

## **Wage Study Task Force**

March 17, 2005

Thursday, 11:00 - 12:30

Minutes (with some additional first-person post-meeting notes) submitted by Fran Ansley

Present: Fran Ansley, Courtney Cronley, Elizabeth Gentry, Martie Gleason, Mike Herbstritt, David Linge, Cynthia Rocha

Those of you who could not be present were missed, but we had a productive meeting, whose general outlines I will attempt to capture below. The following overall framework guided our discussion:

The first important goal for this spring is to produce a snapshot of all the full-time employees (whether “term” or “regular”) who are hired to work here on the Knoxville campus. The snapshot should include what those employees are paid at different grade levels and how many people are employed at each level. All employees working directly for UT should of course be included, and if possible we want to include all employees working for Aramark or Service Solutions as well. If the latter is impossible, we will nevertheless “represent” them in some way in the snapshot, noting the gap/hole.

A second goal is to build the snapshot in a way that will allow it to be reproduced annually in the future without undue burden on Human Resources or others, thereby updating the information for future audiences and allowing changes to be tracked over time by interested stakeholders.

A third goal is to show changes that have already occurred since the first wage study was done in 2000. Since a new information system has intervened during that time span, and since we are enlarging the snapshot that was taken in 2000, this year’s study will not be a “perfect” match with the last one, but it should at least be possible to show and continue to track some trends. In any event we will be positioned to do better and more “apples-to-apples” tracking in the future.

Finally, the Task Force is duly noting additional information we may want to secure and assess in the future that goes beyond the goals stated above. In order to put together a manageable report and maintain focus, we agreed that some things should be put aside for future inquiry. Some such items include: how all the information we are gathering breaks out by race and gender; the pay status and longevity of part-time employees (including student employees); sources of funding for different employees, broken out by “hard” and “soft” money or other such markers; pay and benefit status of people working for contractors other than Aramark and Service Solutions; number of UTK employees in different grades who for whatever reason do not participate in UT-brokered health insurance.

### **A. New data from HR**

Martie and Mike brought two beautiful new tables which I will include with this mailing for those of you who were not at the meeting.

1. **Table #1** – This table shows pay grade *minimums* (stated in hourly, monthly and annual terms) for the different current pay grades, together with pay grade *averages* of actual employees in those pay grades as of 3/10/05, and it also indicates how many employees are in each of the stated pay grades. The table covers all full-time regular and term UT employees who physically work on the Knoxville campus (including the Ag Institute, and employees who perform system-wide support and administration but are located on the Knoxville campus), with the exception of: (a) faculty and (b) senior management.

2. **Table #2** – This table shows average salary (stated only in annual terms) of actual faculty members in the different faculty ranks at UTK as of 3/10/05.

We discussed the information presented in these tables and identified some additional items that the Task Force would also like to have before us as we start to prepare our report. Martie and Mike will undertake to get us the following additional information:

1. Add “senior management” information to Table #1. These folks are top-level administrators. They are designated as “pay grade 75” in the system because the system requires there to be a formal pay grade. But it is not really a pay grade as we use that term elsewhere, in that each salary is individually negotiated. We want this information in aggregate and average terms, not by individual employee.

[Here are a few things to bear in mind about this information. Table #1 shows *base pay*. That means that some people -- including some of the senior managers in the to-be-added “pay grade” 75 and some other folks like athletic coaches, whose information is embedded elsewhere on the table – may in fact receive substantially more money than is reflected on the table, through other sources and channels than their base pay. HR for understandable reasons does not feel comfortable voluntarily turning over individual information on any employee, and the Task Force has not requested that information from them. Of course we are all aware that the information is publicly available, both at Hodges Library and often, at least in the case of high-profile individuals, through local news sources.]

2. Add information about research faculty and clinical (teaching only) faculty to the information on Table #2. These were not included on the current Table #2 because they are different sorts of creatures. However, the Task Force decided to ask for the information for two reasons. First, it will help us achieve our goal of taking as complete a snap-shot as possible of the entire group of full-time employees physically working on the UTK campus. Second, the category of “research faculty” is made up primarily of people working on externally-funded grants (“soft money”). The funding of university research through such external grants is such a marked development and such an important trend, we thought the Faculty Senate would want to include this cohort so we could see and track it in future.

3. Add average time-in-grade for all employees included in both tables, as expanded. This should be available without too much trouble because the system has to calculate longevity pay.

4. Break out information for exempt versus non-exempt employees on Table #1. Pay grades 10-13 are an area of overlap, including both exempt and non-exempt employees. The new iteration of Table #1 will break this out so we can see if there is any difference worth noting.

