **Paw Pantry** Staff Senate is considering holding a fundraiser by the end of the year for the campus Paw Pantry, similar to past fundraising through Golden Harvest (electronic fundraising, etc.)

2. **Communications**, Julie Jones. No report.

3. **Membership**, Deveraux Williams.
   - **Call for Officer Nominations** – Membership is accepting nominations for the offices of Vice President (President-Elect), Secretary, and Treasurer for 2016-2017. The term is for one year. Officers are installed at the Annual Banquet in April. Nomination forms must be completed and returned before the start of the regularly scheduled Staff Senate meeting on March 8, 2016. Each candidate will have the opportunity to address the Senate at the March meeting. Voting will be conducted after the meeting in an online ballot. Elections will close at noon on March 16, 2016. The Executive Committee and Candidates will be notified of the results after they have been confirmed by the Membership Committee. One nominations has been received as of February 8. Leigh Dodson for Vice President/President Elect.
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5. **Scholarship**, Leslie Doss and Erin Thomas.
   - **Staff Senate Spring Soirée Presentation** – Event details were shared with the group. Everyone was asked to volunteer to support the event in some capacity. Sizes were collected for t-shirts.
   - **Applications Now Open For Staff Senate Scholarship** – If you have a child that will be attending Clemson as a full-time student next year, he or she is eligible to apply for the Staff Senate Scholarship. Thanks to our generous donors, TWELVE $1,500 scholarships will be awarded from the Staff Senate Scholarship Fund this year!

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7. **New Business**: None.

8. **Announcements**
   A. Please note the April 12th meeting has been pushed 1 week to Tuesday, April 19th. The annual luncheon will follow the meeting on the 19th.
   B. There will be further Green Zone training for military veteran-friendly facility rooms on Thursday, February 25 from 1-3 p.m., Academic Success Center, Room 118.
   C. Clemson Libraries and PKP are hosting a Tiger Talk for Friday, February 26 from 1-3 p.m., Cooper Library Brown Room.

9. **Adjournment** There being no further business to discuss, the meeting adjourned.

**Next Meeting**: Tuesday, March 8, 2016, 10:30 a.m., Planetarium, 112 Kinard Laboratory
Staff Development Program
The Mid-Program Review for the Fiscal Year 2016 class of SDP participants has just concluded, with excellent progress made and every participant seeming to be on course for successful completion of the program. These reviews help to ensure that participants are on track for success and pertains to the guidelines and values encouraged by the program itself: growth on a personal, professional, and communal level.

Collaboration
The Staff and Faculty Senates plan to meet with the leadership of the Graduate and Undergraduate Student Senates on January 20th to collaborate on an even more institutionally wide scale. (I will prepare an addendum to my report after this meeting for the final BOT report.)

Staff Senate Scholarship
The Staff Senate will be holding this year’s primary fundraiser event for the Staff Senate Scholarship Fund by hosting the Staff Senate Spring Soiree on Friday, April 8, 2016 at the Wren House in the Botanical Gardens. The event will begin at 5:00 p.m. offering Geology Museum tours and scavenger hunt, Nature Walk, BBQ and entertainment by DJ Jeff Bright and the Charles Wood Band. Ticket prices are $15 for adults; $10.00 for students with a valid ID; $5.00 ages 11-18; and no charge for children under 10. Ticket sales will cover event entry, refreshments, and entertainment.

We will also hold a silent auction. The auction is where we are hoping to raise the most money for the scholarship fund.

All proceeds from this event go directly into the Staff Senate Scholarship Fund, which awards 12 scholarships to children of staff members. Past events have received tremendous support from surrounding area businesses, and we greatly appreciate any contribution/donation.

I would be remiss if I didn’t take this opportunity to thank all of you that donate to our staff senate scholarship fund. Because of the generous support from staff and faculty as well as through our fundraising efforts, we are able to give 12 scholarships once a year at $1500 each to the children of our staff members. This program has been going strong for 26 years and we have been able to help so many students and especially their families. We are truly grateful to all of our donors for their support.
**Campus Involvement/Education**

There has been an ongoing movement within Student Affairs to offer an on-campus food bank for our students. The Senate wanted to help and grow this program to include staff in the future. The student leaders have developed a solid program to start this semester and we are helping in any way asked. From securing office furniture, shelving, etc. to asking for donations. This is a much need program that Clemson has needed. There is potential here to help anyone who is a part of Clemson with his or her food needs.

**Staff Accomplishments**

Continuing along with Clemson’s exceptional staff contributions, Jane Riese, an associate director of Safe and Humane Schools in Clemson’s Institute on Family and Neighborhood Life, recently participated in “Protecting Children from Bullying”, a United Nations event that brought together UN officials, bullying prevention experts, and child advocates alike. Riese talked about some effective methods in bullying prevention and plans to work with other nations on a report that will be presented during the UN’s 71st session this year on bullying prevention across the globe.

We are so proud that the local, and national, organizations outside of Clemson recognize the wonderful accomplishments and expertise of the staff that we have here.

Submitted by: Tina White, Staff Senate President

www.clemson.edu/staffsenate
PRESS RELEASE: SC legislative initiative would give state workers cost-of-living increase

State budget proposal announced today, effort has bipartisan support backed by Senators Courson and Jackson.

Too many state employees can’t afford to live. That was the resounding message at a press conference held today at the SC Statehouse.

The purpose of the event, organized by the S.C. State Employees Association (SCSEA), was to announce a state budget proposal, championed by Senators John Courson (R-Richland) and Darrell Jackson (D-Richland), that would give all state employees a five percent cost-of-living pay increase beginning in fiscal year 2016-17. Several legislators serving on the S.C. Senate Finance Committee, as well as the SCSEA executive committee and board of directors were on hand to announce the effort.

“State employees’ salaries in South Carolina have not kept pace with the rising costs of health care, insurance, food and other necessities. Many of them simply are not being paid a living wage,” said SCSEA Executive Director Carlton Washington.

Washington notes that 75 percent of state employees currently make less than $40,000 per year, not enough to secure a modest standard of living when factoring in housing, child care, transportation, taxes and other necessities. The annual budget for one parent and one child to live a “modest standard” in the Columbia, SC area, for example, based on the Economic Institute Family Budget Calculator is $43,694. More than 26,000 state employees fall below that level. Many of these employees have 12 to 15 years of service to the state.
State employees in South Carolina are at the bottom of the barrel when it comes to pay, ranking in the bottom 10 states nationally for average state employee salary, according to the U.S. Bureau of Labor Statistics.

“While wages have not been keeping pace with rising costs, state workers have had to pay more for retirement, health insurance premiums, and federal taxes, while also facing layoffs and furloughs. Many are working for less now than when they first started,” Washington said. He cites as an example the position of probation and parole officer in South Carolina, a critical job that requires a college degree. “Being a parole officer starts at around $26,000 per year. With that salary, there is no way to pay any school loans and support a family.” Senator Jackson, a primary supporter of the budget proposal, said state agencies face difficulties retaining employees because workers can earn dramatically more in the private sector or with county or municipal governments.

“With the current pay structure, it’s very difficult to retain quality employees in state government. Many workers are leaving for private-sector jobs, where they can make about 15 percent more to support their families,” Jackson said. “The state needs to start paying public employees more competitive salaries.”

Senator Courson, who has spearheaded the budget proposal and spoke at today’s event, said that during the economic downturn and as part of legislative efforts to streamline government, state employees across all sectors were asked to do more with less. He said he often hears of state employees taking on the jobs of three or four former colleagues with no pay increase.

This challenge is additionally complicated by South Carolina’s remarkable population growth. South Carolina is the nation’s 10th-fastest-growing state, increasing in population from 3.5 million in 1995 to just less than 5 million currently. Compared to 1995, South Carolina has more than 10,000 fewer state employees today.

“This year, as $1.2 billion in additional revenue is projected in our state, it’s time to fairly compensate our state employees for meeting the challenge of doing more with less,” Courson said.
Senators Courson and Jackson are members of the Senate Finance Committee. At today’s press conference, they announced plans to include the across-the-board pay increase for S.C. employees in the 2016-17 state budget. If the measure passes the Senate Finance Committee, it would move to the full Senate for debate. Washington said that he believes the House of Representatives members are interested in treating state employees fairly as well.

“South Carolina’s employees are essential to our continued health and economic vitality as a state. The only way to attract and retain a quality workforce is by paying a living wage, so state employees can afford to support their families,” said Washington. “In this season of economic growth, I would encourage our elected officials to examine what we need to do to maintain qualified, skilled state employees and to support this effort to give state workers a cost-of-living increase.”

For video footage of today’s press conference, please go to https://youtu.be/UP7qCtJ_d-w

About the SCSEA

The South Carolina State Employees Association (SCSEA) is a non-profit, non-partisan organization established to advance the welfare of state employees and retirees and to promote efficiency in the administration of the business affairs and public services of state government. For more information, please visit www.scsea.com.
The Student Veteran Resource Center and the Clemson Student Veterans Association will host the next Green Zone Training on Thursday, February 25th from 1-3pm in the Academic Success Center – Room 118.

Transitioning from military to civilian life can pose significant challenges to veterans. If faculty members are aware of these challenges, they will be better prepared to help student veterans integrate into the University setting.

If you're interested in attending, please RSVP to the Student Veteran Resource Center via the following form: https://stuaff.clemson.edu/forms/index.php?code=taqSAI9nJNLTs29

All email communication prior the workshop will be sent to those who have RSVP’d. If you have any questions, please contact John Fix at jpf@dvice@cmson.edu or 864-336-3494.
SC workers make less, pay more for benefits

Seanna Adcox, Associated Press Updated 3:37 pm, Friday, February 5, 2016

COLUMBIA, S.C. (AP) - A report on state workers' salaries shows they're underpaid compared with their counterparts in other states and local governments within South Carolina, plus they give up more of their paycheck for health care and retirement benefits than other public workers.

Rep. Mike Pitts said Friday the findings confirm what he thought when he pushed for the state-paid study during last year's budget debate.

"We certainly can't compete with private industry ... but we should be competitive with other states, and especially with local governments," said Pitts, R-Laurens, chairman of a House budget-writing panel for state law enforcement agencies.

State officers can earn an additional $5,000 or more by going to a local police or sheriff's department, costing the state millions in revolving-door training, Pitts said.

The Highway Patrol alone is losing roughly 100 troopers a year, he said.

"We're losing more troopers than we're training," he said. "The problem's already critical in law enforcement and corrections."

According to the report, state salaries in South Carolina lag other states' wages in comparable jobs by an average of 15 percent; in-state public jobs, by 16 percent; and in-state private-sector jobs, by 18 percent.

"This creates challenges both in recruitment and retention of qualified employees," reads the report by California-based Kenning Consulting. "Unlike in some other states where the overall competitiveness of the benefits package offsets the level of competitiveness of salaries, this is not the case."

South Carolina workers' 8.2 percent pension contributions are the highest among all Southeastern states and 3 percent higher than the national average for state workers. The 21 percent share that employees pay for their health insurance is higher than the typical range of 7 to 15 percent that workers in other state governments pay, according to the report.

It points out that the state's salary structure hasn't changed since 1995.
Although Pitts hopes the report leads to a salary overhaul, he doesn't expect the Legislature to respond to the findings in this year's budget. House budget panels are putting together that chamber's spending proposal for 2016-17.

After a review later this year, Pitts said, salary boosts should be phased in over the next four or five years.

"The cost to the state won't be a small price tag," he said.

Carlton Washington, executive director of the State Employees Association, said he didn't expect legislators to make any sweeping salary changes this year. That's why his group is pushing for a 5 percent cost-of-living increase in the budget for all state workers.

A bipartisan group of senators held a news conference last month to call for that increase. Its chances are unclear.

Employees haven't received a 5 percent raise across the board in at least two decades. The closest was 4 percent in 2005, according to the state Revenue and Fiscal Affairs Office.

Last fall, employees making less than $100,000 received a one-time $800 bonus. Otherwise, employees have received two across-the-board raises since 2008 - 3 percent in 2012 and 2 percent in 2014.

But past budgets have selectively granted higher raises. In 2014, state law enforcement officers who made less than $50,000 got a 5 percent boost. Last year, legislators approved raises of up to 15 percent to Department of Social Service caseworkers to help with retention. Also, state law allows agency directors to give raises at their discretion.

Washington said such "cherry-picking" is discouraging for employees "who are doing a service and not being paid a living wage."

The 2015-16 budget designated up to $300,000 for the study, after legislators overturned Gov. Nikki Haley's line-item veto of it. It ultimately cost the state about $217,700, according to the Department of Administration.
I. Policy Statement

Clemson provides a formal, consistent and documented procedure for separating from employment with the University.

Separations are an innate part of any organization. In cases where separation is not beneficial to both parties, it is Clemson University’s policy to make a reasonable attempt to resolve the underlying issue or conflict of interest before it results in separation. When retention is not in everyone’s best interest, Clemson strives to administer separations as fairly, humanely and consistently as possible and to provide information and assistance with the process throughout. In return, Clemson expects the employee to separate from employment in a manner that minimizes disruption to the workplace and affords the University the opportunity to achieve reasonable knowledge transfer.

All Clemson University employees are required to adhere to the practices and procedures established in this policy as well as those outlined in related procedural documents, including the Faculty Manual.

II. Reason for Policy

Appropriate staffing is critical to the University’s mission of providing education, research and public service to the citizens of South Carolina. Clemson University recognizes that there are situations where an employee will separate from the University due to changes in the wishes of the University or the individual.

