

HIGHER EDUCATION

PERSONNEL STUDY

FINAL REPORT

February 10, 2009



West Virginia
Higher Education
Policy Commission

Summary of Recommendations

Overall

1. The Higher Education Policy Commission (Commission), Council for Community and Technical College Education (Council) and higher education institutions should adopt a “total rewards” human resources strategy.
2. In exchange for being allowed to designate units for “bumping” purposes if there is a reduction-in-force at those institutions, West Virginia University and Marshall University should be expected to develop and implement written human resources plans that align with institution missions, master plans and compacts.
3. In exchange for being allowed to participate in some of the flexibility provisions outlined in these recommendations, all institutional governing boards should be expected to promulgate a personnel rule that addresses personnel issues, including salaries, that institutions are required to address in statute and/or in a Commission or Council legislative rule.
4. To assist institutions in developing comprehensive personnel rules, the Commission and Council should develop model personnel rules that institutions could use as a starting point in drafting their own personnel rules.
5. Both in exchange for being allowed to take advantage of some of the flexibility provisions outlined in these recommendations without system-level approval and as part of the overall process of ensuring that institutions are implementing best human resources practices, institutional human resources practices should be subject to periodic audits.
6. Institutions that employ highly qualified human resources professionals to make human resources decisions should be provided greater flexibility to make those decisions, particularly in the areas of classification and compensation, at the institution level.
7. Commission and Council staff should prepare and publish an annual report that summarizes how institutions are performing on key human resources performance measures. Copies of the report should be provided to institution governing boards and administrators, as well as the Legislative Oversight Commission on Education Accountability (LOCEA).
8. The Commission, Council and institutions, except West Virginia University, should utilize a single human resources technology platform for position management, including hiring; classification and compensation; and performance management. [Fiscal note]

9. The practice of awarding public higher education faculty a ten percent salary increase upon promotion should be restored – an action that was taken by the West Virginia Legislature through a modification of West Virginia Code in 2008.
10. Higher education institutions need to monitor institutional faculty profiles to assure that there is not an over-reliance on adjunct or part-time faculty in delivery of the instructional program.
11. Institutions should be permitted to assimilate individuals filling temporary, grant-funded positions into the classification and compensation system without triggering “bumping” rights for those employees upon termination or reduction of the grant if those employees receive formal written notification at the time of initial hire or transfer.
12. Within strict parameters, West Virginia University and Marshall University should be allowed to designate units for “bumping” purposes if there is a reduction in force at those institutions.
13. The Commission and Council should continue to study the issues surrounding reductions in force as required in Senate Bill No. 603 and prepare and submit a report to LOCEA no later than June 1, 2010.
14. The Commission and Council should study outsourcing as required in Senate Bill No. 603 and prepare and submit a report to LOCEA no later than December 1, 2009.
15. The Commission, Council and institutions should utilize a common set of terms and definitions for classification and compensation and other human resources functions that align with terms and definitions utilized nationally.
16. The Commission, Council and institutions should be allowed to phase in the recommendations contained in this report over time, rather than being mandated to implement everything at once.

Compensation

General

17. The Legislature, Commission and Council, and institutions all should know generally how faculty, classified employees and non-classified employees are paid in comparison to their respective markets and to one another.

Job Classification

18. The point factor methodology currently in use to classify jobs and positions should be retained.

19. The job evaluation plan should be modified to incorporate “unwritten rules” developed over the years for classifying jobs and positions.
20. The job classification system should be reviewed and evaluated at least once every five years.
21. If the classification system’s job evaluation plan is revised, the revisions should be phased in at the time a job family review is completed, rather than all at once.
22. The Commission and Council should create a Job Classification Committee responsible for managing all aspects of job classification delegated to it by the Commission and Council. The Committee should have equal representation of human resources professionals and classified employees.
23. The Commission and Council should employ a Classification and Compensation Coordinator who would be responsible for ensuring that the job classification system is maintained properly. [Fiscal note]
24. To assist institution human resources administrators, the Commission and Council should create a classification and compensation system manual and include the manual and supporting documents on its website.
25. Jobs should be reviewed regularly to ensure that job descriptions and evaluations are up-to-date.
26. Unless special state funding is made available for this purpose, a job review that leads to an upward classification of a job should not automatically produce a base pay increase for an employee in that job. If the employee’s salary is below the salary range for that pay grade, the employee’s base pay should be raised to the minimum of the salary range; otherwise, the employee’s base pay should be rounded up to the closest step in the new pay grade.
27. An up-to-date written job description should be in place for every job within the classification system.
28. Once up-to-date written job descriptions are in place for all jobs in the classification system, highly qualified classification and compensation professionals should be allowed to slot positions into those jobs, instead of applying the point factor methodology to each position.
29. Once up-to-date written job descriptions are in place for all jobs in the classification system, the minimum qualifications contained in a job description presumptively should be the minimum qualification for any position that can be classified within that job.

30. A highly qualified classification and compensation professional, working with the Classification and Compensation Coordinator, should be allowed to create a job and job title for inclusion in the classification and compensation system without obtaining formal approval from the Job Classification Committee; other human resources professionals should have to obtain the Job Classification Committee's permission before doing so.
31. The Classification and Compensation Coordinator should assist institutions that do not have highly qualified human resources professionals to classify positions.
32. Where appropriate, the Job Classification Committee should permit the creation of job career ladders.
33. Every classified employee should have an up-to-date position information questionnaire (PIQ).
34. The PIQ form currently in use should be simplified.
35. An institution should have two months from the date on which an employee requests a review of his or her PIQ to complete the review. If the institution fails to meet that deadline, the employee should be entitled to back pay from the date of the request if the classification is upgraded.
36. Grievance evaluators should be allowed to refer classification grievances to the Job Classification Committee for resolution if the grievance evaluator believes classification expertise would be beneficial. Additionally, institutions should be encouraged to utilize alternative dispute mechanisms to resolve classification issues outside the grievance process.

Base Pay

37. The Commission and Council should create a Compensation Committee responsible for addressing compensation issues delegated to it by the Commission and Council.
38. The Commission and Council should prepare a base pay market salary report, to be updated annually, that summarizes how current employees are paid in relation to the market.
39. The Commission and Council should conduct a more extensive market salary study utilizing an external vendor at least once every five years.
40. The Job Classification Committee or the Compensation Committee should be allowed to approve base pay enhancements for jobs in which application of the point factor methodology would dictate a significantly lower salary than would external market pricing. The Committee should be required to examine market salary data annually to verify that market data supports the continued enhancement.

41. The current “years-of-service” system for paying classified employees should be replaced with a step system that considers more than years of service.
42. Classified employees should be paid in a manner that is consistent with an institutional salary schedule approved by the institution’s governing board and that is consistent structurally with the market salary schedule.
43. Institutions should have the flexibility to collapse jobs in pay grades 4 and 5 into pay grade 6 if they want to do so.
44. The Commission and Council should have the authority to establish a minimum salary below which no higher education employee at each pay grade and step may be paid.
45. Institutions should be allowed to start new hires whose education and/or experience exceeds position requirements at a step in the first tertile of the salary schedule.
46. Institutions that employ highly qualified human resources professionals should be allowed to start new hires at a step up to the midpoint of the salary schedule if at least two searches have produced no qualified candidates or external market data clearly demonstrates that a lower salary would not be competitive.
47. Current employees should begin the new institutional salary schedule at whatever step is next highest based on their current base salaries. The Legislature should fund this “rounding up” of classified employees’ salaries to the next highest step. [Fiscal note]
48. In contrast to the current system in which more than 40 percent of employees are at the same step (step 15), proper step dispersion of employees generally should be ensured in the new system.
49. The Legislature should consider providing funding to support one-time salary increases for classified employees with more than fifteen years of experience to create greater step dispersion. [Fiscal note]
50. An employee with more than fifteen years of experience should be able to continue to move across the salary schedule, albeit at a slower rate than an employee with fewer years of experience.
51. Subject to certain exceptions, an employee should be allowed to move one step across the salary schedule for each year of experience in the first tertile, for each two years of experience in the second tertile, and for each three years of experience in the third tertile.
52. An employee who earns a degree that is above position requirements in a directly-related field should receive an adjustment in base pay.

53. Institutions should have the flexibility to reward an employee who earns a degree above position requirements in a field that is not directly related to his or her work with a one-time bonus.
54. The Job Classification Committee should identify and approve certifications the acquisition of which would produce a one-step movement across the salary schedule or a one-time, non-base-building bonus.
55. The Legislature should consider providing funding for a one-time salary increase or bonus for current employees whose education and/or certifications exceed position requirements. [Fiscal note]
56. Institutions should be required to fund the current salary schedule that appears in the West Virginia Code fully before moving to a new system or taking advantage of any of the flexibility provisions contained in these recommendations.

Pay for Performance

57. Institutions at which 95 percent or more of classified employees receive annual performance reviews should be allowed to deny an employee credit for a year of experience beyond the midpoint of the first tertile if the employee's performance does not meet expectations and beyond the midpoint of the third tertile if the employee's performance does not exceed expectations.
58. The Legislature should consider allowing a limited number of institutions with a strong history of performance management to pilot a "points-for-performance" system for employees.
59. Institutions should be allowed to provide certain employees with one-time bonuses in a limited number of situations on a pilot basis.

Benefits

60. The Public Employees Insurance Agency (PEIA) Finance Board should include a representative from higher education.
61. Institutions should be permitted to purchase additional benefits above those that are statutorily mandated on behalf of some or all of their employees.
62. Institutions should be permitted to move a non-classified employee into the classification system, while allowing that employee to continue to accrue leave at the rate he or she accrued it as a non-classified employee.

Performance and Recognition

63. Absent having a better system in place, institutions should utilize the performance management system developed by the personnel study performance management committee for classified and non-classified employees.
64. Each public higher education institution should provide adequate information to faculty and staff on evaluation of their performance as part of the annual review procedures and define the review process in their faculty and/or staff handbook.
65. All supervisors should be required to attend performance management training as part of the process of implementing the performance management system.
66. All supervisors should be required to conduct performance reviews of all employees at least once annually and new hires immediately in advance of their six-month anniversary dates. Additionally, supervisors should be required to discuss employees' strengths and weaknesses with them at their three-month anniversary dates.
67. Incorporate the higher education disciplinary policy into Commission and Council rules.