Martie will work on developing all these additions, and she will send it to the three co-chairs in electronic data base form by Thursday of next week. Mary should be able to get it to Brenda and

Courtney. Mary and Mike also agreed to review the 2000 study to see if there are places where HR may want to provide some explanatory narrative about the updated data. My notes are unclear about whether we identified any deadline for that task.

## **B. Report from Student Researchers**

### Cost-of-Living adjustment to 2000 living wage

Brenda and Courtney had already distributed a chart showing the results of applying the Social Security system's cost-of-living formulas to the \$9.50 wage that was proposed by the campus living wage campaign in 2000. They found that the adjusted figure would be \$10.50. *[Later editorial note: A computational error was later discovered in this calculation. The Task Force has since calculated the adjusted figure at \$10.73.]*

This news precipitated a discussion about the problem of benefits and their impact on the living wage. Back in the 2000 campaign for which the original wage study was produced, the demand communicated to the University administration was for "\$9.50 with medical benefits or \$11.50 without medical benefits." (During our meeting, we were unsure about the higher figure and exactly what it included, but I have since gone back into my files to try to clarify. The quoted phrase is taken from a March 2, 2000 *Beacon* editorial endorsing the demand.)

We decided that Brenda and Courtney will continue to look at that question, with advice from Cynthia, and will report back at our next meeting. The assumption was widely shared that the costs of health insurance – whether to a large group policyholder like the University, or an individual person attempting to purchase insurance in the private market – have risen more rapidly than the general cost of living. We are not clear on many details, including: (1) How did the Living Wage Campaign in 2000 arrive at a figure for the cost of a "living benefits level"? (2) Does the Social Security COLA already include an inflator for health insurance costs, and if so, should we break that out in some way to show a difference between and "with benefits" and "without benefits" living wage figure? (3) In any case, shouldn't UTK be considered an employer that pays a wage "with benefits," since it does offer a health insurance option? But on the other hand, is that option a realistic one for UTK employees at the lowest pay grades?

### Outline of 2000 wage study

Paper copies of the skeleton outline the students extracted from the prior study were distributed at the meeting, and we agreed it was helpful to all of us in thinking about what we need to do to prepare a full update.

## **C. Information on contracted-out employees**

Candace White was meeting with Loren Crabtree at 2:00 the same day as our meeting and requested that we let her know precisely what information we wanted on Aramark and Service Solutions employees so that Loren could communicate that to Jerry Wade. We agreed that we what we want is parallel information to the information provided on Table #1. In essence, these contracted out employees belong in the snapshot we are creating. Prior to their contracting out, they would have appeared in Table #1, and we want to be able to put them in the picture we are constructing.

Since our meeting, I have realized that I think we should also find out information about the health insurance plan offered by both these employers. What does it cover, and what does it cost? But that will need to await further discussion.

It also occurs to me that many of the Aramark people may be part-time. This may cause issues for us in terms of gathering parallel information, but that too will need to await further developments.

#### **D. Tasks**

Here are tasks, some agreed to at the meeting, and others proposed by me here – hope the latter are OK:

a. Human Resources Team –

Will add senior management to Table #1.

Will add research/clinical faculty to Table #2.

Will add time-in-grade information for different pay grades or faculty ranks.

Will break out exempt and non-exempt information in pay grades 10-13.

Will show on Table #1 how the new pay grades map onto the ones in use in 2000.

Will begin thinking about what they might provide as narrative explanation +/- “meta-data”

b. Student researcher team (with advice and support from Mary and Cynthia)

Will work on clarifying the “with/without benefits” question for 2000 and today

Will work with Cynthia to define research questions and think of ways to work with the data

Note that research questions mentioned in earlier Task Force meetings have included:

How many UTK employees make wages that fall below the poverty line?

How many UTK employees make wages less than “a living wage”?

What impact would a \$1200 flat raise have on these figures or on other indicators?

Is income disparity growing or shrinking at UTK?

c. Cynthia Rocha

Will advise and help student team on working with the data, designing snapshot, etc.

d. Mary Rogge

Will plan and chair next meeting and provide back-up support to student researchers

e. Fran Ansley

Will write up these minutes and distribute them

Will get handouts from the meeting to all who could not attend

Will get copies of Tennessee Self-Sufficiency Study to Mary Rogge for research team

Will return original of Self-Sufficiency Study to Elizabeth at next meeting

f. Dave Linge (and all of us, for that matter, but especially Dave, given his prior role)

Will review the 2000 wage study and the data gathered so far this year

Will think about what our May report should look like

c. Elizabeth Gentry

Agreed to deliver Tables #1 and #2 to Candace so Candace could show Loren what we want from Aramark and Service Solutions