To enable employees to separate from the University effectively and in compliance with federal and state regulations, the Office of Human Resources is available upon request for counseling and assistance with transitional benefits and regulatory issues.

Because separation triggers a chain of events for the University that involves expense, succession planning and transition, an employee’s notice of intent to separate is non-rescindable and Clemson expects the employee to be present in the interim to facilitate a smooth transition.

III. Entities Affected By This Policy

- All colleges/divisions of the University

IV. Who Should Read This Policy

- All paid employees of Clemson University. (This policy does not apply to student workers.)
- Department chairs, deans, and division heads in all colleges/divisions
- Hiring managers and supervisors in all colleges/divisions
- Human resources representatives

V. Web Address For This Policy
The Office of Human Resources will complete.

VI. Related Resources

<table>
<thead>
<tr>
<th>University Policies and Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Place text here. All documents go into one cell.</td>
</tr>
<tr>
<td>Benefits Counseling (Procedure) (pending)</td>
</tr>
<tr>
<td>Categories of Positions (Policy)</td>
</tr>
<tr>
<td>Compensation Policy and Compensation Guidelines</td>
</tr>
<tr>
<td>Discipline Policy</td>
</tr>
<tr>
<td>Discipline for Non-Covered Employees</td>
</tr>
<tr>
<td>Hiring Policy (pending)</td>
</tr>
<tr>
<td>Faculty Manual</td>
</tr>
<tr>
<td>Grievance Policy (pending)</td>
</tr>
<tr>
<td>Job Abandonment Procedure (pending)</td>
</tr>
<tr>
<td>Employee Death Protocol (pending)</td>
</tr>
<tr>
<td>Naming of Facilities and Erecting Plaques, Monuments, Major Markers and Artwork Policy</td>
</tr>
<tr>
<td>Records Management</td>
</tr>
<tr>
<td>Reduction in Force Policy</td>
</tr>
<tr>
<td>Supplemental Retirement (Procedure)</td>
</tr>
<tr>
<td>Woodland Cemetery Policy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>External Documentation</th>
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</thead>
<tbody>
<tr>
<td>Place text here. All documents go into one cell.</td>
</tr>
<tr>
<td>PEBA-Approved State Retirement Plans</td>
</tr>
<tr>
<td>PEBA Retirement Insurance</td>
</tr>
<tr>
<td>Retirement Application forms</td>
</tr>
<tr>
<td>Retirement: It’s Your Choice: SCRS Plan or State ORP?</td>
</tr>
<tr>
<td>Returning to Covered Employment after Retirement</td>
</tr>
<tr>
<td>SC Code of Laws Section 8-11-10 and Section 8-11-230 (6)</td>
</tr>
<tr>
<td>SC Code of Laws Section 44-107-10 through 44-107-90</td>
</tr>
<tr>
<td>SC State Regulations Sections 19-710.04.B.5 and 19-717</td>
</tr>
<tr>
<td>State Employee Grievance Procedure Act</td>
</tr>
<tr>
<td>TERI Program</td>
</tr>
</tbody>
</table>

| University Forms and Systems |
“Systems” are online applications or other software that one can use to complete a task required by this policy.

Disciplinary Summary Report form
Employee Dismissal Letter template
Notice of Intent to Separate template (pending)
Offboarding Webpage (pending)
PeopleSoft
Clemson University Separation Checklist (Departmental)
Clemson University Separation Checklist (Separating Employee)
Separation from Employment form (Departmental)

**VII. Contacts**

<table>
<thead>
<tr>
<th>Subject Matter (alphabetical order)</th>
<th>Office Name (not the name of an individual)</th>
<th>Telephone Number (XXX) XXX-XXXX</th>
<th>E-mail/Web Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Clarification and Interpretation</td>
<td>The Office of Human Resources (OHR)</td>
<td>864-656-2000</td>
<td>Ask-HR</td>
</tr>
<tr>
<td>Benefits, including Retirement</td>
<td>PEBA</td>
<td>803-737-6800 800-868-9002 (S.C.)</td>
<td>PEBA</td>
</tr>
<tr>
<td>Faculty Manual</td>
<td>The Faculty Senate Office</td>
<td>864-656-2456</td>
<td></td>
</tr>
<tr>
<td>Guidance on Separation</td>
<td>OHR</td>
<td>864-656-2000</td>
<td>Ask-HR</td>
</tr>
</tbody>
</table>
### VIII. Definitions

<table>
<thead>
<tr>
<th>Term (alphabetical order)</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered Employee</td>
<td>A full-time or part-time employee occupying a part or all of an FTE position who has completed the probationary period and has a “successful” or higher overall rating on the employee’s performance evaluation and who is not exempt from coverage under the State Employee Grievance Procedures Act.</td>
</tr>
<tr>
<td>Defined Benefit Plan</td>
<td>A retirement plan that bears the investment risk and provides a monthly annuity based on a statutory formula rather than the balance in a member’s account.</td>
</tr>
<tr>
<td>Defined Contribution Plan</td>
<td>A retirement plan in which the member chooses how to invest funds within the plan’s investment options. The member bears the risk, and the retirement benefit consists of the balance in the account when the member retires.</td>
</tr>
<tr>
<td>Dismissal</td>
<td>Involuntary separation from employment for cause (misconduct or substandard performance).</td>
</tr>
<tr>
<td>Employee</td>
<td>Any individual being compensated by Clemson University in exchange for performing specific job duties in a position not designated as a student position.</td>
</tr>
<tr>
<td>Exit Interview</td>
<td>A survey conducted when an employee separates from the University. The information from each interview is used to gather data and provide feedback on why employees leave, what they liked (and didn’t like) about working at the University and areas for improvement.</td>
</tr>
<tr>
<td>FTE Position</td>
<td>Full-time equivalent position (FTE) is a full- or part-time permanent position authorized by the General Assembly.</td>
</tr>
<tr>
<td>Good Standing</td>
<td>Status of employees who separate from the University in such a way as to minimize the disruption in operations. See the Separation Checklist for guidance.</td>
</tr>
<tr>
<td>Grievance</td>
<td>A complaint filed by an employee with grievance rights (or the employee's representative) regarding an adverse employment action.</td>
</tr>
<tr>
<td>HR Partner</td>
<td>An employee of the Office of Human Resources assigned to a college or division to support the specific needs of that discipline. HR partners provide guidance, compliance assistance, and support for separation-related needs.</td>
</tr>
<tr>
<td>Intermittent Position</td>
<td>A non FTE part-time position used for as-needed or sporadic employment.</td>
</tr>
<tr>
<td>Job Abandonment</td>
<td>A voluntary separation instigated by an employee’s failure to report to work for three consecutive work days without directly notifying the supervisor of the reason for the absence.</td>
</tr>
<tr>
<td>Non-FTE</td>
<td>Any non-permanent position, including temporary, intermittent, time-limited, temporary grant or short term project employment, with Clemson University.</td>
</tr>
<tr>
<td>Notice of Intent to Separate</td>
<td>Written or oral notification of intent to separate. This notice must be given, when possible, in the timeframe required by the position and is non-rescindable.</td>
</tr>
<tr>
<td><strong>Offboarding</strong></td>
<td>Offboarding is the formal process for managing the end of an employee’s appointment with the university. Offboarding ensures that employee separations are compliant, timely and consistent.</td>
</tr>
<tr>
<td><strong>Onboarding</strong></td>
<td>A strategic process designed to attract and engage new employees, reaffirm their employment decision, acclimate them into the organization’s cultural and social fabrics, and prepare them to contribute at a desired level as quickly as possible.</td>
</tr>
<tr>
<td><strong>PEBA</strong></td>
<td>The South Carolina Public Employee Benefit Authority, which regulates and manages state retirement and insurance plans.</td>
</tr>
<tr>
<td><strong>PORS</strong></td>
<td>The Police Officers Retirement System is a 401(a) defined benefit retirement plan administered by the PEBA that covers certain police officers, firefighters, peace officers, coroners, magistrates and probate judges.</td>
</tr>
<tr>
<td><strong>Records Management</strong></td>
<td>A set of state-regulated guidelines that outline which personnel records must be retained when an employee leaves the University and how long the records must be kept.</td>
</tr>
<tr>
<td><strong>Resignation</strong></td>
<td>A voluntary separation from employment communicated to the supervisor in accordance with the process specified for the position. To resign in good standing, the employee is expected to adhere to the guidelines outlined on the Separations Checklist.</td>
</tr>
<tr>
<td><strong>Retiree</strong></td>
<td>A retiree is an employee who 1) has separated from employment with a S.C. state agency and 2) is eligible for and has elected to receive state retirement benefits.</td>
</tr>
<tr>
<td><strong>Retirement</strong></td>
<td>When an employee separates from employment with a S.C. state agency and is eligible for and is electing to receive state retirement benefits.</td>
</tr>
<tr>
<td><strong>Retirement Application</strong></td>
<td>Employees retiring from SCRS or PORS benefit plans must submit this form to PEBA to receive retirement benefits.</td>
</tr>
<tr>
<td><strong>Retirement Incentive Program (RIP)</strong></td>
<td>The RIP is a voluntary incentive program used by colleges/divisions to adjust personnel numbers within their area. The RIP offers an incentive to eligible faculty and staff to retire (or retire early) within a timeframe established by the program, and participation is at the discretion of the eligible employee. Eligibility is based on both state retirement rules and the specific criteria of the college/division, as the RIP offers state agencies flexibility in establishing their own requirements.</td>
</tr>
<tr>
<td><strong>SCRS</strong></td>
<td>The South Carolina Retirement System is a 401(a) defined benefit plan.</td>
</tr>
<tr>
<td><strong>Service Buy-In</strong></td>
<td>Active members of SCRS/PORS may establish additional service credit for various types of previous employment or leaves of absence, and up to five years of non-qualified service (service not associated with any specific employment).</td>
</tr>
<tr>
<td><strong>State ORP</strong></td>
<td>The State Optional Retirement Program is a 401(a) defined contribution plan.</td>
</tr>
<tr>
<td><strong>Succession Planning</strong></td>
<td>Proactive planning on the part of the manager to achieve knowledge transfer and a smooth transition from incumbent to successor.</td>
</tr>
<tr>
<td><strong>Temporary Position</strong></td>
<td>A non-FTE position that does not exceed 12 months in duration.</td>
</tr>
<tr>
<td><strong>TERI Program</strong></td>
<td>The Teacher and Employee Retention Incentive (TERI) program is a deferred retirement option plan available to retiring employees with</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
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<td>-------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>membership in the South Carolina Retirement System (SCRS) prior to July 1, 2012.</td>
<td>A non-FTE full- or part-time position funded by time-limited project funding and lasting 1-3 years, with a renewable option to extend.</td>
</tr>
<tr>
<td><strong>Time-limited Position</strong></td>
<td>A non-FTE full- or part-time position funded by time-limited project funding and lasting 1-3 years, with a renewable option to extend.</td>
</tr>
<tr>
<td><strong>Temporary Grant Position</strong></td>
<td>A non-FTE full- or part-time position funded by a grant and lasting 1-3 years, with a renewable option to extend.</td>
</tr>
<tr>
<td><strong>Termination</strong></td>
<td>An involuntary separation from employment instigated by the University for institutional contingencies or financial exigencies. Includes separations stemming from a reduction in force.</td>
</tr>
<tr>
<td><strong>Voluntary Incentive Program</strong></td>
<td>State-approved programs that offer an incentive to eligible faculty and staff to separate from the University. Voluntary Incentive programs are available to Clemson when the University finds it necessary to realign resources and/or permanently downsize one or more area, and participation is at the discretion of the eligible employee.</td>
</tr>
<tr>
<td><strong>Voluntary Separation</strong></td>
<td>A separation from employment with the University that is instigated by the employee. Includes resignation, retirement, failure to return to work following the expiration of leave, and job abandonment.</td>
</tr>
<tr>
<td><strong>Voluntary Separation Plan (VSP)</strong></td>
<td>A voluntary incentive program used to adjust personnel numbers within areas of the University. The VSP offers an incentive to eligible faculty and staff to separate from the University, and participation is at the discretion of the eligible employee.</td>
</tr>
</tbody>
</table>
## IX. Responsibilities