Development and Career Opportunities

68. The Commission and Council should hire a statewide Training and Professional Development Coordinator to support training and professional development across public higher education. [Fiscal note]
69. The Commission and Council should continue to provide professional development opportunities for human resources professionals through World-at-Work and other applicable organizations. [Fiscal note]
70. Higher education institutions should develop a series of online training modules for new managers and supervisors, and such courses should be provided at no cost to such personnel. [Fiscal note]
71. Institutions should ensure that new-hire orientation programs include information about training and professional development resources and opportunities.
72. Institutions should incorporate professional development plans into their performance management systems.
73. Institutions should track the overall amount, as well as the cost, of all training and development provided to staff.
74. The Commission and Council should study whether to alter current internal promotion preferences.

I. Introduction

Senate Bill No. 603 (2005) mandated that the West Virginia Higher Education Policy Commission (Commission) conduct a comprehensive study of higher education human resources issues in collaboration with interested groups and to prepare and submit a final report to the Legislative Oversight Commission on Education Accountability (LOCEA) by December 1, 2008. Staff approached this study by providing extensive training on human resources best practices and creating a series of committees to work through various study topics.

While the recommendations contained in this report address a wide range of human resources issues, the following is a summary of some of the more significant recommendations:

- The Commission, Council and institutions should adopt a “total rewards” human resources strategy.
- The job classification system works well, but administration of that system can be simplified, and institutions given greater flexibility to use it.
- The current compensation system for classified employees should be revised to allow institutions to consider more than years of service when setting base compensation.
- To the extent financially practicable, institutions should reduce their dependence on adjunct faculty.
- Improving performance management and professional development practices should be an important focus of all institutions.

II. Charge

Senate Bill No. 603 (2005) charged the Commission to study numerous higher education human resources issues in collaboration with various groups before preparing and submitting a final report to LOCEA by December 1, 2008.

A. Topics of Study

In Senate Bill No. 603, the Legislature charged the Commission to conduct a three-year study of issues affecting employees in public higher education. W. Va. Code § 18B-1B-13. The topics identified for study were expansive in scope and included the following:

- Reviewing statutes, rules, guidelines, interpretations and other statements of policy;
- Surveying the capacity, professional training and practices of human resources professionals;
- Evaluating the strengths and weaknesses of the statewide classification and compensation system and examining alternatives;
- Reviewing job titles and responsibilities to determine if certain families of jobs should be classified or non-classified;
- Evaluating and recommending best practices and methods of establishing salary rates for faculty, classified and non-classified employees;
- Developing measurable indicators of “merit” and “performance” if these terms are to be used in a system for determining benefits;
- Developing reliable instruments of performance evaluation for all classes of employees;
- Exploring the feasibility of authorizing employee bonuses under a merit or performance-based system;
- Determining the most effective and efficient method to train administrators who perform employee evaluations and assuring that they use these instruments appropriately;
- Exploring justifications for maintaining or removing the internal preference for hiring promoting and transferring employees;
- Developing recommendations for a fair and rational policy covering reductions in force;
- Identifying unnecessary state-level “paperwork” requirements related to personnel and recommending methods to eliminate them while maintaining strict fiscal accountability;
- Evaluating the strengths and weaknesses of statewide tenure and promotion policies for faculty and examining alternatives;
- Evaluating the feasibility of implementing differential salary rates based on cost of living or other relevant factors;
- Determining how employees whose salaries are derived from funds other than state appropriations should be treated if there is a reduction in force; and
- Evaluating the costs and benefits of institution outsourcing.

Importantly, the mandate that these topics be studied must be understood in the larger context of the passage of Senate Bill No. 603. A major goal of that legislation was to provide greater flexibility for Marshall University and West Virginia University in a wide variety of areas ranging from capital project management to procurement to academic program review and approval. The Legislature, however, was reluctant to add human resources to that list of topics because of concerns raised by classified employees and faculty about current human resources practices at those and other institutions. Many of those concerns subsequently were examined within the broader scope of the personnel study.

B. Collaboration

Senate Bill No. 603 mandates that the personnel study be conducted in consultation with various groups, including the West Virginia Council for Community and Technical College Education (Council), institutional governing boards, the State Advisory Council of Faculty and the State Advisory Council of Classified Employees. W. Va. Code § 18B-1B-13(a). Implicit was an expectation that Commission staff also consult with institution human resources administrators, chief financial officers and presidents. The ultimate goal of the project is to present a comprehensive series of recommendations for which there is a consensus, if not unanimous support, across the higher education system.

C. Reporting

To assure that the study was progressing appropriately, the Legislature mandated that the Commission provide updates to LOCEA every six months. Finally, the Legislature mandated that the Commission submit a final report by December 1, 2008. Senate Bill No. 603 mandated that the final report contain findings, conclusions and recommendations and take into account the impact of proposed changes on employees and institutions. The legislation also required that documentation to support any conclusion or recommendation be included as part of the findings and a fiscal note be prepared if a recommendation will have a fiscal impact on the public higher education system.

III. Study Process

In undertaking the personnel study, staff faced a number of challenges, including general disagreement about the appropriate levels of institution flexibility and accountability, distrust among employers and employees at many institutions, and a lack of knowledge about human resources best practices. Staff attempted to address these concerns by providing extensive training on human resources best practices and by creating a series of committees to work through various study topics.

A. Challenges

Commission staff worked diligently to address widely disparate views about appropriate levels of institution flexibility and accountability. Although there was general consensus on the need to improve human resources practices across the system, there was little agreement about how to accomplish this goal. At one end of the spectrum were those who believed that the solution to these problems lay exclusively in greater human resources flexibility, and possibly even autonomy, for larger institutions like West Virginia University and Marshall University. At the other end of the spectrum were those who believed that the only solution was greater human resources centralization. The proponents of flexibility argued that this was the only way to recruit new hires and retain incumbents through competitive classification, compensation and human resources strategies. The proponents of centralization argued that excessive flexibility, without concomitant accountability, was a primary reason for human resources challenges experienced across the system.

A closely related problem was distrust of the current system among employers and employees at many institutions. Some employers viewed classified employees in particular as a group that regularly expressed dissatisfaction with current human resources practices, yet were unwilling to engage in the types of discussion necessary to facilitate change. By the same token, some classified employees perceived employers as treating them unfairly through inconsistent decision-making and as unwilling to engage in meaningful discussions about ways to correct the existing system.

Finally, the West Virginia-American Federation of Teachers began a unionization drive across higher education. This drive was more successful at some institutions than it was at others, particularly among certain groups of employees such as faculty. The net result was a significant increase in the number of unionized employees in higher education. The addition of unions to the equation meant that their concerns had to be taken into account, particularly in areas like pay for performance.

B. Activities

As Senate Bill No. 603 was making its way through the Legislative process in 2005, the Chairmen of the Senate and House Education Committees met with the Vice Chancellor for Administration and asked him to lead the personnel study. The Vice Chancellor for Administration ultimately agreed, but did ask for funding for a personnel study coordinator, which the Legislature provided. Over the three years of the study, the Vice Chancellor has employed two coordinators: Jacqueline Bass, who ultimately left to pursue her Ph.D. at the University of California at Berkeley; and Nichelle Perkins, former director of the West Virginia Division of Personnel and human resources director at BrickStreet during its conversion from public to private entity. With the assistance of these personnel study coordinators, the Vice Chancellor for Administration focused on two activities: (1) providing extensive human resources training, particularly in the areas of classification and compensation; and (2) creating committees to work through difficult human resources issues.

In 2005, Commission and Council staff conducted a survey of human resources administrators and their staffs. The survey results showed that many people in human resources had little formal human resources training, particularly in the areas of classification and compensation. Additionally, it was clear that if classified employees were to play a significant role in this study, they too would benefit from training. Therefore, the Commission and the Council devoted substantial time, money and effort in coordinating training through several of the leading national human resources organizations: WorldAtWork, the Society for Human Resources Management (SHRM) and the International Public Management Association for Human Resources (IPMA-HR). The WorldAtWork training, which focused on classification and compensation, in particular was extensive. Over the course of this project, higher education employees have had an opportunity to participate in thirty-four full days of WorldAtWork training in areas such as compensation fundamentals, base pay, variable pay, job analysis, market pricing, performance management, quantitative methods, accounting and finance, and regulatory (legal) requirements. As a result, at least thirty-five human resources staff and four classified employees received professional human resources certifications. The increased knowledge that resulted from this professional development has been a key component of the overall success of this project.

In an effort to develop a broad base of support for and understanding of the multitudinous issues covered within the overall study, the Vice Chancellor for Administration created a series of committees to address various difficult issues mandated to be examined as part of the study. To disaggregate some of the barriers described in the previous subsection, the Vice Chancellor for Administration proposed to keep the committees fairly small, while at the same time ensuring near-equal representation between administrators and classified employees. The goal of this effort was to create a collaborative “marketplace of ideas” whereby each idea was recognized and respected. The goal was to have each committee come forward with a set of recommendations around which there was unanimous agreement. A brief summary of the charges given to the various committees appear below:

- Oversight Committee. This committee was charged with providing general oversight for the project.

- Classification Committee. The classification committee was charged with evaluating the current job classification system, including the job evaluation plan, job titles and job families and the position information questionnaire.
- Compensation Committee. The compensation committee was charged with developing a system to replace the current uniform years-of-service salary schedule that was not aspirational, as is the current salary schedule.
- Market Salary Study Committee. The market salary study committee was charged with overseeing the process of selecting a vendor to conduct a market salary study, ensuring that all deliverables were provided and evaluating market salary study results.
- Performance Management Committee. The performance management committee was charged with examining performance management across the system, developing a model performance management system and addressing the issue of pay for performance.
- Professional Development Committee. The professional development committee was charged with examining professional development provided to all classes of employees, with special attention being given to human resources professionals.
- Reduction-in-Force Committee. The reduction-in-force committee was charged with addressing various issues that have arisen during past reductions in force, which prevented the Commission and Council from approving a reduction-in-force rule.
- Best Practices Committee. The best practices committee was charged with identifying best human resources practices, identifying measures of human resources effectiveness and ensuring that proper data collection and reporting mechanisms are in place so that policymakers at the institution, system and state levels can make good decisions.
- Statute and Rules Committee. The statute and rules committee was charged with reviewing proposed statutes and rules necessary to implement the committees' recommendations.