<table>
<thead>
<tr>
<th>Responsible Party (alphabetical order)</th>
<th>List of Responsibilities</th>
</tr>
</thead>
</table>
| Area Representative in Charge of Disciplinary Decisions | Involuntary Separations:  
- Coordinate with OHR Employee Relations unit  
- Review and sign off on Disciplinary Summary Report |
| Chief Human Resources Officer | Voluntary Separations:  
- Review for approval any request from an employee to rescind notice of intent to separate or to change the date of separation.  
- Review for approval any request from an employee to take annual leave or unpaid leave during the two-week period preceding separation.  
Retirement:  
- Review for approval any request from a hiring manager to waive application/posting when hiring a retiree into a temporary position at Clemson.  
Involuntary Separations:  
- Act as a resource for VPs/division heads for decisions on terminations and dismissals. |
| Employee | All Separations:  
- Perform tasks required on the Separations Checklist.  
Voluntary Separations:  
- Frankly discuss intent to separate with supervisor or such other official as would be appropriate as far in advance as possible.  
- Provide written or oral notice of intent to separate from the University in the timeframe required by the position. (For specific timeframes, see “Notice of Intent to Separate” in the Procedure section below.)  
- Make a good faith effort to ensure the transfer of operational knowledge and intellectual property of Clemson University. (Staff members may not take annual or unpaid leave during the final two weeks of employment.)  
Retirement:  
- Elect to enroll in a state retirement plan within 30 days of employment.  
- Notify OHR at least six weeks prior to planned retirement date (if requesting University assistance with the process).  
- SCRS & PORS participants file a retirement application no more than six months before intended retirement date.  
- SCRS & PORS retirees monitor annual earnings and comply with post-retirement earnings limitations. |
| Hiring Manager | Retirement:  
- When hiring employees retired from any state of South Carolina agency (including re-hiring an individual retired from Clemson University), maintain compliance with Clemson’s Hiring and Compensation Policies. |
<table>
<thead>
<tr>
<th><strong>HR Partner</strong></th>
<th>All Separations:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Complete Separation from Employment form and submit to the appropriate OHR units for follow up.</td>
<td></td>
</tr>
<tr>
<td>• Initiate the separation by entering the information into CUBS.</td>
<td></td>
</tr>
<tr>
<td>• Forward notice of intent to separate to OHR’s Records unit.</td>
<td></td>
</tr>
<tr>
<td>• Verify employment records for final payout.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>OHR Benefits Unit</strong></th>
<th>All Separations:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Upon receipt of Separation from Employment form, evaluate and offer employee information and assistance, including continuation of benefits, when appropriate.</td>
<td></td>
</tr>
<tr>
<td>• Coordinate with HR partner to verify employment records for final payout.</td>
<td></td>
</tr>
<tr>
<td>• Calculate final leave payout if applicable.</td>
<td></td>
</tr>
<tr>
<td>• Send any applicable benefits-related tax forms to the separating employee when the tax forms become available.</td>
<td></td>
</tr>
<tr>
<td><strong>Voluntary Separations:</strong></td>
<td></td>
</tr>
<tr>
<td>• Analyze personnel data to estimate employee-eligibility counts under various VSP and RIP models.</td>
<td></td>
</tr>
<tr>
<td><strong>Retirement:</strong></td>
<td></td>
</tr>
<tr>
<td>• Upon request, inform and assist employees with retirement planning, retirement benefits or any other retirement-related questions regarding retirement plans offered by Clemson University.</td>
<td></td>
</tr>
<tr>
<td>• Upon request, enroll the new employee in a retirement plan.</td>
<td></td>
</tr>
<tr>
<td>• Upon request, submit retirement application for a retiring employee.</td>
<td></td>
</tr>
<tr>
<td>• When a retiree is hired by the University, achieve compliance with PEBA insurance guidelines.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>OHR Classification and Compensation Unit</strong></th>
<th>All Separations:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Retirement:</td>
<td></td>
</tr>
<tr>
<td>• Achieve compliance with Clemson’s Compensation Policy and procedures when hiring a S.C. state retiree.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>o Perform market analysis to establish compensation range</td>
</tr>
<tr>
<td></td>
<td>o Review and approve compensation for job offer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>OHR Database</strong></th>
<th>All Separations:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• In accordance with state and federal regulations, maintain, archive and destroy personnel records of employees who have separated from the University.</td>
<td></td>
</tr>
<tr>
<td><strong>Retirement:</strong></td>
<td></td>
</tr>
<tr>
<td>• Monitor one-year rule for retirees waived into a position.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>OHR Employee Relations</strong></th>
<th>All Separations:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Schedule, reviews and conducts exit interviews, when appropriate, both online and in person.</td>
<td></td>
</tr>
<tr>
<td>• Provide access to records, when requested, including last tax statement.</td>
<td></td>
</tr>
<tr>
<td><strong>Involuntary Separations:</strong></td>
<td></td>
</tr>
<tr>
<td>• Coordinate with area representative in charge of disciplinary decisions.</td>
<td></td>
</tr>
<tr>
<td>Role</td>
<td>Responsibilities</td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| OHR Onboarding       | **Retirement:**
|                      | - Upon notification of hire, send email to new employee with link to “Enrollment Information Regarding Your Comprehensive Benefits Package.” |
|                      | **All Separations:**
|                      | - Schedule exit interviews, when appropriate, both online and in person
|                      | - Upon receipt of notice of intent to separate, send offboarding email to employee along with a link to the guidelines for separating from employment. |
| OHR Offboarding      | **Retirement:**
|                      | - When hiring a retired employee, achieve compliance with Clemson’s Hiring Policy and procedures. |
|                      | **All Separations:**
|                      | - Final paycheck
|                      | - Send IRS Form W-2 to the separated employee when the form becomes available. |
| OHR Recruitment Unit | **Retirement:**
|                      | - When hiring a retired employee, achieve compliance with Clemson’s Hiring Policy and procedures. |
|                      | **All Separations:**
|                      | - Handle separation in good faith as expeditiously as practical and in the best interest of all concerned.
|                      | - Engage in succession planning in a timely manner.
|                      | - Complete Separations Checklist.
|                      | **Voluntary Separations:**
|                      | - Receive written or oral notice of intent to separate.
|                      |   - If oral:
|                      |     - Create written documentation using Notice of Intent template.
|                      |     - Obtain signature of resigning employee, if possible.
|                      |     - Obtain signatures of all witnesses to the resignation.
|                      | - Forward notice to the division’s HR partner.
|                      | **Involuntary Separations:**
|                      | - Coordinate dismissals with OHR’s Employee Relations unit. |
| Vice President/Division Head | **Involuntary Separation:**
|                      | - Review for approval all terminations and dismissals within the area under his or her jurisdiction. |
|                      | **Retirement:**
|                      | - In conjunction with the CHRO, review for approval all exceptions to the hiring process (apply and compete requirements) when hiring a retiree. |
X. Principles

Clemson University is committed to retaining top talent. In support of this goal, Clemson strives to promptly address issues that threaten to provoke employees to separate from the University when retention may be beneficial to both parties. Likewise, the employee is asked to discuss the situation frankly with his or her supervisor, or with such other official as would be appropriate, prior to deciding to leave the University. University representatives will see that the matter is handled in good faith, as expeditiously as practical, and in the best interest of all concerned.

In cases where retention is not in the best interest of all parties, Clemson strives to administer separations as fairly, humanely and consistently as possible and to provide information and assistance with the process throughout.

It is Clemson’s goal to use succession planning to achieve successful transition and transfer of knowledge when an employee leaves the University. Succession planning involves action on the part of both the separating employee and management.

1) The employee is expected to separate in such a way as to afford the University the opportunity to implement succession planning and avoid information gaps.
2) Management is expected to utilize succession planning such that, when given proper notice of intent to separate, the University is prepared for a timely and smooth transition.

At times it becomes necessary to dismiss an employee due to serious misconduct or substandard performance. Any employee can be dismissed for cause. All dismissals are subject to the procedures outlined in the Discipline Policy, the Performance Management Policy or the Faculty Manual. Dismissals are reviewed and approved by the vice president in consultation with the Office of Human Resources.

The University reserves the right to terminate employees should institutional contingencies or financial exigencies make such action necessary. In such cases, Clemson will make reasonable effort to reassign employees to other areas of the University. If it comes to involuntary separation, however, it is Clemson’s policy to terminate employees in a fair manner that upholds University principles and complies with state regulations.

Retirement is a unique form of separation in that it demands compliance and planning from the onset of employment with a state agency. Thus Clemson offers information and assistance to employees from the onset to help plan and prepare for retirement, and, when the time comes, to navigate the retirement process.

Clemson provides short-term, post-retirement employment opportunities for retirees. In accordance with the University’s goal of attracting top talent, retirees, as with any job candidates, are subject to the University’s hiring and compensation policies. Specifically, retirees seeking reemployment with Clemson must compete for the position and be compensated based on a market analysis of the position.
XI. Procedures

INTRODUCTION

This document provides guidance and mandated, high level procedures for separations from employment with Clemson University. For the purpose of this policy, separations are broken down into three categories:

- Voluntary separations
  - Resignation
    - Voluntary Separation Program (VSP)
    - Intra-agency Transfer
    - Inter-agency Transfer
  - Retirement
    - Retirement Incentive Plan (RIP)
  - Failure to return to work after expiration of leave options
  - Job abandonment
- Involuntary separations
  - Termination (institutional contingencies/financial exigencies)
  - Dismissal (for cause)
    - Misconduct
    - Substandard Performance
    - Probationary Dismissal
  - Intra-agency Transfer
    - Reduction in Force
    - Substandard Performance
- Other types of separation
  - Expiration of Appointment
    - End of contract
    - Failure to procure continuing funding (temporary grant positions)
    - End of job (includes intermittent employees who have not worked for 12 months or more)
  - Death

ALL SEPARATIONS

The Office of Human Resources manages all separations from employment with the University. All separations must be reported to OHR, where they will be processed and documented. In accordance with state and federal regulations, OHR maintains, archives and disposes of personnel records of employees who have separated from the University.

VOLUNTARY SEPARATIONS:

A voluntary separation is when an employee leaves a job on his or her own initiative, through resignation, retirement, failure to return to work after expiration of leave, or job abandonment. In accordance with the State Employee Grievance Act, voluntary separations are not grievable.

When an individual separates from employment, a chain of events is triggered that involves expense, planning and transition on the part of the University. Therefore, in order to separate in good standing, an employee is expected to follow the procedures listed below.
Notice of Intent to Separate

Any employee may separate from the University by tendering written or oral notice to the appropriate supervisor. A Notice of Intent to Separate template is available for use. If intent to separate is tendered verbally, the notice should be documented by the supervisor by either writing out the notice or completing the Notice of Intent to Separate template. The supervisor should attempt to procure on the document the signature of the separating employee and all witnesses to the oral notice.

It is the responsibility of the supervisor to forward the notice of intent to the college/division’s HR partner. The HR partner, in turn, is responsible for initiating and processing the separation and forwarding applicable documents to OHR for filing in the personnel file in compliance with state retention regulations.

Non-faculty are expected to give notice, when possible, at least two weeks prior to the intended separation date. Additional advance notice beyond this period may be expected. In situations where two weeks is not a realistic timeframe for a reasonable knowledge transfer, supervisors should communicate to the employee the need for additional time.

Faculty members, in accordance with the Faculty Manual and professional ethics, are expected to consider the needs of students and obligations to the academic community in scheduling such a departure. Faculty are expected to give the University the maximum feasible notification. Faculty should refer to the Faculty Manual for specifics regarding notice of intent to separate.

Notice of intent to separate may not be rescinded, nor may the planned separation date be changed, except with the approval of the Chief Human Resources Officer (CHRO).

In the case of retirement, the Office of Human Resources recommends that employees provide written notice at least six weeks prior to the planned retirement date in order to avoid processing delays and to take full advantage of assistance from the University.

Restriction on Leave-taking

Staff Member Leave-taking

In order that managers have the opportunity to implement a reasonable and smooth transition, separating staff members may not take annual leave or unpaid leave during the two-week period preceding separation from the University, except with the approval of the CHRO.

Faculty Leave-taking

Due to the extended timeframe expected of faculty/special faculty when giving notice, the two-week period preceding separation is not necessarily vital to reasonable knowledge transfer. Therefore, leave-taking is not restricted during this timeframe, except by the necessity to honor existing commitments.

Offboarding

Employees separating from the University are offered information and assistance through Clemson’s Offboarding program, including a checklist of requirements and recommended actions to facilitate the transition for the employee and the University community.
Exit Interview

Clemson University requests that every employee who separates from the University participate in an exit interview. For information on the exit interview process, please see the exit interview link in the related resources section of this policy.

Separating in Good Standing

In order for an employee to separate in good standing, Clemson expects the employee to perform the following tasks:

1. Submit written or oral notice of intent to separate, when possible, within the timeframe requested for your position.
   a. Applies to voluntary separations only.
   b. Notice is assumed for expiration of leave.
   c. Signing a contract to participate in a VSP or RIP constitutes notice of intent to separate.
2. Return all University property to supervisor, HR partner, or designated University official.
3. Settle all outstanding accounts (example: University Libraries, Parking Services).
4. Make a good faith effort to ensure the transfer of operational knowledge and intellectual property of Clemson University.

See the Clemson University Separation Checklist for details.

Voluntary Incentive Programs

In accordance with South Carolina state regulations, Clemson University reserves the option to implement state-approved incentive programs in order to realign resources and/or permanently downsize. The decision to implement a voluntary incentive program is made by a vice president, division head or dean and is based on the strategic business needs and priorities of the college/division. Approval is based on the agency’s ability to demonstrate recurring cost savings.

Separation Program (VSP)—may be offered, and participation is at the discretion of the eligible employee. Participation in a voluntary incentive plan constitutes a voluntary separation from employment with the University and is not grievable.

Retirement Incentive Plan (RIP)

When implemented, the RIP offers an incentive to eligible employees who are members of the South Carolina Retirement System (SCRS) or the Police Officers Retirement System (PORS) to retire or retire early.

Voluntary Separation Program (VSP)

When implemented, the VSP offers an incentive to eligible employees to separate from employment with the University.

Information on voluntary incentive programs can be obtained through Clemson’s Office of Human Resources (OHR). OHR is available to develop and implement an incentive program tailored to the objectives of the college/division.
TYPES OF VOLUNTARY SEPARATION

Resignation

An employee who resigns shall be considered to have separated voluntarily from the University.

Any employee may resign from Clemson University by presenting written or oral resignation to the appropriate supervisor or other appropriate University representative.

An employee who intends to resign is expected to discuss the subject frankly with his or her supervisor, or with such other official as would be appropriate, as far in advance as possible. The supervisor will see that the matter is handled in good faith, as expeditiously as practical, and in the best interest of all concerned.

Intra-agency Transfer

To maintain compliance with state and federal regulations, Clemson utilizes separation as a method of transferring an existing employee from one area of the University to another to maintain security of personnel records. Intra-agency transfers occur with no break in service.

Inter-agency Transfer

An inter-agency transfer occurs when an employee resigns to accept employment in another S.C. state agency. An inter-agency transfer can occur with or without a break in service. OHR recommends that employees meet with a Benefits counselor to determine the impact a transfer will have on their specific benefits.

Retirement

An employee who retires shall be considered to have separated voluntarily from the University.

Retirement Planning for New Employees

From the time an individual secures employment at Clemson, the University offers information and assistance for planning and preparing for retirement in order to help the employee make an informed decision regarding a retirement plan. Through the University’s Onboarding program, the Office of Human Resources addresses the initial steps of the retirement process, including benefits counseling, enrollment in a PEBA-approved state retirement plan (or election of non-membership), consideration of service buy-in options and engagement in retirement planning.

For up-to-date retirement enrollment information please visit TigersAtWork, Clemson’s onboarding webpage.

State retirement plans: eligibility, election and enrollment

All paid employees of Clemson University are eligible to participate in the state retirement benefits and are required by the state of South Carolina to elect to enroll in a PEBA-approved state retirement plan or elect non-membership. Per state regulations, only temporary employees with no funds in the state retirement system may elect non-membership.
Each eligible employee must make a South Carolina state retirement election within the first 30 days of employment or membership will irrevocably default into the SCRS defined benefit plan. If a break in service occurs, however, the 30-day election period begins anew. In accordance with PEBA guidelines, a break in service for the sole purpose of renewing the 30-day election period does not, in fact, qualify the employee for a new 30-day election period.

PEBA-Approved State Retirement Plans:

- The South Carolina Retirement System (SCRS)
- The State Optional Retirement Program (State ORP)
- The Police Officers Retirement System (PORS)

Up-to-date information on PEBA-approved retirement plans is available at PEBA’s New Employee Resource Center or through an OHR benefits counselor.

Considerations

- Service Buy-In Options: Active members of SCRS/PORS can establish additional service credit for various types of previous employment or leaves of absence, and up to five years of non-qualified service. See PEBA’s Retirement Benefits page for more information.
- The Teacher and Employee Retention Incentive (TERI) Program allows employees with membership in the South Carolina Retirement System (SCRS) prior to July 1, 2012, to retire and begin accumulating retirement benefits on a deferred basis without terminating employment.

Retiring

Clemson offers information and assistance for navigating the retirement process such that transitional issues are minimized for both the employee and the University. Employees are encouraged to meet with an OHR benefits counselor for information and/or assistance.

Eligibility

To be eligible to retire from Clemson University, an employee must be eligible to receive state retirement benefits, including retiree insurance (funded or non-funded) and/or SCRS/PORS monthly annuity payments.

In accordance with PEBA guidelines, SCRS/PORS participants must meet certain service criteria to be eligible for retirement from their state retirement plan. State ORP participants are vested immediately and have no service eligibility requirements for retirement. Up-to-date eligibility requirements can be found at PEBA’s Retirement Benefits page.

Retirement eligibility may be affected by an employee’s disability status with the Social Security Administration. Disabled employees are encouraged to meet with a Benefits counselor to determine eligibility.

Retirement from the SCRS or PORS defined benefit plan

Concurrent to retiring from the University, SCRS/PORS plan members are typically also retiring from their retirement plans. In accordance with PEBA’s guidelines, employees enrolled in an SCRS or PORS defined benefit plan must submit a retirement application to PEBA in order to begin receiving monthly benefits.
Retirement Application (SCRS/PORS)

Retirement Application forms can be filed up to six months prior to the planned retirement date. Application forms can be processed directly through the state of South Carolina or through Clemson University’s Office of Human Resources. To file through the University, however, you must be actively employed by Clemson. Employees in ORP retirement plans or those who elected non-membership are not required to file retirement applications.

TERI

In accordance with PEBA’s guidelines, an employee who is eligible for service retirement can elect to participate in the Teacher and Employee Retention Incentive (TERI) program when he or she completes the retirement application. For up-to-date information on the TERI program, see [PEBA’s website].

Retired Faculty and Staff

Clemson University allows retired faculty and staff to use as many of its facilities and services as is practicable. Services that retired faculty and staff can request continued use of include, but are not limited to, parking permits, library privileges, Fike Recreation Center membership and access to University email accounts. For more information, please see Clemson’s Faculty Manual.

Emeritus Faculty

Eligible retired faculty receive the title of Emeritus or Emerita appended to their professorial rank upon official retirement. For details, please see Clemson’s Faculty Manual.

Post-Retirement Employment

Eligibility

Retirees seeking re-employment at Clemson University are eligible for non-FTE positions only, which include the following: temporary, intermittent, time-limited and temporary grant positions. During the hiring process, it is the responsibility of OHR’s Recruitment unit to achieve eligibility compliance. If it is found that a retiree has been hired into an FTE position, OHR will adjust the position to a non-FTE classification.

Hiring

When hiring a retiree, the hiring manager must adhere to the University’s Hiring Policy and procedures. Specifically, the hiring manager must require any retiree seeking employment with Clemson to apply for and compete for the position.

With prior approval from the Chief Human Resources Officer and the VP/division head, however, a hiring manager can rehire a retired employee into a non-FTE position at the University for a period of 12 months or less without requiring the candidate to apply for or compete for the position. This exception is not renewable or extendable and is reserved for situations where adequate succession planning is not possible.

Deciding Compensation
As with any other hire at the University, when hiring a retiree, the hiring manager is required to base compensation on 1) a market analysis of the position description and 2) the candidate’s qualifications. The hiring manager is required to adhere throughout to the current compensation process as outlined in the University’s Compensation Policy and Guidelines, including obtaining approval from OHR’s Classification and Compensation unit for offered compensation.

**Insurance Coverage**

In accordance with PEBA guidelines, any Medicare-eligible retiree (65+) working in a position eligible for South Carolina state active employee insurance coverage 1) cannot be covered as a retiree with PEBA insurance benefits and 2) must either enroll in coverage as an active employee or have no insurance coverage with PEBA. It is the responsibility of OHR’s Benefits unit to achieve compliance with these PEBA guidelines.

**Complying with Earnings Limitation**

In accordance with PEBA guidelines, retirees from the SCRS or PORS defined benefit plan are subject to the following earnings limitation: Effective January 2, 2013, any employee who retired or entered the TERI program before reaching age 62 who then returns to covered employment and earns more than $10,000 per year in salary from any South Carolina state agency will forgo the retirement distribution for the remainder of the calendar year in which the limit was exceeded.

The $10,000 earnings limitation does not apply to the following categories of retirees:
- SCRS/PORS members who retired or entered into the TERI program prior to January 2, 2013
- SCRS members who retired or entered the TERI program after they reached age 62
- PORS members who retired after they reached age 57
- ORP participants

Employees are responsible for monitoring their earnings from South Carolina state agencies and complying with the PEBA earnings limitation. This limitation applies to any Clemson employee who is retired from the SCRS or PORS defined benefit plan, regardless of which S.C. state agency he or she retired from.

**Failure to Return to Work Following Expiration of Leave Options**

It is Clemson’s policy to offer leave options to employees who have medical certification of an illness or injury but have exhausted their paid leave. Available leave options include leave pool and unpaid leave. Failure to return to work after leave options have been exhausted is considered a voluntary separation from employment.

**Job Abandonment**

A staff member is considered to have abandoned his or her job when the staff member has failed to report to work or call in and directly notify the supervisor of the reason for absence from work for three consecutive work days. Likewise, a staff member is considered to have abandoned his or her job when the staff member fails to return to work or directly notify the supervisor of the reason for absence within three consecutive working days after any approved leave of absence, disciplinary suspension, or recall from layoff status.
In accordance with the University’s discipline policy, a staff member who fails to report to work for one to two days is subject to disciplinary action. A third day constitutes job abandonment, at which point the staff member will have separated voluntarily from employment with Clemson University.

A faculty/special faculty member who fails to report to his or her job is subject to discipline up to and including dismissal as outlined in the Faculty Manual.

**IN VOLUNTARY SEPARATIONS**

Clemson University requires supervisors to work through the Office of Human Resources for all involuntary separations. Supervisors are expected to work with OHR throughout the process to protect the interests of the employee and the University and achieve compliance with state and federal law and University policy.

**Grievance Rights**

In the case of involuntary separations, employees with grievance rights retain those rights. For specifics on the grievance process, see Clemson’s Grievance Policy or the Faculty Manual.

**Termination (institutional contingencies/financial exigencies)**

Clemson reserves the right to terminate employees should institutional contingencies or financial exigencies make such action necessary.

- Terminations of covered employees must follow a consistent process and be applied in a fair manner, as described in Clemson’s Reduction in Force Policy.
- Terminations of faculty/special faculty members must follow a consistent process and be applied in a fair manner, as outlined in the Faculty Manual.

**Approvals**

All terminations require the review and approval of the vice president/division head in consultation with the chief human resources officer.

**Dismissal (for cause)**

**Terminal Pay (Severance Pay)**

There is no terminal pay allowance or severance pay for Clemson University employees. Additionally, all dismissals are effective immediately upon notification of the employment action.

**Approvals**

All dismissals require the review and approval of the vice president/division head in consultation with the chief human resources officer.

**Misconduct**
In accordance with Clemson’s discipline policies, employees can be dismissed in response to the following general forms of misconduct:

- Violation of federal or state law/regulation
- Failure to abide by University policy
- Repeated lesser misconduct as outlined in the discipline policies

For procedural specifics on dismissal due to misconduct, please see the following sources:

- For misconduct by a covered employee, see Clemson’s Discipline Policy.
- For misconduct by a faculty/special faculty member, see the Faculty Manual.
- For misconduct by a non-covered, non-faculty employee, see Clemson’s Discipline for “Non-Covered” Employees Policy.

**Substandard Performance**

In accordance with the University’s performance management policies, employees can be dismissed due to substandard performance. Any such dismissals require documentation of substandard performance.

For procedural specifics on dismissal due to substandard performance, please see the following sources:

- For substandard performance by a covered employee or an employee in a probationary period, see Clemson’s Employee Performance Policy and Probationary Period and Trial Status Policy.
- For substandard performance by a faculty/special faculty member, see the Faculty Manual.

**OTHER TYPES OF SEPARATION**

**Expiration of Appointment**

Separation from employment due to expiration of appointment may occur in one of the following employment situations:

- End of contract (contract-based positions)
- End of grant (temporary grant positions)
- End of job (time-limited positions and intermittent positions when the employee has not worked for 12 months or more)
- Non-reappointment (faculty/special faculty)

For specific policy and procedures regarding the expiration of appointment for a faculty/special faculty member, see the Faculty Manual.

**Death**

Clemson University strives to respond to the death of an employee with sympathy and in a way that is supportive and considerate of colleagues, family and friends while ensuring that all official actions required for separation are taken. While each life and death is unique, and individual
judgment is always necessary, the University has developed an *Employee Death Protocol* to help the University community respond thoroughly, consistently and respectfully to the needs of the University as well as those of the deceased’s family and friends.
General Information

Open Enrollment changes are now reflected on employee paychecks

New Member ID Cards
• State Health Plan
• Express-Scripts

2016 Insurance Benefits Guides Available
• Hardcopy available through OHR
• Online version at www.peba.sc.gov
2016 Benefits Update
Health Insurance

Flexible Spending Accounts

Medical Spending Account (MSA)
• March 15, 2016 to accrue expenses under your 2015 plan
• March 31, 2016 to file claims
  Exception: Enrolled in the high deductible plan for 2015

Dependent Care Spending Account (DCSA)
• December 31, 2015 to accrue expenses under your 2015 plan
• March 31, 2016 to file claims
2016 Benefits Update

Health Insurance

Flexible Spending Accounts

Health Savings Account (HSA)
- Plan rolls over each year
- No deadline for accruing expenses or filing claims
- If enrolled in a high deductible plan, can enroll in an HSA at anytime
- Can begin, change, or stop contributions at anytime
- Must stop contributions if move to a non-high deductible plan, but account remains open and still eligible to file claims for reimbursement
2016 Benefits Update

Health Insurance

*PEBA Perks* has expanded

- Diabetes education
- Preventive worksite screening
- Colonoscopy
- Adult vaccinations
- Flu vaccine
- No-Pay Copay
- Tobacco cessation
2016 Benefits Update  
*Clemson is Tobacco Free*

*Tobacco Cessation Programs Provided by OHR*

- Quit for Life Program - Take a fresh approach to quitting tobacco with the Quit For Life® Program
  - available at no charge to State Health Plan subscribers, their covered spouses and covered dependents age 13 or older

- Employee Assistance Program (Deer Oaks)
  - available to all employees
2016 Benefits Update
IRS Tax Form 1095-C

Provided to employees **eligible** for state medical insurance coverage in the 2015 plan year

Being **mailed** by March 31\(^{st}\) IRS deadline

Copy forwarded to the IRS
Purpose of the form:

- A tool for completing 2015 federal taxes
- Proof of state insurance *offer* from Clemson
- Proof of medical insurance *enrollment* for the employee and covered dependents
- Informs IRS of covered individuals
2016 Benefits Update
IRS Tax Form 1095-C

Resources

- OHR website provides additional information
  www.clemson.edu/employment

- IRS website
  www.irs.gov/

- Personal tax advisor
State Optional Retirement Program (State ORP)

Open Enrollment Period

• January 1 to March 1

• State ORP participants can:
  • Change investment providers
  • Irrevocable switch to the SCRS plan, if eligible

• State ORP participants were emailed information

• If an employee elects to make no changes to an existing State ORP, no action is needed.
Supplemental Retirement Programs (SRP)
401k, 403b, 457b

• All Clemson employees (excluding students) are eligible to participate in a supplemental retirement program.