Overall, the committee structure worked reasonably well to develop proposals to incorporate into the final report.

While the committees served as the core of consensus-building efforts, Commission and Council staff also worked to build consensus across the system by visiting each institution and speaking to classified employees, administrators and boards of governors. Over the course of this project, the Vice Chancellor for Administration, the personnel study coordinators and others have traveled to every institution, with the exception of Eastern West Virginia Community and Technical College, at least once to discuss the personnel study, and in many cases two or three times. In addition, staff has met with the Advisory Council of Classified Employees, human resources administrators and chief financial officers on multiple occasions to discuss the study. Finally, staff created a website, www.wweightsteps.org, to share information.

Despite extensive consensus-building efforts, there is not unanimous support for all of the recommendations contained in this report. There, however, is a general consensus among administrators and classified employees in support of most of the recommendations that appear below.

IV. History

From 1969 to 1989, the West Virginia Board of Regents served as the governing board for all West Virginia state institutions of higher education. As such, the Board of Regents had the sole authority to determine, control, supervise and manage the financial, business and educational policies and affairs of the state institutions—including those dealing with personnel. Generally, this authority was delegated to the individual institutions within certain broad parameters set out in a series of “Policy Bulletins,” “Administrative Bulletins” and ad hoc directives adopted by the Board of Regents. These “rules” or “policies” of the Regents originally were not subject to the legislative rule-making review process. They were not extensive but did cover a number of personnel areas such as sexual harassment, retirement, holidays, leave, grievances and general personnel administration. (In 1988, the Legislature removed higher education's exemption from the legislative rule-making review process. The Policy Bulletins in place at that time were re-designated as “rules” and filed with the Secretary of State's Office.)

In 1986, the Legislature enacted W Va. Code § 18-26B-1, *et seq.*, requiring the Regents to "establish, control, supervise and manage a complete, uniform system of personnel classification for all higher education employees other than faculty and non-classified employees." Under this new Article, the Regents were to establish this system by July 1, 1986. A salary schedule was also placed in Code that established a minimum monthly salary for each pay grade in accordance with years of service held by the employee. However, the payment of the minimum salary was conditioned upon availability of funds.

The Regents subsequently adopted its "Policy Bulletin No. 62" in July of 1987, dealing with Personnel Administration. The Policy Bulletin directed institutions to place each classified employee in the appropriate pay grade on the salary schedule as determined by a "Manual for Classification Administration" adopted by the Regents. Only job titles in the Manual were to be used. W. Va. Code § 18-26B-6 further mandated that each institution was to submit to the Regents by September 1, 1986, and each year thereafter, a report on their compliance with proper employee classification. Institutions could request that changes in job titles or pay grades be made once a year, but the Regents would have to approve any such changes.

Concurrent with the development of Policy Bulletin No. 62, a “Classified Employees' Handbook” was drafted and was adopted by the Regents on May 8, 1987. The Handbook addressed many of the common issues concerning classified personnel such as promotions, layoffs, overtime, benefits, leave and disciplinary matters. The institutions routinely incorporated the Handbook into their own institutional handbooks or, if there was not one, relied solely upon it. Though some of the provisions of the 1987 Handbook were mirrored in parts of Policy Bulletins, many substantive provisions were not included in any Policy Bulletin or subsequent rule, including the disciplinary process set out in the Handbook. (Issues of faculty tenure, promotion and dismissal were included in Policy Bulletin No. 36, which only addressed faculty issues.)

No uniform system of classification was put into effect by the July 1, 1986, date required by W. Va. Code § 18-26B-4. In 1989, the Board of Regents was abolished, and two separate state-wide governing boards were created by the Legislature to assume the powers of the Regents. The State College System Board of Directors was given jurisdiction over the four-year colleges and community and technical colleges while the University System Board of Trustees was given jurisdiction over the two universities, the West College of Graduate Studies and the West Virginia Osteopathic School. The responsibility of establishing a uniform system of classification was transferred to the joint responsibility of the Directors and Trustees and the requirement that a uniform system be put in place was extended to July 1, 1990. Again, this did not occur by the statutorily required date.

In 1991, the two boards commissioned William M. Mercer, Inc., now known as Mercer, to assist in developing a classification and compensation system. The objectives of the study were as follows:

- To build compatible classification systems and pay programs that were responsive to the two systems' individual cultures and missions;
- To establish classification systems and pay programs that were flexible and simple to understand and manage;
- To decentralize the administration of the classification and pay systems so that these systems could be maintained and administered by institutional human resource administrators;
- To establish pay systems that would move employees through pay ranges based on a combination of longevity and merit while addressing market conditions based upon each individual institution's needs and geographic location; and
- To establish a means to communicate the purpose and progress of the study to members of the Board of Directors and Board of Trustees, institutional presidents, managers, supervisors, and employee interest groups.

Mercer helped to create a system that met the above-referenced objectives, but by the time the final system gained passage through the Legislature in 1993, the original design had undergone several modifications:

- Mercer created a 15 step salary schedule with 25 pay grades. The Legislature changed the steps to years of service. This alteration limited the flexibility found in the original design and the system's ability to implement an effective merit system;
- The administration of the classification and pay system remained centralized because the Legislature gave responsibility for administering the two systems to the Board of Directors and the Board of Trustees; and
- Although Mercer could provide annually updated market data, the Chancellors' offices decided that instead of receiving these updates, they would commission comprehensive market studies every three to five years.

The 1993 legislation extended the implementation date for a uniform system of classification to January 1, 1994. On that date each classified employee was slotted in the proper pay grade and job title pursuant to the Mercer system. Each classified employee was given a limited time

period to grieve his or her initial placement on the statutory salary schedule set out in W. Va. Code § 18B-9-3, and over 500 classified employees grieved that initial placement. The Mercer classification and compensation system, which is still in use today, consists of a 13-point factor methodology for determining a job's pay grade.

In 1994, the Legislature adopted and established a five-year plan to fund the salary schedule based on market data provided by Mercer. Mercer's market salary study results found no geographic differentials sufficient to justify market differentials for different institutions across the state. Full funding of the 1994 market salary schedule was accomplished on July 1, 2000.

In 2000, the Legislature abolished the Board of Directors and Board of Trustees and created a transitional Interim Governing Board and the Higher Education Policy Commission. Responsibility for maintaining the uniform classification system was transferred to the Policy Commission. All rules of the two abolished statewide governing boards were also transferred to the jurisdiction of the Policy Commission. On July 1, 2001, the Interim Governing Board was abolished, and each state institution received its own Board of Governors. Each Board of Governors was charged with administering a system for the management of personnel matters, including classification, compensation and discipline of the institution's employees, subject to the rules of the Policy Commission and applicable statutes. The 2001 legislation also authorized the Policy Commission to transfer rules of the abolished state-wide boards to the jurisdiction of local governing boards. After a lengthy process, the Policy Commission retained certain personnel rules at the statewide level and transferred others to the jurisdiction of those local boards. Particularly, Series 62 (regarding Personnel Administration and encompassing the uniform classification system) was retained and re-designated as Series 8 of the Commission's rules. Series 38 (dealing with Employee Leave) and Series 39 (dealing generally with Classified Employees) have also been retained by the Commission at the state level. Similarly, Series 9 (dealing with faculty tenure, promotion and dismissal) has been retained.

In 2001, the Legislature also updated the classified salary schedule set out in W. Va. Code § 18B-9-3 based on a new Mercer market salary study. The intention, as before, was to move towards full funding of the schedule over a five-year period. At the time the new salary schedule was adopted, the Legislature intended to appropriate money to fund the schedule. Unfortunately, West Virginia's economy entered into a recession, which led to significant decreases in state appropriations for higher education institutions. As a result, the Legislature did not appropriate money to support the 2001 salary schedule. Institutions alone shouldered the burden of finding funding, primarily through tuition and fee increases. Fearful that some institutions would let their obligations to the schedule slide while others worked to find funding, the Policy Commission, in June 2001, mandated that institutions must have all employees at least at the "zero step" for their pay grade by July 1, 2005. All but one set of institutions fulfilled that mandate. West Virginia University filed a declaratory action against the Policy Commission claiming the Commission was not authorized to make this mandate. Because of certain flexibility measures granted West Virginia University and Marshall University in Senate Bill No. 603 in 2005, the West Virginia Supreme Court of Appeals ultimately ruled that Marshall University and West Virginia University were not bound by this mandate. Currently, some institutions have completed full funding of the schedule, i.e., each classified employee is being

paid at least the minimum for their appropriate years of service, and others are nearing full-funding.

Presently there is a great variance in the amount and specificity of personnel policies adopted by each institutional Board of Governors. W. Va. Code § 18B-2A-4 has clarified that while the faculty and staff may operate under the supervision of the President, they are “employees of the governing board.” W. Va. Code § 18B-1-6 and Series 4 of both the Policy Commission and Council for Community and Technical College Education prescribe a process for the governing boards to adopt rules—including those dealing with personnel—through a formal rule-making process. While some institutions are operating under certain rules transferred to their jurisdiction by the Policy Commission and others are slowly adopting their own, some others are using a combination of approaches as they attempt to develop a comprehensive package of personnel rules.

V. Current Compensation Structure and Market Salary Study

One of the major personnel study projects was a market salary study. A market salary study generally compares employees' base pay with the base pay of people performing comparable work in other organizations. Prior to this study, the last classified employee market salary study had been completed in 2000. In 2008, Commission and Council staff initiated a market salary study that is in the process of being finalized now. In addition to looking at salaries overall, the study examined cost-of-labor differentials and examined benefits.

A. 2001 Market Salary Schedule

In the past, market salary data have been used to develop a market salary schedule, which institutions have striven to fund over a number of years. In 2000, for instance, Mercer conducted a market salary study for higher education, which produced the 2001 classified salary schedule.

Since that time, institutions have been striving to reach full funding of the 2001 classified salary schedule. Many institutions currently have fully funded the 2001 salary schedule, but the following institutions and organizations have not:

Bluefield State College	97%
Glenville State College	95%
Marshall University	94%
West Virginia State University	96%
West Virginia University Institute of Technology	92%
Community and Technical College at WVU Tech	96%
Southern West Virginia Community and Technical College	92%
West Virginia University at Parkersburg	96%
West Virginia Higher Education Policy Commission	99%

B. 2008-2009 Market Salary Study Process

In September 2008, Commission and Council retained Mercer to conduct a market salary study. The primary purpose of the market salary study was to determine the market salaries of jobs in our classification system and included an examination of geographic cost-of-labor differentials and a qualitative analysis of the system-wide benefit offerings (health/group, time loss, and retirement/savings) relative to two groups of comparators. The scope of services included:

- Identifying a comprehensive list of benchmark jobs for which market data would be collected that would represent a cross-section of job families and career streams (i.e., director, manager, professional, support/technician) spanning all institutions;
- Developing a market definition differentiated by career stream to guide the market pricing efforts;

- Collecting market salary data for the benchmarks based on job content from numerous reputable published survey data sources;
- Researching cost-of-labor and cost-of-living differentials for the different regions within the state of West Virginia; and
- Compiling market study results to facilitate internal analysis by Commission and Council staff, with the assistance of external consultants.

The market salary study committee provided Mercer with approximately 260 job titles, representing multiple job families and career streams, to include in the market benchmarking process. Mercer also gathered job documentation for each job title from which survey jobs could be compared.

At the onset of the study, the market salary study committee and Mercer discussed recruiting markets (industry and geography) for different career streams, which served as the basis for the following market pricing definitions:

- Director: National higher education institutions comparable in institutional classification as well as size (based on operating budget);
- Assistant Director/Middle Management: Higher education institutions and general industry organizations within West Virginia;
- Professional/Supervisor: Higher education institutions and general industry organizations within West Virginia;
- Support/Technical: Higher education institutions and general industry organizations within West Virginia.

If West Virginia data were not available, national data were collected and adjusted with an 8% discount to reflect the cost-of-labor variance for West Virginia relative to the national average (Economic Research Institute).

Mercer relied on market data from 27 published sources housed in Mercer's comprehensive survey library as well as those purchased by Commission, Council and higher education institutions:

Higher Education Sources

- American Library Association: ALA-APA Survey of Librarian Salaries
- College and University Professional Association: Administrative Compensation Survey and Mid-Level Professional & Administrative Salary Survey
- Watson Wyatt Data Services: Report on College & University Personnel Compensation

General Industry Sources

- Bureau of Labor Statistics: Occupational Employment & Wage Estimates
- Business and Legal Reports: Survey of Nonexempt and Exempt Compensation
- Cordom Associates: Salary Survey of Non-profit Organizations

- D. Dietrich Associates, Inc.: Support Services Salaries Survey
- Employers Advisory Group: The National Information Technology and Engineering Compensation Survey
- Food Marketing Institute: Management Compensation Survey
- Gartner, Inc.: Information Technology Market Compensation Study
- Mercer: Benchmark Database, Pharmacy Survey, and Integrated Health Networks Compensation Survey
- Personnel Administration Services, Inc.: Construction Management Staff Salary Survey
- PRM Consulting: Management Compensation Report (Not-For-Profit Organizations)
- Watson Wyatt Data Services: Suite of general industry surveys

Of the 266 job titles identified originally by classification committee and the market salary study committee, Mercer collected 25th, 50th (median), and 75th percentile base salary data for 203 jobs. Additionally, salary range minimum, midpoint, and maximum data were collected where available.

The market salary data were reviewed by members of the market salary study committee and human resources administrators at various higher education institutions. Based on feedback received, it was decided to exclude market salary data for 11 jobs because of questionable matches from the final analysis:

- | | |
|--|--|
| • Database Technician I | • Construction Project Manager |
| • Database Technician II | • Chef |
| • Manager, Graphics Services E | • Manager, Information Service |
| • Public Relations Manager | • Manager, Business Operations |
| • Financial Reporting Manager | • Executive Assistant to the President |
| • Assistant Director of Public Safety & Training | |

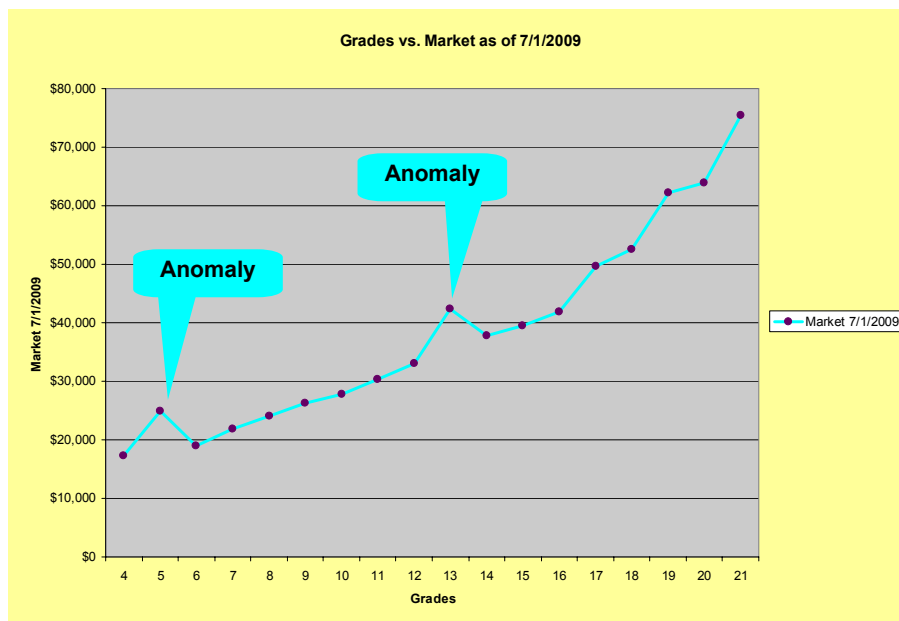
C. 2008-2009 Market Salary Study Results – Overall

The 2008-2009 market salary study found that the average higher education classified employee is paid 13.3% below market salaries as of July 1, 2009. The total cost to bring classified employees, as a group, to the salary market rate is approximately \$22.7 million, or slightly less than \$4,473 per employee. This analysis takes into consideration not only the base pay that employees receive, but also annual increment pay. The following table summarizes the data by pay grade:

July 1, 2009 Market Analysis

# EES	Pay Grade	Average Salary	Total Salary	Mid-Point	Total Midpoints	Market	Total Market
10	4	\$19,300	\$193,000	\$17,934	\$179,335	\$17,300	\$173,000
2	5	\$16,894	\$33,788	\$18,962	\$37,923	\$24,900	\$49,800
87	6	\$18,978	\$1,651,086	\$20,076	\$1,746,612		
521	7	\$20,587	\$10,725,827	\$21,285	\$11,089,485	\$21,864	\$11,391,144
119	8	\$22,280	\$2,651,320	\$22,590	\$2,688,151	\$24,135	\$2,872,065
91	9	\$24,244	\$2,206,204	\$23,988	\$2,182,908	\$26,248	\$2,388,568
453	10	\$23,724	\$10,746,972	\$24,511	\$11,103,483	\$27,751	\$12,571,203
128	11	\$27,720	\$3,548,160	\$26,086	\$3,338,944	\$30,280	\$3,875,840
653	12	\$29,491	\$19,257,623	\$27,806	\$18,157,318	\$33,028	\$21,581,002
533	13	\$32,040	\$17,077,320	\$29,661	\$15,809,047	\$42,289	\$22,631,731
550	14	\$34,464	\$18,955,200	\$31,683	\$17,425,375	\$37,846	\$20,760,520
456	15	\$37,225	\$16,974,600	\$33,865	\$15,442,440	\$39,476	\$17,967,473
523	16	\$37,923	\$19,833,729	\$36,258	\$18,962,673	\$41,873	\$21,819,334
406	17	\$42,590	\$17,291,540	\$38,846	\$15,771,476	\$49,683	\$20,166,500
218	18	\$48,706	\$10,617,908	\$41,659	\$9,081,662	\$52,477	\$11,821,235
186	19	\$53,230	\$9,900,780	\$47,838	\$8,897,775	\$62,162	\$11,864,909
103	20	\$59,569	\$6,135,607	\$51,408	\$5,294,973	\$63,864	\$7,054,295
40	21	\$67,151	\$2,686,040	\$55,322	\$2,212,860	\$75,367	\$2,345,176
5079			\$168,835,618		\$157,675,826		\$191,333,796
	<i>With Pay Grade 6:</i>		\$170,486,704				

These data show several anomalies that need further examination. The market salaries for sampled jobs in pay grades 5 and 13, for instance, are out of line with the rest of the market data.



Overall, however, the data support the validity of the point factor methodology currently in use for classifying jobs.

D. 2008-2009 Market Salary Study Results – Cost-of-Labor Analysis

Because institutions are located throughout the state of West Virginia, Mercer conducted a cost-of-labor analysis to determine whether regional pay structures should be established to reflect geographic market differences. For each institution, all major cities (both within West Virginia and in surrounding states, where applicable) within a 60-90 mile radius of the campus location were compared to the State of West Virginia as a whole. The results indicate that all campus locations, with the exception of Blue Ridge Community and Technical College and Shepherd University, track within +/-3% of the state. Blue Ridge Community and Technical College and Shepherd University are approximately 13% above the state average, which is primarily influenced by their proximity to Washington D.C. and the surrounding area (Economic Research Institute).

As a final piece to the project, Mercer also researched the cost-of-living variations of the same major cities compared to the state of West Virginia; as is typical, the cost-of-living differentials for each city tracked higher than the cost-of-labor differentials. Additionally, Commission and Council collected cost-of-living data from the West Virginia Business & Economic Review. While it is useful to be aware of the pockets within West Virginia that have high cost-of-living, it is a best practice to focus on cost-of-labor differentials when considering whether or not to establish one or more separate pay structures. There is some degree of correlation between cost-of-living and cost-of-labor differentials; however, they do not track the same. It is Mercer's opinion that the cost-of-labor differential is a more accurate index to use since it is a measure of true salary differentials.

E. 2008-2009 Market Salary Study Results – Benefits Analysis

For purposes of analyzing the West Virginia higher education institution benefits package, Commission and Council staff identified two separate peer groups against which to compare. The first peer group consisted of 22 higher education institutions in multiple states; the second peer group included 43 general industry organizations (i.e., government, financial institutions, healthcare, etc.) within West Virginia and surrounding states.