• Elect to defer a pre-tax portion of pay into an account to supplement retirement savings.

• Enrollment, changes, or cancellations can be made anytime.

• Employees age 50 or older may contribute additional funds.

• List of participating company’s available on OHR website.
2016 Benefits Update
Retirement

New Financial Literacy Series

• OHR partnering with South Carolina Retirement System to offer no-cost personal finance education

• Elaborate on key topics like:
  – personal finance and debt management
  – budgeting
  – investments planning
  – retirement planning
  – risk management
New Financial Literacy Series

- Five to seven unique seminars offered per semester
- Seminars offered twice per day
- Currently offered on Fridays in the Academic Success Center
- Employees register online through HR Training site
2016 Benefits Update
Retirement

February 19th
Planning for Financial Security

March 4th
Money at Work #1 - Foundations of Investing

March 25th
Financial Planning as a Millennial

April 1st
The Impacts of Good Credit

April 29th
Money at Work #2 – Sharpening Investment Skills
Policy development: Stakeholders’ Feedback

(Please complete Section II and return this form via email to ORHPG@clemson.edu on or before the due date noted below.)

Section I: Policy Information

Policy: Separation from Employment Policy

☒ New Policy ☐ Policy Revision

Main driver(s): (Major factor(s) behind this policy/policy change)

The Separation from Employment Policy is a comprehensive policy that addresses all types of separation from employment with the University. This policy will take the place of some existing policies (Terminations and Resignations, Retirement and Terminal or Severance Pay) and address separations not yet covered by existing policy.

The main drivers include 1) definitions for each type of separation that are consistent across the University, 2) defined roles and responsibilities, 3) better understanding of turnover, 4) enhanced communication for timely processing of separations, 5) a stronger foundation for succession planning, 6) increased clarity and 7) assured compliance with federal and state laws, guidelines and regulations and University policies.

Date Submitted to Stakeholders: February 2, 2016

Feedback Due Date: February 23, 2016

Section II: Stakeholder Feedback (To be filled out by the stakeholder or group stakeholder representative)

Date Submitted: Click here to enter a date.

Stakeholder(s): Click here to enter text.

Submitted by: Click here to enter text.

Email: Click here to enter text.

Telephone: Click here to enter text.
**Support:** Please convey any aspects of this policy draft that you support:

Click here to enter text.

**Concerns:** Please discuss any specific concerns you/your group have about this policy draft and the impact it may have on the University community.

Click here to enter text.

**Recommendations:** Please convey any recommendations regarding this policy draft.

Click here to enter text.

**Other Comments:**

Click here to enter text.

**Meeting Request:**

☐ Yes, I would like to meet with a representative of the OHR unit responsible for developing this policy.
Clemson Libraries are excited to introduce a new speaker series! Our inaugural theme is stress management and healthy living. Dr. June J. Pilcher will present on stress and the effects of stress on overall health, well-being, and ability to function. Presenters from around campus will then give lightning talks about healthy living resources. We’ll also transform the Brown Room into a relaxation space, so be sure to come early or stick around after the talks for some yoga, coloring, or independent meditation.

**Featured Speaker**

**Dr. June J. Pilcher**

Alumni Distinguished Professor of Psychology and Faculty Scholar, Clemson University of Health Research

**Stress: The Good, The Bad, and The Resilient**

**Lightning Rounds**

- Health & wellness resources at the Sullivan Center with Karleisha Coleman Kakraba, CTRS and Jasmine Thomas, Health Educator
- Yoga as a stress reliever with Anita Nunnley, Assistant Director of Wellness & Leisure Skills
- Healthy Campus with Jennifer Goree, Director of Healthy Campus, Student Affairs
- Health science information sources with Chris Colthorpe, Nursing & Health Sciences Librarian
- Online resources & apps for meditation & wellness with Wesley Smith, Manager of the Adobe Digital Studio

**Friday, February 26**

1:00 - 3:00pm

Cooper Library Brown Room

Relaxation space open 10am - 5pm

Please visit clemson.libcal.com for more information and contact Jennifer Petersen at jfpeter@clemson.edu with any questions.
Contents

- Why was the project undertaken?
- What are the project objectives?
- How was the project undertaken?
- Executive Summary
- What are the key findings?
  - Interviews
  - Component Analysis
- What are the recommendations?
- What is the game plan to make them happen?
- Appendices
Why was the project undertaken?

- In the 2015-2016 General Appropriations Act, Proviso 93.33 authorized the Division of State Human Resources (DSHR) to seek a qualified contractor to conduct a review of the State’s classification and compensation plan.
- RFP # 5400010001 defined the specific components of the plan to be reviewed, which are set out in the project objectives.
- In accordance with the RFP, this report sets out the analysis that has been conducted, the recommendations and a game plan for action to be taken on the recommendations, for presentation to the Classification and Compensation System Study Committee as established in the proviso.
- The report has been prepared with section headings that pose questions that it is expected the members of that Committee are likely to have and the content of the sections set out analysis in response to those questions.
The primary objective of this project was to evaluate the following 10 specific areas of the Classified Employee classification and compensation system:

- Methods used to develop and determine position classifications
- Methods used to set pay grade minimum, midpoint and maximum
- Appropriate market comparisons, including the private and public sector
- Methods to minimize salary disparities within an agency and within the State
- Methods of developing and sustaining a consistent long-term salary increase administration policy for state government
- Recruitment and retention tools, including the impact of the TERI program
- A process to address longevity pay deficits that currently exist
- A compensation philosophy statement
- An analysis of merit-based compensation for employees
- An analysis of unnecessary, underutilized and duplicative positions in order to use that pay to increase salaries for existing employees
How was the project undertaken?

The following steps have been undertaken since the project commenced in October 2015:

- Meeting with leadership of DSHR for definition and clarification of what was the intent of what was to be studied in the 10 areas stated in the proviso
- Meeting with DSHR leadership for identification of data needed and for gaining understanding of the current Classified Employee classification and compensation plan
- Interviews with a cross section of Agency leadership for purposes of gaining an understanding of “what’s working; what’s not” in the design, implementation and administration of the Classified Employee compensation plan
- Interviews with staff from the Senate Finance Committee and House Ways and Means Committee to gain their understanding of the intent of the provisos and their expectations of the outcomes
- Interview with staff from the Governor’s Office to gain their understanding of the intent of the provisos and their expectations of the outcomes
- Extensive analysis of the data gathered in the 10 areas identified
- Preparation of a preliminary report setting out the results of the analysis
How was the project undertaken?

- Meeting with leadership of DSHR to discuss the preliminary report
- Completion of analysis
- Preparation of this project report
Executive Summary

- This report and its appendices provide a detailed analysis of the 10 components, recommendations and a game plan for action to be taken to enhance the classified employee classification and compensation plan.
- The analysis shows that the current plan is experiencing some “signs of age,” having been in place for 20 years. Redesign is required and recommended.
- The current plan is administered primarily on a decentralized basis for the majority of employees, with agencies having significant authority for classification and compensation decisions made for employees in Pay Bands 1-6, which is 87.4% of all classified employees.
- This decentralized decision making, coupled with broad banded classifications and very wide salary bands, are contributing factors to the internal equity and salary disparity issues that the analysis shows.
- The overall compa-ratio (actual pay as a percentage of the pay band midpoint) is 91%. That means, on average, the State pays its employees 91% of its midpoints. There are very few occupational categories or job families where employees are paid, on average, at the pay band midpoint.
Executive Summary

- The overall compa-ratio of 91%, when viewed in conjunction with a comparison with the market, shows current salaries lagging other States by an average of 15%, lagging the in-State public sector market by 16% and lagging the in-State private sector market by 18%, means that the State’s pay band midpoints and actual pay is **uncompetitive**. This creates challenges both in recruitment and retention of qualified employees.

- Unlike in some other States where the overall competitiveness of the benefits package offsets the level of competitiveness of salaries, this is not the case for the State. While annual leave and holidays are above market, the 8.16% employee contribution to the retirement plan is the highest in the Southeastern States and significantly higher than employee contributions to defined benefit plans in the private sector.

- The employee cost sharing of 21.3% for healthcare is above the 7-15% in other State Governments and in line with the 15-29% in the private sector.

- The analysis shows that the level of competitiveness of benefits should not be a distraction from dealing with the main focus of the recommendations, that being a redesign of the classification and compensation plan and a move towards funding of salaries to a more competitive level.
Executive Summary

- It is the recommendation of Kenning Consulting that the redesign of components of the current classification and compensation plan occur before there is a significant expenditure in increases in employee compensation. Otherwise, you run the risk of putting “new wine into an old wine skin” and this may exacerbate some of the issues with the current plan highlighted in the analysis in this report. However, requests for targeted funding to meet critical equity, salary disparity and market competitiveness issues should still be considered. For example, classifications that show high turnover, low compa-ratio and lag the market. General increases should be made to start the process of addressing the overall level of lack of competitiveness.

- Fourteen recommendations are set out in this report and are followed by a game plan for making the recommendations happen. They will require additional investment in resources for DSHR to gain full value.

- One priority recommendation is the development of a statement of compensation philosophy. This will set the framework with which other recommended actions should be taken and the development and adoption of such a statement should be treated as a priority.
Executive Summary

- In addition, this will enable the issue of the appropriate definition of the market and establishment of a targeted market policy position.

- Kenning Consulting places on record our recognition of the support and cooperation that we have received from DSHR leadership and Human Capital Management staff. Such support has enabled Kenning Consulting to conduct this project and meet the timetable for the submission of this report in accordance with the proviso.
What are the key findings based on interviews?

Interviews were held with the Agency leadership and HR leadership from a cross section (by size) of agencies. The agencies interviewed were: State Law Enforcement, Housing Authority, Labor Licensing and Regulation, PEBA, Corrections, Mental Health, Health and Human Services and Vocational Rehabilitation. The focus of the interviews was to gain an understanding of “what’s working, what’s not and what are the areas for improvement” in the classification and compensation plan.

The interview guide focused on the following:

- Classification and broad banding
- Internal equity and compression
- Definition of market
- Competitiveness of the pay structure
- Ability to attract and retain
- Ability to reward
- Pay delivery mechanisms and movement of pay mechanisms

Each interview was concluded with the question: “if you were in charge of the classification and compensation plan, what changes would you make to enhance it’s effectiveness?”
What are the key findings based on interviews? (cont’d)

A summary of the key feedback from the interviews is as follows. This summary has been prepared on a general theme basis, as compared to a “by agency” basis. In addition, it is important to note that these findings may or may not have been supported by the data analysis that was conducted.

- The broad banded approach to classifications was viewed both from a positive and negative perspective. The positive is that it allows flexibility of classification and makes classification work easier.

- However, this is outweighed by having broad banded classifications that are too generic and has led to jobs which are different in job content, have differences in qualifications and have a different value in the market, being placed in the same classification. This is seen as particularly the case in statewide classifications. An example of this is a Paralegal role being classified in the Administrative Coordinator classification, as there is no Paralegal classification. Another example is that for the same classification, in one agency a High School diploma is required and in another agency, a Masters degree is required.

- As classification work is done on a delegated basis by agencies for Bands 1-6, which is 87% of all classified employees, there is the perception that similar work is being classified differently in different agencies.
What are the key findings based on interviews? (cont’d)

- Because classifications were consolidated when broad banding was implemented, this has led to the perception of a lack of career progression. “It is different work but it is still in the same pay band.” However, it is acknowledged that career progressions have been created and will continue to be created.

- While the creation of career paths is important, agencies question whether employees see it as a progression when they are still in the same pay band.

- The existence of internal equity issues (pay as compared to another employee) were a common theme; within classifications, across classifications in the same pay band, and between agencies. The last can lead to “agency hopping” to get more pay for a similar job.

- In addition, the lack of competitiveness as compared to the market of the pay band and hiring range has created compression issues between newly recruited employees and longer serving current employees.

- Broad banded classifications are seen as contributing to internal inequity as the pay range is the same for what is seen as different work.

- Agency funding is also seen as contributing to salary disparities for similar jobs in different agencies. “Agencies that have more funds or are self funded can pay more.”
What are the key findings based on interviews? (cont’d)

- There is a questionable link between salary bands and the external market, affecting the ability to attract talent. This is due to the fact that salary bands only move when there is a General Increase, not in relation to what is the salary market movement.

- “We used to be the employer of choice but that has become increasingly difficult.” Minimum requirement statements as set in classifications sometimes means there is a challenge in attracting the level of qualified candidates the agency needs.

- The width of the salary bands is seen as creating non-competitive hiring rates.

- Agencies do not know what is the targeted market policy position or whether midpoint is intended to be the market.