The analysis included calculating prevalence statistics (number of plans and percentage of plans) for each plan feature including:

- Health/Group: Medical, dental, life insurance, flexible spending accounts, post-retirement medical
- Time Loss: Vacation, holiday, personal leave, PTO banks, sick leave, short- and long-term disability
- Retirement/Savings: Defined benefit, defined contribution, stock purchase

A comprehensive report was provided that details where Commission and Council is relative to the prevalence of both comparator groups. A few examples include:

- West Virginia higher education offers two medical plans, PPO and HMO, which rank as the first and second most offered plans in both comparator groups; the employee-only premium for the PPO and HMO is in line with the higher education peers but higher than the employee-only premium for the majority of general industry peers offering a PPO plan.
- The number of holidays West Virginia higher education institutions offer compares favorably to both comparator groups; while institutions offer greater than 11 holidays, the majority of general industry and higher education peers (83% and 52%, respectively) offer 11 or fewer holidays.
- Relative to vacation days, West Virginia higher education institutions offer more vacation days at date of hire than the majority of general industry and higher education peers (85% and 63%, respectively). Additionally, West Virginia higher education institutions offer more vacation days at one year and ten years of service than the majority of general industry peers.
- West Virginia higher education offers a defined contribution retirement/savings plan, which is in line with both comparator groups (98% of general industry and 100% of higher education peers offer a defined contribution plan); however, the majority of general industry and higher education peers (51% and 86%, respectively) offer a defined benefit plan, which West Virginia higher education does not.

When reviewing the benefits information, it is important to consider how employees value each benefit and the cost to the organization. For example, a particular plan feature may not be competitive for a particular peer group, and institution dollars may be better spent elsewhere if that plan feature is not valued highly by employees.

F. 2008-2009 Market Salary Study: Using the Data

Typically, market salary data are used to develop a salary schedule. Consistent with the recommendations contained in this report, the Commission and Council propose to prepare and maintain a market salary schedule and to allow institution governing boards to adopt an institution salary schedule that is a percentage of the applicable market.

VI. Recommendations, Findings and Conclusions

A. Overall

Recommendation No. 1: The Commission, Council and higher education institutions should adopt a “total rewards” human resources strategy.

Findings. The best practice in human resources is to develop a “total rewards” strategy that aligns the monetary and nonmonetary returns provided to employees in exchange for their time, talents, efforts and results with institution goals, objectives and priorities. The concept of “total rewards” can be broken down into five major areas: (1) compensation; (2) benefits; (3) work-life; (4) performance and recognition; and (5) development and career opportunities. The goal of the “total rewards” is to choose a set of rewards that will maximize the attraction, motivation and retention of higher education employees, while ensuring satisfaction and engagement for employees and performance and results for institutions. The “total rewards” approach recognizes that compensation, while important, is not the sole motivator for employees.

Conclusions. While public higher education does not control all variables [e.g., statutorily-mandated health insurance through the Public Employees Insurance Agency (PEIA)], the Commission, Council and higher education institutions should explicitly adopt a “total rewards” human resources strategy in their personnel rules and strive to maximize the total rewards, in light of available resources, available to all employees.

Recommendation No. 2: In exchange for being allowed to designate units for “bumping” purposes if there is a reduction-in-force at those institutions, West Virginia University and Marshall University should be expected to develop and implement written human resources plans that align with institution missions, master plans and compacts.

Findings. A human resources best practice is for organizations to have a human resources philosophy and strategy that aligns with the organization’s mission and business strategy. A good human resources plan outlines the various human resources programs that will be implemented to accomplish the institution’s vision, mission, goals, objectives and priorities; sets forth in general terms how the programs will be administered; and provides for periodic evaluation of those programs. The larger an institution the more reasonable it is to expect that institution to have a human resources plan in place. At present, no institution is required to have a human resources plan.

Conclusions. In exchange for allowing West Virginia University and Marshall University to designate units for “bumping” purposes if there is a reduction-in-force at those institutions, the Legislature may want to consider mandating that (1) those institutions establish written human resources plans approved by their governing boards; and (2) Commission or Council staff evaluate, as part of periodic human resources audits

of those institutions, whether that institution is implementing its human resources plan. The plans would not require Commission or Council approval before taking effect, but would be subject to review by the Chancellor and/or his or her staff to determine whether the provisions of the plan comply with state law or a Commission personnel rule. The Commission or Council could restrict West Virginia University and Marshall University from exercising human resources flexibilities only if the institution's plan does not comply with state law or Commission or Council rule, based on the results of a human resources audit, determines that the institution is not abiding by the terms of its plan in an area in which it has been given flexibility.

Recommendation No. 3: In exchange for being allowed to participate in some of the flexibility provisions outlined in these recommendations, all institutional governing boards should be expected to promulgate a personnel rule that addresses personnel issues that institutions are required to address in statute and/or in a Commission or Council legislative rule.

Findings. While most institutions have acted promptly to promulgate personnel rules mandated in current statutes, not all institutions have done so. Institutions should not be allowed to take advantage of statutory or regulatory flexibility provisions if they are not complying with all current statutes.

Conclusions. In exchange for allowing institutions certain human resources flexibilities, the Legislature and/or the Commission or Council should mandate that institutions promulgate an appropriate rule within one year of the effective date of a new mandate. If an up-to-date rule is not in place at that time, an institution should be precluded from taking advantage of the flexibility provisions contained in statute or Commission or Council rule. The Legislature, Commission and Council also should clearly delineate which flexibility provisions will be lost if up-to-date rules are not in place. The Chancellors should be permitted to review and recommend changes to personnel rules if those rules do not comply with either technical legal requirement or the spirit of the law.

Recommendation No. 4: To assist institutions in developing comprehensive personnel rules, the Commission and Council should develop model personnel rules that institutions could use as a starting point in drafting their own personnel rules.

Findings. One reason institutions are slow to draft personnel rules is that levels of rule-drafting expertise vary widely across institutions of higher education. In addition, personnel issues on subjects like classification and compensation and the handling of reductions in force often must address myriad complex issues.

Conclusions. The Commission and Council should develop model personnel rules that institutions could use as a starting point in drafting their own personnel rules. Ideally, the model rules would identify key decision points and offer alternatives for addressing those decision points. Although the model rules would be available as a resource,

institutions should not be required to use those rules as a starting point for their own rules, even though it is probable that most would.

Recommendation No. 5: Both in exchange for being allowed to take advantage of some of the flexibility provisions outlined in these recommendations without system-level approval and as part of the overall process of ensuring that institutions are implementing best human resources practices, institutional human resources practices should be subject to periodic audits.

Findings. Between 2001 and 2004, the Commission conducted five audits of some institutional human resources practices. The audits examined compliance with both federal and state human resources laws. Since 2004, no human resources audits have been conducted. Without such audits, the Commission and Council cannot determine if institutional human resources utilize best practices.

Conclusions. The Legislature may want to consider mandating that Commission and Council staff coordinate a human resources audit of each institution at least once every five years. The Legislature should identify general subjects that must be examined in an audit, such as having position descriptions in place for all classified employees and performance reviews on file for all employees. The Legislature also should address the powers of the Commission and Council to address major deficiencies. As an initial matter, the Legislature should mandate that the Commission and Council give institutions reasonable time to address any major deficiencies uncovered in an audit. If major deficiencies are not addressed in a reasonable time, the Commission and Council should be allowed to freeze the salaries of the President and key administrators until the deficiencies are addressed. The Commission and Council rule should identify major subjects of audit and remedial actions to be taken with greater specificity. In the absence of special circumstances, institutions should be given reasonable notice of upcoming audits; the audits should focus primarily on issues identified as important to the effective implementation of a “total rewards” system; and the audits should be performed by individuals whose primary duties are not to support institution human resources functions (e.g., retired higher education human resources professionals).

Recommendation No. 6: Institutions that employ highly qualified classification and compensation professionals to make human resources decisions should be provided greater flexibility to make those decisions, particularly in the areas of classification and compensation, at the institution level.

Findings. At the beginning of the personnel study, Commission and Council staff conducted a survey of institution human resources practitioners to determine their respective levels of education, experience and expertise. Staff saw the results as an opportunity to provide training on best human resources practices through WorldAtWork, the Society for Human Resources Management (SHRM) and the International Public Management Association for Human Resources (IPMA-HR). As a

result, 16 employees earned WorldAtWork's Certified Compensation Professional (CCP) designation; 10 employees earned SHRM Professional in Human Resources (PHR) or Senior Professional in Human Resources (SPHR) certifications; and 15 employees earned IPMA-HR certifications.

Conclusions. To incentivize institutions to maintain highly qualified human resources professionals, the Legislature, Commission and Council should consider giving institutions that employ highly qualified classification and compensation professionals greater flexibility than institutions that do not employ such individuals. To qualify as a highly qualified classification and compensation professional, a person must: (1) be a certified compensation professional or hold a doctoral-level degree in a human resources-related field and have two years of classification and compensation experience; (2) have a master's degree in a human resources-related field and four years of classification and compensation experience; (3) have a bachelor's degree in a human resources-related field and six years of classification and compensation experience; or (4) have ten years of classification and compensation experience, regardless of degree or certification.

Recommendation No. 7: Commission and Council staff should prepare and publish an annual report that summarizes how institutions are performing on key human resources performance measures. Copies of the report should be provided to institution governing boards and administrators, as well as the Legislative Oversight Commission on Education Accountability.

Findings. At present, Commission and Council staff prepares two human resources reports annually. The first, a faculty and staff characteristics report, is faculty focused. Among other purposes, it provides basic demographic information (e.g., age, gender, ethnicity, highest degree held) and average nine-month salaries for faculty and total numbers of faculty, classified staff and non-classified staff. The second, a classified staff salary report, summarizes how many employees are paid below the "zero step" and below their proper step on the 2001 classified salary schedule. These reports provide little in the way of context and do not focus on critical success factors. The best human resources practice is to identify critical success factors and utilize those as elements in a human resources scorecard or its equivalent.

Conclusions. The Legislature should consider removing the mandate for the classified staff salary report currently required by W. Va. Code § 18B-9-3 and replacing it with a general mandate for an annual human resources report. The Legislature may want to include general mandates concerning content, but the Commission, Council and institutions should have the ability to modify the report's content over time as important human resources issues change. At present, the Commission and Council do not collect all the information they need to collect to prepare a meaningful report. As a result, the Legislature should consider establishing a deadline of December 31, 2010 for submission of the first report to the Legislative Oversight Commission on Education Accountability. The Commission and Council annual human resources report should identify and report on human resources critical success factors. Among other matters, the initial report

should summarize the overall ratios of faculty and staff to students at each institution; higher education employee compensation averages as compared to market averages; the level of employee turnover, as well as numbers of employees eligible for retirement; the percentage of employees receiving at least an annual performance review; and possibly the quantity and cost of training and development opportunities provided for employees.