- Because the pay bands are so wide and there is work that is seen as being different within the same classifications, agencies create their own “zones within the bands” to create career progressions and/or provide a basis for pay movement.

- Agencies had difficulty articulating what is the State’s definition of the market. They are not aware of regular market surveys being done on a statewide basis and so conduct surveys/gather market data to meet their own specific needs. Currently, agencies strive to recruit the best and most qualified – however due to the salary levels, recruiting and retaining the most qualified is difficult.
What are the key findings based on interviews? (cont’d)

- There are inconsistent approaches to pay increases, including performance-based pay, contributing to salary disparities between agencies.

- Apart from General Increases appropriated by the legislature, pay delivery is decentralized and agencies create their own pay delivery mechanisms. The most common pay delivery mechanisms used include: additional duty pay, reclassification pay, promotional pay and in some cases, performance based pay.

- The statewide performance management process (EPMS) is not viewed as effective for managing performance and/or as a link between performance and pay.

- While agencies appreciate the opportunity to have performance based pay plans, the existence of different performance based pay plans in different agencies and the different criteria used in these performance based pay plans is seen as contributing to salary disparities between agencies.

- The way in which performance based pay plans are funded varies across agencies.
What are the key findings based on interviews? (cont’d)

A summary of the key opportunities for improvement, as identified in the interviews, includes:

- Move away from one pay structure for classified employees to having structures that reflect the fact that the market is different for different occupations. Examples include: Sworn law enforcement, nursing, IT, Attorneys etc. This is a common practice in other States.

- Have more competitive pay bands with the potential for more pay ranges with less width between minimum and maximum.

- Move away from generic classifications to creating classifications that can be used for more like kind job content and qualification requirements.

- Continue to build the classification structure based on occupational categories, job families and defined career progressions.

- Have DSHR take a more active role in conducting salary surveys and gathering market data.

- Develop market based pay ranges and move pay ranges in line with market movement, not just move them when there is a general increase.

- Review and enhance the EPMS and create a more consistent approach to performance based pay.
What are the key findings based on component analysis?
What are the key findings based on component analysis?

This section of the report sets out analysis of the 10 components of Classified Employee Classification and Compensation plan covered by the scope of the project. It is set out as follows:

- Description of the Component
- What Was Analyzed
- What Was Found

The data that was used for the analysis and findings is contained in the Appendices. In reviewing this analysis, it is the opinion of Kenning Consulting that the basis of the current plan is important contextually. The current plan, which is known as a broad banded approach, has been in place for 20 years. It has 432 classifications in 10 pay bands, of which 356 have incumbents. The 10 pay bands were created by combining 5 pay grades in the previous pay structure into 1 pay band in the new structure. Multiple classifications in different grades in a 5 pay grade spread were consolidated into one classification. The classification and compensation plan is administered primarily on a decentralized basis within the agencies.
Component Analysis
Methods of Classification

Description of Component

- Methods used to develop and determine classifications
  - The basis of the current classification structure
  - Extent to which current job documentation accurately and succinctly describes current job content
  - Methods and processes by which job classifications decisions are made

What Was Analyzed

- Overall Classification Process
- Process Participant Constituency and Delineation of Responsibilities
- Job Classification documentation
Component Analysis
Methods of Classification

What Was Found

- The current classification structure has as its basis the broad banding approach to classification and compensation that was developed and implemented in 1995.
- Classification consolidation was done in conjunction with the development of 10 pay bands. The 10 pay bands were developed by combining what were previously 5 separate pay grades and associated ranges for each pay band.
- Separate classifications that were in different pay grades within a 5 grade spread were, if in the same occupational group, consolidated into one classification.
- Currently, there are 432 classifications, grouped into 9 occupational categories, with job families within the occupational categories. 104 classifications having 40 or more employees and 76 classifications have 0 incumbents at the time of the analysis.
- DSHR is accountable for the creation and maintenance of all classifications for this plan. There are parts of the State outside of the classification and compensation plan which is the scope of this project. These are Higher Education pay, Non Regulatory agency pay and Agency Head pay.
- Since 1995, there has not been a major review of the overall classification structure for the classified employee pay plan. The last major review of the content of Job Classification documents was in 2006-2007.
What Was Found (continued)

- Classification work for positions in Bands 1-6 is done on a delegated authority basis by agency HR staff. This means classification work for 87% of all classified employees is done on a decentralized basis. This may be a contributing factor towards issues of pay inequities if employees doing similar work are being classified differently in different agencies.

- Classification decisions for positions in Bands 7-10 are done by DSHR staff.

- Classification decisions, whether done by agency or by DSHR staff, are primarily made on a whole job comparison basis. This typically takes into consideration comparison of job content of the position to Job Classification and relativity to other like kind work. The downside of a whole job comparison approach is the perception that it is based on subjectivity, as compared to a classification approach that is based in pre-defined factors for the comparison of job content.

- The broad banded approach has led to examples of content of work that would typically be placed in separate classifications being classified in the same generic classification. Examples of classification series in which this is evident is the Administration occupational group and the Program Management series.
What Was Found (continued)

- For example, in one agency, job content doing administrative coordination and job content doing paralegal work are both classified as Administrative Coordinators. This is because there is no Job Classification for a Paralegal. It is our experience that job content, qualifications and experience, and market value of these two roles are different and the two roles would be separate classifications.

- A review of a sample of Job Classification documents shows that they include the major categories that we typically see in Job Classification documents. We commend DSHR for the documents being succinct and for classifications which are in a job family series, showing the distinguishing characteristic between levels.

- The one area of “disconnect” we observed on the sample documents reviewed is that for some, the Minimum Requirements seem low. For example, the minimum requirements for the HR Director III would typically be more than what is stated in the current Job Classification.
Component Analysis
Internal Equity and Salary Disparities

Description of Component

- Methods to minimize salary disparities both within an agency and within state government
  - Extent to which pay is aligned internally
  - The amount of horizontal and/or vertical dispersion from an appropriate internal alignment of positions that exists within agencies and between agencies

What Was Analyzed

- Salary Dispersion by Band
- Salary Equity by Occupational Category
- Salary Equity by Job Family within an Occupational Category
- Salary Equity within selected Classifications
- Salary Equity by Agency
Component Analysis
Internal Equity and Salary Disparities

What was Found

- Internal Equity is an analysis of how positions and employees are paid relative to each other based on a comparison of job content as designated by the salary band to which a classification is allocated.

Statewide Salary Internal Equity

- Set out on page 3 in the Appendices is a chart showing the overall internal equity. Internal equity is positive, meaning, as job content increases, so does the pay.

- Page 4 in the Appendices shows the current compa-ratio by pay band. Compa-ratio is the current pay expressed as a percentage of the midpoint of the pay band. The overall compa-ratio (where pay falls within a salary band) is 91%, which is on the low end of acceptable “distance” to the midpoint. However, the compa-ratio for Bands 2-6, which is the majority of classified employees, is 89%. Even if the current midpoints are aligned with market, this means that average pay for classified employees lags the market. The compa-ratio needs to be considered relative to both midpoint and target market position. This is significant as currently, there is no stated definition of the market or a market policy position.
As stated in the section on band structure, it is the opinion of Kenning Consulting that the band width is one factor contributing to the low overall compa-ratio.

**Occupational Category Salary Equity**

Although the State has one pay band structure for all classified employees, actual pay analysis reveals that there are some pay differences between Occupational Categories. The dispersion is + 8% and – 4% of the overall compa-ratio of 91%. This is shown on pages 6 and 7 in the Appendices. For example, the Technical Services occupational group has a compa-ratio of 99% whereas the Trade Services and Agriculture and Natural Services occupational categories have a compa-ratio of 86% and 87%, respectively. No occupational group has a compa-ratio in excess of 100% of midpoint.
Job Family within Occupational Category Salary Equity

- While the previous section showed that there is reasonable salary equity between occupational categories, the analysis of salary equity by band within an occupational group and by band within a job family within an occupational group shows more variance.

- Pages 9 to 26 in the Appendices shows salary equity as follows:
  - Overall compa-ratio by occupational group
  - Compa-ratio by job family within an occupational group

- This analysis shows the following 15 job families that lag the overall statewide compa-ratio of 91% by 5% or more: Administrative Services, Postal Services, Earth Services, Forestry Services, Recreation and Tourism Services, Library Services, Public Broadcasting, Laboratory Services, Nursing Services, Pastorial Services, Records Management, Health and Safety Regulation, Building Grounds and Laundry Services, Food Services, and Transport Services.
Component Analysis
Internal Equity and Salary Disparities

Salary Equity within Selected Classifications

- There are 104 classifications with 40 or more incumbents. These classifications were used to analyze the following:
  - The average pay by level with a job family
  - The spread of salaries paid within the same classification (highest – lowest)

- Salary data for a sample of the 40 classifications positions by occupational category and job family is shown on pages 28 to 44 in the Appendices.

- This analysis shows the following:
  - There is reasonable pay progression in the majority of job family series as shown by the average actual pay in the next level in a job series being higher than the previous level
  - There is a significant range of pay from low to high pay in the majority of selected classifications. There are examples of the full 85% spread and numerous examples of spreads being 70%+. While this is allowable within the pay band structure, a key question for the State where resources are limited for salary expenditures is whether such a wide spread of salary to a classification within the same pay band is justifiable and defensible.
Agency Salary Equity

- Set out on pages 46-48 in the Appendices is a summary table showing the compa-ratio for each agency relative to the overall compa-ratio of 91%, listed from high to low compa-ratio. This shows a much greater dispersion as compared to the occupational group compa-ratio.

- There are 3 agencies with compa-ratios in excess of 110%, and 11 with compa-ratios in the range 100%-110%.

- Lagging the overall classified compa-ratio of 91%, there are 17 agencies with a compa-ratio of 85% or less.

- A high compa-ratio can be influenced by some or all of the following factors:
  - Long tenure
  - Market pressures and the need to pay to attract and retain scarce resources
  - Sustained high performance
  - Low turnover
  - Source and availability of funding for salary increases.
Agency Salary Equity

- A low compa-ratio can be influenced by some or all of the following factors:
  - Short tenure
  - Significant availability of resources who meet the minimum qualifications for the position
  - Lack of pay progression in a band
  - High turnover
  - Lack of availability of funding for salary increases

- Detailed “within agency” pay practice showed both significant vertical and horizontal pay dispersion.
  - Vertical pay dispersion is the range of pay within the same pay band
  - Horizontal pay dispersion is the number of pay bands in which the same actual pay is found. It also shows the extent to which an employee in a higher pay band is paid less than an employee in a lower pay band. Significant horizontal dispersion can be a disincentive to aspire to a position of more responsibility.
Component Analysis
Pay Ranges

Description of Component
- Methods used to set pay grade minimums, maximums, and midpoints
- Extent to which the State’s pay policy sets pay at the appropriate level of the relative market and the pay structure is aligned with the State’s pay policy

What Was Analyzed
- Pay Band Structure
What was Found

- As stated previously, the current salary structure is 10 Pay Bands, as set out on page 50 in the Appendices. For bands 2-10, the salary spread from minimum to maximum of the pay band is 85%. For Pay Band 1, the salary spread from minimum to maximum of the pay band is 78%. 87.4% of all classified employees are in Pay Bands 1-6.

- To analyze the current structure, it is important to understand the basis of how the pay bands were first developed in 1995. At that time, 5 pay grades were combined into 1 pay band. The way in which the new pay band minimum and maximums were established was that the new pay band minimum was based on the minimum of lowest pay grade that was rolled into the new pay band, and the new pay band maximum was the maximum of the highest pay grade that was rolled into that new pay band. The midpoint was the mathematical midpoint in the pay band. That method was applied so there would be no cost of implementation for the new pay classification and pay band structure.

- The downside of this approach is that if the pay ranges prior to implementation of the new pay bands were not aligned with market, and there has not been regular market reviews since then, there is a disconnect between the midpoint of the ranges and the concept of range midpoint being a statement of the market policy position.
What Was Found (continued)

- The State is comprised of many, diverse professions. There is no other employer similar to a State in this respect. It is unreasonable to have a salary structure that is a “one size fits all.”
  - The healthcare market is a different market than the law enforcement market than the legal market than the general market, etc.
  - A “one size fits all” structure with pay bands 1-6 covering 87.4% of all classified employees, coupled with generic classifications, can limit the State’s ability to respond to market pressures. In addition, as the analysis of internal equity shows, it has led to significant salary disparities within the same pay band.

- The State utilizes pay bands that have an 85% spread. There are advantages and downsides to such wide pay bands.
  - If midpoint is the target market policy position (and there is no evidence that this is stated policy position in the design and maintenance of the current pay band structure), it will take employees longer to reach midpoint (the going rate for work being performed by a competent employee). While such pay band structures tend to be more affordable than structures with less width, they can be demotivating as employees who have been good performers and have tenure question “will I ever get to midpoint?”
### Component Analysis

#### Pay Ranges

**What Was Found (continued)**

- The wider the pay bands, the greater the need for strong processes to move competent employees through the bands so that they can reach a competitive salary for the work performed.

- From a recruitment standpoint, wider bands means the minimums of the bands are that much further from the market, making recruitment more challenging due to the entry rates offered as compared to other public agencies or private companies.

- In addition, particularly for the type of classifications that are in the lower pay bands, unless unemployment rates are high, it is questionable to have such a wide range below the band midpoint. For example, the band midpoint in pay band 2 is $12.10/hour. Based on the assumption that is the going market rate for a typical pay band 2 classification, why would it be expected we could attract qualified candidates at $8.49/hour, which is the pay band minimum? “We can’t” is typically the response. This validates the concern that the pay bands are too wide.
Component Analysis
Market Definition and Comparisons

Description of Component
- Appropriate market comparisons
  - Definition of the market
  - Extent to which the State’s pay policy sets pay at the appropriate level of the relative market and the pay structure is aligned with the State’s pay policy

What Was Analyzed
- Market Definition
- Use of Market Data
- Competitive Comparison
Component Analysis
Market Definition and Comparisons

Survey Data Used

- Based on the current compensation system, there is no requirement for DSHR compensation unit to conduct regular market surveys.
- There is no evidence of a clearly defined market or a statement of a targeted policy level as the basis for the review of the competitiveness of the current pay bands.
- The width of the salary bands from minimum to maximum has falsely masked the need for regular market data and the statement of a targeted policy position.
- DSHR participates in the annual National Compensation Association of State Governments (NCASG) compensation survey and has typically reviewed market relativity to the 14 Southeastern States that formerly constituted the Southeastern States Compensation Association.
- Information gathered in the interviews and from DSHR staff indicates that some agencies conduct their own surveys and/or gather market data from existing published market surveys.
Survey Data Used (continued)

- While the source used for comparison with other States, the NCASG survey, is appropriate for a comparison to other States, there is a greater need to obtain direct, relevant in-State market data in order to more effectively compete for and retain talent due to the importance of in-State market data for specific job families. Some examples include:
  - Law Enforcement and Public Safety positions
  - Healthcare positions
  - IT positions
- This will be important to determine whether some job families may require a different market definition from the “general” pay positions
Component Analysis
Market Definition and Comparisons

Position Relative to Market

- As stated previously, we find no evidence of a defined market or targeted policy position. To meet the requirements of this component, pay band midpoint and actual pay was compared to three market data cuts:
  - The 2015 NCASG survey results based on 114 benchmark positions
  - The 2015 Mercer database for government and not for profit organizations
  - The 2015 Mercer database for in-State South Carolina employers

- These comparisons were done on a job content basis, not a job title match basis. As with any market comparison, there may be outliers based on two reasons:
  - The match was not entirely of similar content. This is more likely a scenario for the State due to the use of generic classification descriptions.
  - The comparator organizations pay significantly more or less than the State for a similar job.

- The market analysis is set out on pages 85-88 in the Appendices.
Position Relative to Market (continued)

- The analysis shows the following relativity to market on an aggregate basis:
  - Compared to the NCASG market, current midpoints show a variance to market of -9% and actual pay shows a variance to market of -16%. When the outliers are excluded, these variances are -8% and -15%, respectively.
  - Compared to the Mercer government market, current midpoints show a variance to market of -6% and actual pay shows a variance to market of -19%. When the outliers are excluded, these variances are -4% and -16%, respectively.
  - Compared to the Mercer in-State South Carolina market, current midpoints show a variance to market of -21% and actual pay shows a variance to market of -27%. When the outliers are excluded, these variances are -9% and -18%, respectively.
  - This lag to market needs to also be seen in the context of the compa-ratio analysis in a previous section. The combination of midpoints lagging market and an overall compa-ratio of 91% of the current band midpoints shows an overall lack of competitiveness of both the pay band structure and actual pay.
Position Relative to Market (continued)

- While the data on the page shows the overall comparison to market on an aggregate basis, the table on page 85 in the Appendices shows that some occupational categories lag by an even greater amount. These include: Agriculture and Natural Services, Education and Information Services. This is a function of the low compa-ratio as shown in the internal equity analysis.

- Without a clear compensation philosophy, definition of the market, statement of market policy position and lack of regular gathering of market data, it can be assumed that more emphasis is placed on an internal perspective in the administration of the classified employee pay plan. If this is the case, the internal equity and salary disparity analysis shows that this emphasis is not being achieved.

- Best practice is to have a balance between internal pay practices and market competitiveness.
Benefits

- The State provides a comprehensive package of employee benefits that is comparable in its components to that of other State Governments and the private sector.
- Set out on pages 90-94 in the Appendices are tables showing the current provisions of the components of the benefits package that were set out in the proviso for review. These tables show a comparison of the current provisions as compared to other State Government and the private sector.
- In reviewing the level of competitiveness of the benefits package, it is important to understand the difference in the value of salary and benefits. Salary is “known value.” If an employee has a salary of $50,000, they know that value to be $50,000. Benefits is “perceived value.” Employees do not necessarily know the value of their benefits. In addition, the perceived value of benefits will be different between a 30 years of service employee who is nearing retirement and a 1 year service employee. This is particularly the case in the perception of the value of the retirement benefit.
- DSHR is commended for the statement of employee benefits that is prepared and available to employees, showing the dollar value of their benefits.
Benefits (cont’d)

- The level of overall competitiveness of benefits is driven by three components of a benefits package: retirement, healthcare and holidays and vacations.

- As compared to other State Governments, with specific emphasis on the Southeastern States, the current benefits package is average to slightly less than average. While the vacation and holidays schedule is above average, the employee contribution cost sharing for healthcare premiums and the employee contribution to the defined benefit, which at 8.16% is the highest of the Southeastern States and over 3% higher than the average for all States, reduces the level of competitiveness.

- However, these two employee contributions should not be viewed as a negative in terms of level of competitiveness. The State is “ahead of the game” in addressing 3 key benefit issues facing States. These are:
  - Increasing contributions that employees make to funding the Defined Benefit plan
  - Offering a Defined Contribution plan
  - Increasing the employee cost sharing for healthcare from the current typical range of 7-15% to between 20-25%

- The State is commended for the initiative it has already taken in these three areas.
Benefits (cont’d)

- As compared to the private sector, the current benefits package is average to slightly above average. The vacation and holidays schedule is above average, the employee contribution cost sharing for healthcare premiums is in line with the typical practice in the private sector.

- While the retirement benefit formula is more competitive than the private sector, those private sector organizations that still offer a Defined Benefit plan typically do not require an employee contribution.

- Most private sector organizations offer a Defined Contribution plan. A Defined Benefit plan is viewed as influencing the level of competitiveness of the retirement component of a benefits package due to there being less risk to an employee in a Defined Benefit plan than a Defined Contribution plan.

- It is the experience of Kenning Consulting that there is often the perception in State Governments that is expressed as follows: “we don’t need to be competitive on base salary as our benefits are more than competitive.”
Benefits (cont’d)

- As one of the main drivers of the level of competitiveness of benefits, that being the retirement benefit, is influenced by salary, if the level of salary is lagging in competitiveness, as is the case for the State, the overall level of competitiveness of benefits will not be high.

- In summary, the analysis of the level of competitiveness for the State shows that it is not excessive and hence should not be a distraction from the fact that both the salary bands and actual salary practice lag the market.
Component Analysis
Recruitment and Retention Tools

Description of Component
- Recruitment and retention tools currently in use

What Was Analyzed
- Review of the Teacher and Employee Retention Incentive Program (TERI)
- Healthcare Employees Recruitment and Retention Pilot Program
- Retention Salary Increases
What Was Found

TERI

- It is our understanding that the TERI program was first developed as an incentive to retain teachers who were eligible to retire at a time when there was expected to be a spike in retirements. It was then extended to all eligible state employees.

- A participant could retire, return to work and their retirement benefits amount held in trust for up to 5 years.

- Other than being eligible, there were no other criteria for participation.

- Example: an employee who had a salary of $100,000 and an earned benefit of $60,000 could retire on December 31, return to work on January 2 in the same job, earning $100,000 each year for the next 5 years. At the end of that 5 years, they would have earned $500,000 in salary, would receive a lump sum payment of $300,000 and would then have an annual pension of $60,000.

- The State continued to pay the employer contribution into the retirement fund, but that did not add to the participants service benefit.
TERI (continued)

- Data provided by the State shows that there are currently 1879 participants in the TERI program with a total annualized salary of nearly $92m. The average salary is just under $49,000.
- It is our understanding that legislation was passed in 2014 which will end the TERI program with effect from June 30, 2018.
- Kenning Consulting endorses the ending of this program for the following reasons:
  - It was a very “rich” program in that it, at a minimum, continued the current compensation costs for a position.
  - As there was no other criteria other than being eligible, you may have had an employee continue in a job for which there were, for example, 100 applicants each time there was a vacancy and a new appointee to the position may have had the potential to be a higher performer than the current employee.
  - The opportunity for continued employment through the TERI program may have been an inhibitor to effective workforce planning, talent management and career progression.
Healthcare Employees Recruitment and Retention Bonus Program

- This program was introduced as a pilot program in the late 1990’s to help with the recruitment and retention of healthcare workers in specific agencies. 34 classifications in 7 agencies were designated for participation in the pilot.
- The program allows for:
  - A sign-on bonus of up to $3000 for recruitment,
  - A retention bonus of up to $5000 for employees who are employed full time in critical needs or hard-to-fill positions,
  - A referral bonus of up to $2000 to current employees for referring a successful candidate to a critical needs or hard-to-fill position.
- There is a maximum of $10,000 that an employee can receive per year.
- In addition, the program included education initiatives such as:
  - Additional paid educational leave while enrolled in a healthcare degree program
  - Paid practicum
  - Loan repayment
  - Additional tuition assistance
Healthcare Employees Recruitment and Retention Bonus Program (continued)

- While initially a pilot program, the program was made permanent via a proviso in 2008-2009
- However, no changes have been made to the classifications or agencies included since the program’s inception.
- No specific funding is provided for the program; it has to be self funded by the agency.
- Kenning Consulting commends the State for having a recruitment and retention program. Implementation of such a program was “ahead of its time” in state governments.
Retention Salary Increases

- Agencies may give a salary increase of up to 15% of current base salary for the purposes of retaining an employee who has a bona fide job offer. DSHR has the authority to go above the 15% increase if a bona fide job offer outside of State Government.

- The effectiveness of such increases should always be assessed in the context of the “investment in retention” vs. “the cost of replacement.”

- Additional factors to be considered in assessing whether to use a retention salary increase include:
  - Internal equity
  - The performance of the incumbent
  - The mission critical nature of the role
  - The turnover in the classification
  - The likely talent pool available, should the employee leave.

- Kenning Consulting commends the State for having this retention tool.
Component Analysis
Long-Term Salary Increase Processes

Description of Component
- Methods of developing and sustaining a consistent long-term salary increase administration policy for state government including, cost-of-living increases, across the board increases, merit increases, equity increases, and performance increases
- The budget appropriation process for providing salary funds for agencies to administer salary increases

What Was Analyzed
- Salary budgeting process
- Salary funding and pay movement mechanisms
What Was Found

- Unlike in many other States, DSHR plays little role in the salary budgeting process. Salary budgeting accountability rests with the agencies through the Governors budget. In addition, we find no evidence of long term salary budgeting processes.

- The salary budget process may consist of:
  - Legislated general increase. Page 81 in the Appendices shows the legislated general increases from 2007-2008 to present. It shows a total 9% general increase since that time. This is less than both the relevant other state governments and the private sector. Such an increase applies to both the salary band structure and employees pay.
  - Agency requested increases for specific occupational categories, job families or classifications. For these, we can find no consistent template or criteria used for such requests and this can lead to the perception that the “squeaky wheel gets the oil.”
What Was Found

– Eliminating funding for vacant positions. If a position has been vacant for 12 months, the vacant position is eliminated. This has had the impact of agencies losing FTE’s, but has seen an increase in the use of temporary positions. Pages 70-79 in the Appendices shows the number of employees and the % of employees by the 5 category types for each agency. While not part of the scope of this project, this data can be a useful tool in analyzing the mix of classified, unclassified, temporary, temporary grant and time limited positions and employees.
Component Analysis
Longevity Pay Deficits

Description of Component

- The extent to which there is a correlation between pay and time in classification for classified employees

What Was Analyzed

- Average pay based on sample of classifications within selected job families. This is the same sample of classifications that were used for the analysis set out on pages 28-44 in the Appendices.
What Was Found

- In first reading this component, it was the assumption of Kenning Consulting that this was an analysis of longevity pay. However, longevity pay, as it is traditionally defined in other States, was discontinued in the State in 1985. The State is commended for taking this action at that time as longevity pay has grown to be a significant sum in other States and only reinforces tenure. (For example, it is in excess of $50m on an annualized basis in the State of North Carolina.)

- Set out on pages 52-68 of the Appendices are charts showing lines tracking the average pay by years of service in classification for selected job families.

- The analysis shows that for the majority of the classifications analyzed:
  - There is a higher average pay for employees who have greater time in a classification.
  - There is a higher average pay for the classification that is the next higher level in a job family progression.

- In summary, this analysis shows that there is not a significant issue to be resolved in terms of longer serving employees receiving lower pay than employees with less service.
Component Analysis
Compensation Philosophy

Description of Component

- A compensation philosophy statement is intended to provide a foundation for the design and administration of compensation plans.
  - It defines what you pay for and why
  - Written in general terms in order to provide a lasting basis for future compensation design and administration decisions

What Was Analyzed

- Review of current compensation philosophy documentation
- The extent to which a compensation philosophy exists, and if one does, the extent to which it contains component statements typically found in a compensation philosophy.
What Was Found

- State Human Resources regulations were reviewed. While there are statements of policy in sections 19-702 and 19-705, Kenning Consulting does not find in law or policy any statements that clearly sets out a Compensation Philosophy.