Recommendation No. 8: The Commission, Council and institutions, except West Virginia University, should utilize a single human resources technology platform for position management, including hiring; classification and compensation; and performance management.

Findings. During the personnel study, staff discovered that institutions utilize a wide variety of tools to perform basic human resources functions, such as hiring, job classification and performance management. At one extreme, and until very recently, one institution utilized handwritten note cards in a tickler system to track various human resources deadlines. At the other extreme, several institutions have begun to utilize a single human resources platform for many basic human resources functions. During the course of the personnel study, participants learned of a single human resources platform that incorporates position management, classification and compensation, and performance management and is readily available, scalable to the needs of West Virginia's higher education institutions and affordable. With the exception of West Virginia University, all West Virginia higher education institutions moving in the direction of a single human resources platform are utilizing PeopleAdmin.

Conclusions. The Legislature should consider providing a one-time appropriation so that all institutions, except West Virginia University, which utilizes a different platform for its back office functions, may purchase PeopleAdmin or a comparable product and so that the product can be customized to meet the specific needs of West Virginia higher education, including those related to maintaining the classification and compensation system. Thereafter, institutions would pay annual maintenance costs. While the expectation would not be to mandate that institutions utilize PeopleAdmin or a comparable product, the expectation would be that all but the smallest institutions would move to it over time.

Fiscal Note. To purchase a license to allow all West Virginia higher education institutions to implement PeopleAdmin's applicant tracking and position modules would cost approximately \$200,000. Institutions that utilize PeopleAdmin or a comparable product would be expected to pay ongoing maintenance costs, as well as any fees for customizing modules to meet system-specific needs.

Recommendation No. 9: The practice of awarding public higher education faculty a ten percent salary increase upon promotion should be restored – an action that was taken by the West Virginia Legislature through a modification of West Virginia Code in 2008.

Findings. The ten percent salary increase upon promotion is the most significant and rigorously evaluated “merit” event for faculty in West Virginia higher education. Though the majority of the institutions, through their governing boards, currently adhere to the promotion increase, some add the caveat “when funding is available.” The Legislature should mandate through statute that all institutions award a ten percent salary increase to faculty upon promotion in rank.

Conclusions. In 2008, the Legislature modified code provisions to require a ten percent salary increase to faculty upon promotion.

Recommendation No. 10: Higher education institutions need to monitor institutional faculty profiles to assure that there is not an over-reliance on adjunct or part-time faculty in delivery of the instructional program.

Findings. All institutions have a policy statement on adjunct (part-time) faculty. The percentage of faculty holding adjunct status varies widely from institution to institution. Most institutions are slightly below the national average in percentage of the number of adjunct faculty employed. For four-year institutions, the percentage of courses taught by adjunct faculty range from 44 percent at Shepherd University to 14 percent at Marshall University, while percentages at community and technical colleges are somewhat higher. While there is no established percentage ratio of adjunct faculty to full-time faculty because of institutional differences (e.g., institutions that devote significant resources to on-line classes versus those that do not), an over-reliance on adjunct faculty can have a detrimental impact on student learning

Conclusions. All institutions should maintain faculty profiles that do not result in over-reliance on adjunct faculty. This goal cannot be achieved in the absence of additional state and/or student revenue to pay for full-time faculty.

Recommendation No. 11: Institutions should be permitted to assimilate individuals filling temporary, grant-funded positions into the classification and compensation system without triggering “bumping” rights for those employees upon termination or reduction of the grant if those employees receive formal written notification at the time of initial hire or transfer.

Findings. West Virginia higher education institutions employ a significant number of individuals utilizing temporary grant funds, especially in the areas of research and workforce development. Although many of these employees perform work that is comparable to that performed by classified employees, they are employed as non-

classified employees so that the institution can avoid managing the issue of bumping upon termination of the grant.

Conclusions. The Legislature should consider allowing institutions to include individuals filling temporary, grant-funded positions in the classification and compensation system for the purpose of setting compensation, but without triggering bumping rights for the employee. The provisions should not apply retroactively to current employees; to employees whose salaries are funded from long-standing federal higher education grants, such as Land Grant Extension and Historically Black Colleges and Universities grants; to employees moved to grant funding involuntarily; or to employees who have worked for the higher education institution for at least ten years. Finally, an individual not provided with written notification at the time of hire or transfer would have full bumping rights. The Commission and Council should include in its reduction-in-force rule a provision to govern reductions-in-force for employees whose salaries come only partially from grant funding.

Recommendation No. 12: Within strict parameters, West Virginia University and Marshall University should be allowed to designate units for “bumping” purposes if there is a reduction in force at those institutions.

Findings. Under the best of circumstances, reductions in force are traumatic for employees and difficult for institutions to implement. However, the challenges of implementation are especially difficult at large institutions such as West Virginia University where a single reduction in force may trigger numerous “bumps.” Making bumping even more challenging at West Virginia University are its major divisions headquartered outside of Morgantown (e.g., Potomac State College, West Virginia University Institute of Technology, and Health Sciences Centers in Charleston and Martinsburg) and its extension program scattered across the state.

Conclusions. The Legislature should consider allowing the West Virginia University and Marshall University Boards of Governors to designate discrete units consisting of at least 200 classified employees per unit, in which bumping may occur without crossing into other units of the institution. Regardless of size, West Virginia University Institute of Technology and Potomac State College may be treated as designated units for bumping purposes.

Recommendation No. 13: The Commission and Council should continue to study the issues surrounding reductions in force as required in Senate Bill No. 603 and prepare and submit a report to LOCEA no later than June 1, 2010.

Findings. One of the mandates contained in Senate Bill No. 603 was to “[d]evelop [] recommendations for a fair and rational policy covering reductions in force.” W. Va. Code § 18B-1B-13(b)(8). A committee was created to study this issue, but no consensus developed around how to handle some of the most difficult reduction-in-force issues.

Conclusions. The Legislature should consider mandating that the Commission and Council continue studying reductions in force and provide a report to LOCEA no later than June 1, 2010. As part of this study, the Commission and Council should examine whether the flexibility provisions contained in Recommendation No. 12 should be extended to other multi-campus institutions.

Recommendation No. 14: The Commission and Council should study outsourcing as required in Senate Bill No. 603 and prepare and submit a report to LOCEA no later than December 1, 2009.

Findings. One of the mandates contained in Senate Bill No. 603 was to “[d]etermin[e] the true costs or benefits as well as the advantages and disadvantages that may accrue as a result of decisions to outsource certain institutional functions.” W. Va. Code § 18B-1B-13(b)(13). Any time an institution chooses to enter into a contract for services, it effectively is choosing to outsource them, rather than perform them with new or existing institutional staff. As a result, it can be difficult to identify and evaluate outsourcing. The Vice Chancellor for Administration and the Personnel Study Coordinator made several unsuccessful efforts to form a committee to include a human resources administrator, a person with a strong financial background and two classified employees to analyze outsourcing. Several national training organizations, including WorldAtWork, provide training of the proper evaluation of outsourcing opportunities.

Conclusions. The Legislature should consider mandating that the Commission and Council complete a study of outsourcing during 2009 and provide a report to LOCEA no later than December 1, 2009. As part of this process, the Commission and Council should consider retaining someone to provide training to institutions on how to evaluate outsourcing opportunities.

Recommendation No. 15: The Commission, Council and institutions should utilize a common set of terms and definitions for classification and compensation and other human resources functions that align with terms and definitions utilized nationally.

Findings. At the beginning of this study, many individuals were utilizing key human resources terms in different ways, especially in the area of classification and compensation. The terms “position” and “job,” for instance, were used interchangeably even though they mean very different things to a classification and compensation professional. Through WorldAtWork training, classified employees and human resources professionals learned standard definitions for key terms, which those connected with this project have been attempting to use.

Conclusions. The Legislature, Commission, Council and institutions should rely upon a common set of definitions for key human resources terms in statutes and rules.

Recommendation No. 16: The Commission, Council and institutions should be allowed to phase in the recommendations contained in this report over time, rather than being mandated to implement everything at once.

Findings. Not only does this report contain numerous recommendations to implement across the system, but some of those recommendations will take considerable time to implement fully and effectively. Of particular concern to institution administrators is ensuring that adequate time is provided to implement a new salary schedule system for classified employees.

Conclusions. The Legislature should consider setting internal effective dates and/or giving institutions the flexibility to implement new statutory provisions within a set period of time, rather than having all provisions apply immediately upon the legislation's effective date.

B. Compensation

Recommendation No. 17: The Legislature, Commission and Council, and institutions all should know generally how faculty, classified employees and non-classified employees are paid in comparison to their respective markets and to one another.

Findings. At present, the Commission and Council do little serious analysis of higher education employees' salaries in comparison to their respective markets, which may not be limited to higher education and the public sector, but rather to the overall job market for the position. As for faculty, the Commission and Council prepare an annual report that summarizes average salaries of assistant, associate and full professors at each institution and sometimes compare overall state averages to Southern Regional Education Board (SREB) and national averages and overall institution averages to peer averages. As for classified employees, the Commission and Council prepare an annual report summarizing how current salaries compare to 2001 market averages and update the market averages that serve as benchmarks once every six or seven years. As for non-classified employees, the Commission and Council analyze only presidential compensation. Some institutions, like West Virginia University and Southern West Virginia Community and Technical College, participate in salary surveys, but other institutions do not.

Conclusions. The Legislature should mandate that the Commission and Council report annually to LOCEA and institution presidents and governing boards on how faculty, classified employees and non-classified employees are paid in comparison to their respective markets and to one another.

Recommendation No. 18: The point factor methodology currently in use to classify jobs and positions should be retained.

Findings. Many qualitative and quantitative methods are used to classify jobs and positions from the relative simple methods such as whole job analysis and market pricing to more complicated methods like compensable factors and point factors. West Virginia higher education institutions currently utilize the point factor methodology to classify jobs. The point factor methodology, as currently applied, requires human resources administrators to use a scoring system to rate positions on numerous dimensions such as education and experience required to perform the job, the scope and effort of and freedom of action associated with the work, and to the employee's number of subordinates and working conditions. While complicated to apply, the current system is understood by, and has the support of, both classified employees and human resources professionals.

Conclusions. The Legislature should reaffirm, consistent with W. Va. Code § 18B-9-4, that a point factor method shall be utilized to classify jobs in West Virginia higher education.

Recommendation No. 19: The job evaluation plan should be modified to incorporate "unwritten rules" developed over the years for classifying jobs and positions.

Findings. Over the years, human resources administrators and the Job Evaluation Committee have developed a number of "unwritten rules" for classifying jobs and positions. The Job Evaluation Committee, for instance, uses half-points when evaluating the scope and effect and the freedom of action of a job. The personnel classification committee has proposed revisions to the job evaluation plan to incorporate these "unwritten rules."

Conclusions. The Commission and Council should adopt a revised job evaluation plan that outlines all rules, written and unwritten, currently in use for classifying jobs and positions.

Recommendation No. 20: The job classification system should be reviewed and evaluated at least once every five years.

Findings. The point factor methodology currently used for job classification will work best if it is well understood by classified employees and human resources professionals and aligns with base pay results from the external market. Originally developed in the early 1990s, the point factor methodology had not been reviewed or evaluated until this personnel study. At the same time, the way people perform work, even in similar jobs, has changed dramatically since the early 1990s, when, for instance, computers were just beginning to be used commonly.

Conclusions. The Legislature should consider mandating that the Commission and Council reevaluate the current job classification system and provide LOCEA with a report on its effectiveness no later than December 31, 2014.

Recommendation No. 21: If the classification system's job evaluation plan is revised, the revisions may be phased in at the time a job family review is completed, rather than all at once.

Findings. A job evaluation plan should not be static, but rather should evolve over time. In most cases, proposed changes will be minor and will reflect issues that have arisen in the context of position reviews or grievances, but occasionally changes will be more significant. If at any time the job evaluation plan for a system that utilizes a point factor methodology to classify jobs (or positions in this case) changes significantly, it creates the very distinct possibility that every job (or position) will have to be reevaluated to determine whether the classification of that job (or position) has changed. Large numbers of grievances may result.

Conclusions. The Legislature should consider allowing the job evaluation plan to be revised significantly without immediate implementation of the changes for all classified employees. While it is not perfectly fair to have significant job evaluation plan changes phased in for different job families at different times, it allows change to occur with minimal disruption at institutions. The Legislature should limit the Commission and Council's ability to phase in significant job evaluation plan changes to a period of no more than two years.

Recommendation No. 22: The Commission and Council should create a Job Classification Committee responsible for managing all aspects of job classification delegated to it by the Commission and Council. The Committee should have equal representation of human resources professionals and classified employees.

Findings. Currently, a Job Evaluation Committee reviews PIQs to determine whether positions are classified properly and whether to create new jobs within the system. Its members, who are appointed for "life," do not have overall responsibility for maintenance of the classification system.

Conclusions. The Legislature should consider mandating that the Commission and Council have an advisory Job Classification Committee to oversee all areas of the higher education classification system for which the Commission and Council delegate responsibility. Among other things, the Job Classification Committee would be responsible for proposing Commission and Council rules to govern job classification, managing the process of conducting job family reviews, overseeing the decennial classification system review and ensuring that classification training and development is provided. To the maximum extent possible, the Job Classification Committee should have equal representation among human resources professionals and classified

employees, and large institutions, where the majority of classified employees work, should be represented adequately. No institution should have a majority of the Job Classification Committee membership. The Commission and Council should approve the Committee's membership for staggered terms not to exceed five years. Training and development for new members should be provided before they begin service on the Committee.

Recommendation No. 23: The Commission and Council should employ a Classification and Compensation Coordinator who would be responsible for ensuring that the job classification system is maintained properly.

Findings. Since the mid-1990s, little has been done to “maintain” the higher education classification and compensation system. Only five job family reviews have been conducted in more than a decade; job descriptions have not been developed or maintained for all jobs; the system includes 185 jobs (of 687 jobs) with no incumbents, many of which should have been eliminated long ago; and, before this year, no effort had been made to conduct a market salary analysis since the last market salary study in 2000.

Conclusions. The Commission and Council, utilizing funds provided in 2008, should employ a full-time Classification and Compensation Coordinator, whose primary foci would be maintaining the classification and compensation system.

Fiscal Note. The Legislature provided funding for a Classification and Compensation Coordinator in 2008. Commission and Council staff currently is in the process of interviewing candidates for this position and hopes to make a job offer within the next few weeks.

Recommendation No. 24: To assist institution human resources administrators, the Commission and Council should create a classification and compensation system manual and include the manual and supporting documents on its website.

Findings. Human resources administrators have expressed concern that many of the materials that they need to perform effective classification and compensation work are not readily available. Both human resources administrators and classified employees have expressed concern that the unavailability of key information may create inconsistency in the application of classification and compensation system guidelines.

Conclusions. The Commission and Council should direct staff to develop a classification and compensation system manual and include the manual and supporting documents on its website.

Recommendation No. 25: Jobs should be reviewed regularly to ensure that job descriptions and evaluations are up-to-date.

Findings. The most important aspect of maintaining a job classification system is reviewing jobs regularly, which typically is done during a job family review. To prepare for a job family review, institutions must ensure that all employees in that job family have up-to-date position descriptions. Based on up-to-date position descriptions and external market data, jobs may be added, changed or even eliminated. The process involves a detailed analysis of jobs in the job family, including job descriptions, job evaluation and associated compensation analysis.

Conclusions. The Legislature should consider mandating that the Commission and Council assure that all jobs are reviewed periodically. Commission and Council staff should develop a multi-year schedule for job family reviews.

Recommendation No. 26: Unless special state funding is made available for this purpose, a job review that leads to an upward classification of a job should not automatically produce a base pay increase for an employee in that job. If the employee's salary is below the salary range for that pay grade, the employee's base pay should be raised to the minimum of the salary range; otherwise, the employee's base pay should be rounded up to the closest step in the new pay grade.

Findings. One reason most frequently offered for not conducting regular job reviews is that they will produce numerous upward reclassifications, and institutions will be unable to absorb the associated costs. Absent special state funding for this purpose, one way to avoid this potential outcome is to allow an employee to move up a pay grade without necessarily getting a raise if the employee's salary is within the current salary range for that higher pay grade. The benefit to the employee: a higher pay grade provides an opportunity for the employee to earn an overall higher salary and possibly to earn a higher salary a bit more quickly.

Conclusions. The Legislature should consider either creating a special state fund to support employee reclassifications or insulate the Commission, Council and institutions from significant job review costs by providing that an upward classification of a job does not automatically produce a base pay increase for employees in that job or a claim for back pay for allegedly being misclassified before the upgrade. If the Legislature were to adopt the former course, funds should be used only to cover the cost of positions funded from state-appropriated and educational-and-general accounts and an institution match reasonably might be required.

Fiscal Note. It is impossible to determine precisely how much job reviews might cost as a result of upward reclassifications. A \$200,000 reclassification set-aside should be sufficient to allow the Commission, Council and institutions to feel comfortable starting job reviews. The Commission and Council should be required to report annually on

expenditures from this set-aside and about the possible need for additional funding infusions.

Recommendation No. 27: An up-to-date written job description should be in place for every job within the classification system.

Findings. Written job descriptions are critical to the effective functioning of any classification system. Unlike position descriptions or PIQs, job descriptions summarize the general duties and responsibilities of jobs, as well as the relevant knowledge, skills and abilities necessary to complete those jobs. Ideally, a job description serves three very important purposes. First, it allows classification professionals to classify (“slot”) positions quickly. Second, it serves as an easy reference point for evaluating the minimum qualifications for a position and whether an applicant meets those minimum qualifications. Third, it provides a basis for ensuring apples-to-apples market salary comparisons. West Virginia higher education does not have up-to-date written job descriptions in place for any jobs in the classification system. As a result, classifying positions, evaluating minimum qualifications, conducting market salary comparisons and even drafting PIQs all are more cumbersome than they need to be.

Conclusions. The Legislature should consider mandating that Commission and Council staff, working closely with institutions, maintain up-to-date job descriptions and stating explicitly that a job description is not considered up-to-date if it has not been reviewed in the last five years. The Commission and Council should consider directing staff to develop a plan to accomplish the task of getting up-to-date job descriptions in place over the next two years.

Recommendation No. 28: Once up-to-date written job descriptions are in place for all jobs in the classification system, highly qualified classification and compensation professionals should be allowed to slot positions into those jobs, instead of applying the point factor methodology to each position.

Findings. The human resources best practice for classifying a position within a classification system that utilizes a point factor methodology is to utilize the point factor methodology to evaluate the pay grade for each job and then to slot positions into jobs if seventy (70) to eighty (80) percent or more of the duties and responsibilities for the position match those listed for the job. Without job descriptions, this cannot be properly accomplished. As a result, institutions generally use the point factor methodology (i.e., run a “data line”) to evaluate every single position.

Conclusions. The Legislature should consider giving the Commission and Council explicit authority to allow institutions to slot positions into jobs if up-to-date written job descriptions are in place and training has been provided for institution human resources administrators. If up-to-date job descriptions are not maintained, institutions should lose the flexibility to slot positions into jobs.

Recommendation No. 29: Once up-to-date written job descriptions are in place for all jobs in the classification system, the minimum qualifications contained in a job description presumptively should be the minimum qualification for any position that can be classified within that job.

Findings. The job evaluation plan currently in use weighs education and experience at twenty-five (25) percent. Under the current system where the point factor methodology is applied to each position, one of the easiest ways to get a position classified to a job into a higher pay grade is to claim that the education and experience required to perform the work are higher than listed in the current PIQ. Without job descriptions that set minimum education and experience levels more objectively and no rewards for education above position requirements, it can be difficult for classification professionals to evaluate such claims. Not surprisingly, the higher education classification system has seen a steady increase in the numbers and percentages of employees in higher pay grades over the years, especially during times when salary increases otherwise were not provided, or were minimal.

Conclusions. While the transition to more stable education and experience requirements cannot occur without up-to-date written job descriptions, the Commission and Council should consider directing staff to develop a plan to accomplish this task and creating a presumption in its classification and compensation rule that minimum education and experience levels are applicable for any position classified in that job.