- A Compensation Philosophy should provide the basis upon which all decisions regarding compensation should be made.

- The analysis of the areas that are covered by the scope of this project should have been reviewed within the context of a Compensation Philosophy statement. For example:
  - The level of competitiveness of compensation relative to the market should be done against a philosophy and policy statement of targeted market competitiveness.
  - Salary ranges should be developed based on setting a market policy position as the midpoint or targeted policy position.
The key components of a Compensation Philosophy statement typically include:

- An umbrella statement that links the compensation to the State’s Mission, Vision, Values and its human resources objectives
- Definition of the market
- Definition of compensation
- Definition of how pay ranges will be established
- Definition of how pay will move over time
- Definition of roles and accountabilities
- Definition of what will be stated in law, policy, procedure, etc.

Kenning Consulting has provided to DSHR examples of statements of compensation philosophy from other States.
Component Analysis
Merit Based Compensation

Description of Component
- A review of the basis for salary changes for classified employees

What Was Analyzed
- For 2013-2014 and 2014-2015, the reasons for salary changes, the number of salary actions for each of those reasons, the average increase for each category of salary change.
Component Analysis
Merit Based Compensation

What was Found

- Data provided by DSHR for this component listed reasons for a salary action.
- 10 categories were listed. These are as follows:
  - Additional Job Duties
  - Additional Skills and Knowledge
  - Promotion
  - Performance
  - Reallocation
  - Reassignment
  - Reclassification
  - Retention
  - Special Salary Adjustment
  - Transfer

- Set out on pages 82-83 in the Appendices is the number of cases in each category and the average percentage of base salary increase for each category.
Component Analysis
Merit Based Compensation

What was Found

- The data shows that the 3 main reasons for a salary change in 2013-2014 were additional skills/knowledge, reassignment and promotion. While in 2014-2015, the 3 main reasons were special salary adjustment, additional skills/knowledge and promotion.

- The reasons for salary change that delivered the 3 highest average percentage increases in both 2013-2014 and 2014-2015 were promotion, retention and reclassification.

- There were 10,456 cases of a salary change in 2013-2014 and 12,490 cases in 2014-2015. This latter number is 35% of the current number of classified employees.

- The cost of these increases for 2013-2014 was $27,232,912 which is 2.05% of all employee salaries. The cost of these increases for 2014-2015 was $38,457,291 which is 2.89% of all employee salaries.

- As can be seen from the data, there are a wide range of reasons for a salary change for an employee.
Component Analysis
Merit Based Compensation

What was Found

- If the intent of this component is to focus on merit based compensation categorized as performance based compensation, the data shows that 1249 employees received a performance based increase in 2013-2014 and 1649 in 2014-2015. The average performance based increase was 5.53% and 5.61% respectively in those 2 years.
Component Analysis
Unnecessary, Underutilized and Duplicative Classifications

Description of Component

- In interviewing leadership in DSHR, the Senate Finance Committee, House Ways and Means Committee and the Governors Office, this was the component where there was the least clarity as to the intent of the component.

- The terms used in the language for this component in the proviso are typically used when doing organization structure and effectiveness studies. However, this project is focused on a review of the classification and compensation plan.

- Accordingly, the focus in this component has been on the extent to which there are classifications which have 0, 1 or 2 incumbents and the extent to which they can be consolidated.

What was Analyzed

- The number of incumbents in each classification
Component Analysis
Unnecessary, Underutilized and Duplicative Positions

What Was Found

- Based on data provided by the State, there are 76 classifications with 0 incumbents, 26 with 1 incumbent and 16 with 2 incumbents.
- The reason for classifications with 0 incumbents can include:
  - Current vacancy
  - Classification no longer used
  - Classification consolidated into another classification
- Compared to other States, the number of classifications with 1 and 2 incumbents is very low. This is most likely a function of the generic broad banded approach taken to classifications.
Recommendations
Recommendations

- Set out in this section are recommendations for changes to enhance the design and effectiveness of the classified employee classification and compensation plan.

- The considerations for action are based on the results of the analysis conducted and the experience gained by Kenning Consulting in partnering with other State Governments in seeing what is effective in other States.

- It is the recommendation of Kenning Consulting that the redesign of components of the current classification and compensation plan occur before there is a significant expenditure in increases in employee compensation. Otherwise, the State runs the risk of putting “new wine into an old wine skin” and this may exacerbate some of the issues with the current plan highlighted in the analysis in this report. However, requests for targeted funding to meet critical equity, salary disparity and market competitiveness issues and general increases should still be considered to start to address the significant lag behind the market of current salaries.
Recommendations

1. Develop a State compensation philosophy to provide a framework within which all classified compensation recommendations can be considered and decisions made. **This should be the first priority.**

2. Review the broad banded approach to classifications with the initial focus being on the generic, statewide classifications. Create classifications which have a stronger linkage between like kind job content and qualification requirements. This will also allow for more accurate matches for salary survey purposes.

3. As an outcome of the development of a compensation philosophy and definition of the market, develop pay structures that are based on the setting of a market policy position. The pay structures will be occupationally based as well as a general pay structure.

4. Redesign the number of pay bands/ranges that are aligned with a new classification structure. The number of bands/ranges should be based on identifiable differences in job content and qualification and experience requirements.

5. DSHR to purchase market survey gathering and data warehouse tool and take accountability for the regular gathering of market data.
Recommendations

6. DSHR to prepare an annual compensation report for the Governor, House Ways and Means and Senate Finance to be used as the basis for and justification of appropriation for compensation changes. Annual salary recommendations to be based on relativity to market, performance and requests for targeted funding.

7. As an outcome of the definition of pay delivery mechanisms as part of the compensation philosophy, DSHR to review the current 10 ways in which pay can change and redefine the basis for pay changes, with a heightened emphasis in internal equity, relativity to market, and performance.

8. DSHR to develop statewide criteria as the basis for assessing targeted funding requests. It is recommended that the criteria include some or all of the following: relativity to market, number of applicants, time to fill position, quality of applicants, where in salary band employees are being placed upon hiring, turnover, churn (turnover in the same job within 0-5 years service), compression within a salary band.

9. Redesign/strengthen EPMS as the basis for a statewide consistent approach to performance management.

10. Develop statewide guidelines for the use of performance based pay to minimize different practices within agencies.
Recommendations

11. Development statewide guidelines for the use of recruitment and retention bonuses and criteria for the use of such bonuses, not just limited to the current selected healthcare classifications and agencies. Request specific funding for recruitment and retention bonuses so that such tools can be use effectively.

12. Educate key Executive branch and Legislative branch leaders on the importance of requesting and approving salary funds on a dollar basis, not a percentage basis.

13. Educate Legislative branch leadership on using language in appropriation provisos that state that salary monies appropriated will be administered consistently in accordance with the State’s compensation philosophy and compensation policies developed by DSHR.

14. Educate Legislative branch leadership on the importance of considering employee compensation early in a legislative session as a means by which to reinforce the importance of the state workforce.
A Game Plan for Action
A Game Plan for Action

- Set out in the previous section are recommendations for changes to enhance the design and effectiveness of the classified employee classification and compensation plan.

- As requested in the proviso that initiated this project, this section sets out a proposed game plan for moving the recommendations from statements of intent to “making them happen.” They are grouped by major component and show the Work to be Done, Outcomes, and Estimated Costs (if any).

- Kenning Consulting wants the expected value of the actions to be known, rather than just a series of recommendations. This is shown in the Outcomes column. This will enable Legislative and Executive branch leadership, as well as DSHR to be able to measure the degree of success of the implementation of the recommended actions.

- Kenning Consulting welcomes the opportunity to partner with the State in implementing the game plan.
## A Game Plan for Action

<table>
<thead>
<tr>
<th>Component</th>
<th>Work to be Undertaken</th>
<th>Expected Outcomes</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of Compensation Philosophy</td>
<td>Develop a Compensation Philosophy that serves as the umbrella statement to link compensation with other human resources objectives. Based on success in other States in developing such a statement, involve key leadership from the Legislative and Executive branches in the development.</td>
<td>Sets the Legislative and Executive intent for the State’s compensation plan. Increased consistency across the State as compensation decisions would be made in accordance with the philosophy. Creates a framework within which to consider total reward. Clearly states roles and accountabilities.</td>
<td>$12,000 - $15,000 if use consulting resources.</td>
</tr>
</tbody>
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<tbody>
<tr>
<td>Classification</td>
<td>Review the current classification structure; continue to build on the concept of occupational categories and job families. More clearly define those jobs that are in generic classifications.</td>
<td>A new classification structure based on redefined occupational categories, job families and distinguishable levels of difference in job content in a career progression.</td>
<td>$35,000 if use consulting resources to facilitate development of new classification structure.</td>
</tr>
<tr>
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<td>Stronger link between qualification statements and job content. Greater clarity of duties/responsibilities in a classification.</td>
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<td>More accurate matches for purposes of market surveys.</td>
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<tr>
<td>Pay Structure</td>
<td>As an outcome of the development of the compensation philosophy, and the development of the new classification structure, develop new pay structures. Both a general pay structure and occupational structures, if required. Create more appropriate spread of ranges from minimum to maximum.</td>
<td>New pay ranges. More pay ranges but with appropriate spreads.</td>
<td>$15,000 if consulting resources required.</td>
</tr>
</tbody>
</table>
<pre><code>                                                                                                                                                                                                                                                                       | A path towards addressing the issue of the wide salary disparity for employees doing similar work.                                                                                                           |                                                                                                                                                        |
                                                                                                                                                                                                                                                                       | Reinforcement of the new classification structure.                                                                                                                                                             |                                                                                                                                                        |
                                                                                                                                                                                                                                                                       | Enhanced internal equity.                                                                                                                                                                                   |
</code></pre>
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<tr>
<td>Market Data</td>
<td>DSHR to purchase a market survey data tool, such as MarketPay or Kenexa, to aid in the gathering of market data, the warehousing of market data and the capability to do salary budget modeling for the purposes of taking a greater role in salary budgeting.</td>
<td>Better market data.</td>
<td>Market survey data tools typically in the range of $40,000-$50,000 to purchase.</td>
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<td></td>
<td></td>
<td>More regular gathering of market data.</td>
<td>Annual license fee.</td>
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<tr>
<td></td>
<td></td>
<td>Market based salary budgeting.</td>
<td>Purchase of existing salary surveys vary in cost. An annual budget of approximately $20,000 should be sufficient.</td>
</tr>
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<td>Salary Budgeting</td>
<td>DSHR preparation of annual compensation report to the Governor and Legislature.</td>
<td>More consistent approach to the request for funding of salaries, rather than on an agency by agency basis.</td>
<td>DSHR staff resources if insufficient current resources.</td>
</tr>
<tr>
<td></td>
<td>Development of criteria as basis for assessing targeted funding request for salaries for agencies and/or occupations and/or job families and/or classifications.</td>
<td>Better data on which funding decisions can be made.</td>
<td>Funding for targeted salary adjustments would be based on the occupations determined to be priorities by the General Assembly based on criteria to be developed by DSHR.</td>
</tr>
</tbody>
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<tr>
<td>Salary Budgeting (cont’d)</td>
<td>Fund General Increases as a means by which to address lag to market.</td>
<td>Start on path to address lag to market.</td>
<td>Funding for general increases based on the movement in the market for the cost of labor, and affordability. Each 1% of funding is currently $13,295,828 of actual pay.</td>
</tr>
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<tr>
<td>Pay Delivery (Reasons for Changes in Salary)</td>
<td>DSHR to review the application of the current 10 ways in which pay can change and assess the extent to which they should be combined, eliminated or enhanced.</td>
<td>Review of the effectiveness of what in 2014-2015 was a $38,457,291 expenditure. Increased emphasis salary changes for reasons of addressing internal equity, relativity to market and performance.</td>
<td>DSHR staff time. Funding requirements, if any, unknown at this time.</td>
</tr>
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<td>Linkage between Performance and Pay</td>
<td>DSHR to redesign and strengthen the EPMS. DSHR to develop statewide guidelines for the use of performance based pay.</td>
<td>One Statewide consistent approach to performance management. Minimization of different practices between agencies. Consistent basis upon which to consider funding for merit based increases. Strengthens the linkage between performance and pay as one of the factors in pay delivery.</td>
<td>DSHR staff resources.</td>
</tr>
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<tr>
<td>Recruitment and Retention Bonuses</td>
<td>Develop statewide guidelines for the use of recruitment and retention bonuses beyond the current healthcare plan.</td>
<td>Will build on a well designed plan that will aid in recruitment and retention.</td>
<td>Appropriate funding for the plan. Initial funding to be in the range of $150,000-$200,000.</td>
</tr>
<tr>
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<tr>
<td>Communication and Education</td>
<td>Inform and educate key Executive and Legislative branch leaders on the proposed salary budgeting process. Inform and educate key Legislative branch leaders on the importance of language in appropriation provisos on how appropriated compensation funds will be administered. Inform and educate key Legislative leaders on the importance of funding for employee compensation being a legislative priority.</td>
<td>Compensation funding to be by dollar amounts, not expressed as a percentage. Compensation funding to be spent in accordance with the compensation philosophy, policies and priorities. Reinforces the commitment to and value of the State workforce.</td>
<td>$15,000-$20,000 if utilize consulting resources to lead these education sessions.</td>
</tr>
</tbody>
</table>
Appendices
The appendices referenced in this report are set out in a separate document.
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