Recommendation No. 30: A highly qualified classification and compensation professional, working with the Classification and Compensation Coordinator, should be allowed to create a job and job title for inclusion in the classification and compensation system without obtaining formal approval from the Job Classification Committee; other human resources professionals should have to obtain the Job Classification Committee's permission before doing so.

Findings. Institutions currently have to work through a Job Evaluation Committee to add a job to the classification system, a process which can be time-consuming and can delay the filling of positions and resolution of classification issues. By the same token, the centralized approach serves to ensure that classification is done consistently across the system and, as a result, that market analyses produce valid and reliable results.

Conclusions. The Commission and Council should consider allowing institutions with highly qualified classification and compensation professionals, working with the Classification and Compensation Coordinator, to create jobs without obtaining the Job Classification Committee's approval in the first instance. As part of the job creation process, the institution would be responsible for developing a job description. Jobs thus created would be subject to review and re-evaluation when the Job Classification Committee reviews the job family in which the job was created. Other institutions

should be required to obtain Job Classification Committee approval before creating a new job.

Recommendation No. 31: The Classification and Compensation Coordinator should assist institutions that do not have highly qualified human resources professionals to classify positions.

Findings. The personnel study found that some institutions operate without a human resources professional and also noted a wide disparity in education and experience among human resources professionals, particularly in the area of job classification, across the system. While larger institutions generally have more qualified human resources professionals, particularly in the area of classification, this is not always the case.

Conclusions. To the extent possible, the Classification and Compensation Coordinator should provide assistance with classification for those institutions without highly qualified human resources administrators. Ideally, the Classification and Compensation Coordinator would provide training, as well as assistance, in such situations so that institutions could become more self-sufficient over time. In addition, the Classification and Compensation Coordinator should provide assistance to all institutions when difficult job classification decisions arise.

Recommendation No. 32: Where appropriate, the Job Classification Committee should permit the creation of job career ladders.

Findings. A job career ladder consists of a progression of jobs through which an employee working in a single area (e.g., physical plant or financial aid) can move over time. As a general rule, a career ladder job review is triggered when an employee acquires a certain level of experience; movement, however, is not automatic. Job career ladders are intended to recognize that the jobs of people in certain fields typically evolve as they gain more experience (e.g., they perform higher-level functions within the financial aid department). Career ladders also can promote employee training and development, which often are required before an employee can progress on the career ladder.

Conclusions. The Legislature should consider giving the Commission and Council, through its Job Classification Committee, explicit authority to develop job career ladders within the job classification system. It should be understood that job career ladders will not always align perfectly with the job evaluation plan, but generally should be consistent with it to ensure base pay equity.

Recommendation No. 33: Every classified employee should have an up-to-date PIQ.

Findings. Classified staff members often complain about having outdated PIQs that have not been updated. The current Commission and Council personnel rule requires PIQs to be updated, at a minimum, once every three years, but this does not occur at many institutions. The PIQ is foundational to the job classification system; without it, the classification system is necessarily less fair than it otherwise should be.

Conclusions. The Commission and Council should consider requiring a certification by a classified employee's supervisor annually (as part of the performance management process) that a PIQ is up-to-date. A supervisor's salary should not be increased if he or she has not provided appropriate certifications concerning his or her subordinates within the last year.

Recommendation No. 34: The PIQ form currently in use should be simplified.

Findings. The current PIQ form is unnecessarily long, and it is not uncommon to have a completed PIQ be fifteen or more pages in length. This discourages both employees and their supervisors from updating PIQs. Human resources administrators believe that most positions can be classified appropriately utilizing a shorter form, which the classification committee has developed.

Conclusions. The Commission and Council, working through the Job Classification Committee, should approve a simplified PIQ form and see that it is incorporated within an integrated human resources platform. Institutions should be allowed to modify the PIQ form in minor ways to meet institution-specific human resources needs (e.g., by including an employee data sheet) as long as it does not interfere with the primary purpose of the PIQ form: to classify a position into a job.

Recommendation No. 35: An institution should have two months from the date on which an employee requests a review of his or her PIQ to complete the review. If the institution fails to meet that deadline, the employee should be entitled to back pay from the date of the request if the classification is upgraded.

Findings. Under current rule, human resources staff have thirty days to review and evaluate a revised PIQ from the date of receipt. However, no deadline exists for a supervisor to review and forward a PIQ to the institution's human resources department. A frequent complaint of classified employees is that PIQs sit on supervisors' desks for extended periods of time.

Conclusions. The Legislature should consider requiring institutions to take no more than two months to review and evaluate a proposed revised PIQ. The institution would have the flexibility to divide this time among reviewers as it sees fit (e.g., thirty days for the supervisor and thirty days for the human resources department). In order for such a

system to work, the classified employee might have to file the proposed revised PIQ with his or her direct supervisor and the human resources department simultaneously, but the process for making the system work would be up to the institution. Only if there were a delay in completion of the evaluation and the evaluation actually produced an upgrade would the classified employee be entitled to back pay.

Recommendation No. 36: Grievance evaluators should be allowed to refer classification grievances to the Job Classification Committee for resolution if the grievance evaluator believes classification expertise would be beneficial. Additionally, institutions should be encouraged to utilize alternative dispute mechanisms to resolve classification issues outside the grievance process.

Findings. Job classification is an area where specialized knowledge is required; a decision in a single classification grievance sometimes can have far-reaching implications across the classification system; and case-by-case decision-making can produce unfairness in classification and compensation. These three considerations make it difficult for grievance evaluators to make decisions in grievance cases.

Conclusions. The Legislature should consider allowing grievance evaluators to refer complex classification grievance issues to the Job Classification Committee for resolution if the grievance evaluator believes classification and compensation expertise would be beneficial. In making its decision, the Job Classification Committee should consider the potential impact of the decision on overall system fairness. Additionally, there should be a mechanism in place for institutions to utilize alternative dispute mechanisms to resolve classifications issues outside the grievance process. Finally, the Commission and Council should coordinate training of grievance evaluators and administrative law judges in the basics of the higher education classification and compensation system.

Recommendation No. 37: The Commission and Council should create a Compensation Committee responsible for addressing compensation issues delegated to it by the Commission and Council.

Findings. If implemented, these recommendations will significantly change how base pay compensation for classified employees is handled and requires the development of a market-based classified salary schedule and regular market salary analyses for faculty and classified employees. At present, no committee exists to manage these activities.

Conclusions. The Legislature should consider mandating that the Commission and Council have an advisory Compensation Committee to oversee all aspects of classified employee salary schedule development, step management, market salary analyses and other compensation-related activities. This Committee should include finance professionals, human resources professionals and classified employees. To the maximum extent possible, the Compensation Committee should have equal

representation among finance professionals, human resources professionals and classified employees. Furthermore, large institutions, where the majority of classified employees work, should be represented adequately. No institution should have a majority of the members. The Commission and Council should approve the Committee's membership for staggered terms not to exceed five years and insure that members receive training in base pay management, market pricing, creating salary structures, and associated legal issues.

Recommendation No. 38: The Commission and Council should prepare a base pay market salary report, to be updated annually, that summarizes how current employees are paid in relation to the market.

Findings. Commission and Council staff periodically conducts cursory analyses of how faculty salaries compare to national, peer and Southern Regional Education Board (SREB) averages. In addition, two market salary studies for classified employees have been conducted since 1994. Indeed the current benchmark for classified employees is a 2001 salary schedule that is only now being updated during the personnel study. The lack of sophisticated and timely salary data diminishes the opportunity of institutions to hire and retain employees at competitive wages and affects the ability of policymakers to evaluate salary funding for all classes of employees.

Conclusions. The Legislature should consider mandating that the Commission and Council prepare an annual base pay market salary report that evaluates current employees' pay in relation to the market. The market salary report should examine faculty, classified, and non-classified employee salaries. To ensure that timely comparison data are available, the Commission and Council and higher education institutions should participate in a broader range of national salary surveys. Finally, to the extent practicable, the Commission and Council should gather data regularly on regional salary and cost-of-living differences.

Recommendation No. 39: The Commission and Council should conduct a more extensive market salary study utilizing an external vendor at least once every five years.

Findings. While quality market salary studies generally can be accomplished internally, jobs and quality sources of salary data change over time. Vendors with expertise in salary surveys can assist the Commission and Council gather not only more, but also more accurate, information. Therefore, it is prudent to utilize such resources as needed.

Conclusions. The Legislature should consider requiring the Commission and Council to retain an external vendor to conduct an extensive market salary study at least once every five years and to assist the Classification and Compensation Coordinator in updating salary comparison benchmarks.

Recommendation No. 40: The Job Classification Committee or Compensation Committee should be allowed to approve base pay enhancements for jobs in which application of the point factor methodology would dictate a significantly lower salary than would external market pricing. The Committee should be required to examine market salary data annually to verify that market data supports the continued enhancement.

Findings. Since its inception, the classification and compensation system has relied exclusively on the point factor methodology to classify jobs into a job worth hierarchy. A small number of jobs cannot have their worth determined adequately with a point factor methodology. In many cases, this is because there is a shortage of individuals capable of performing that job in the marketplace, such as is the case with nursing. A point factor methodology would suggest that nurses should make lower salaries than market pricing of the job would suggest.

Conclusions. The Legislature should allow the Commission and Council, through its Job Classification Committee or Compensation Committee, to identify jobs for which the point factor methodology does not work particularly well and allow base pay enhancement for those jobs. This should only be allowed where external market pricing has been performed and will be performed annually. Over time, enhancements for many of these outlier jobs can be eliminated (e.g., if the nursing shortage subsides).

Recommendation No. 41: The current “years-of-service” system for paying classified employees should be replaced with a step system that considers more than years of service.

Findings. The narrowly defined “years-of-service” system currently in place for compensating classified employees creates limitations in hiring new employees and in rewarding current employees. Institutions, for example, cannot compensate new hires for private sector work experience or exceeding minimum education requirements and must subsequently provide salary increases to employees who do not meet performance expectations.

Conclusions. The Legislature should consider removing the current “years-of-service” system for compensating classified employees and replacing it with a step-based system that considers not only years of service in West Virginia higher education or state government, but also private sector experience, education and certifications above position requirements and performance. The Commission and Council should be required to promulgate a legislative rule to implement the new step system.

Recommendation No. 42: Classified employees should be paid in a manner that is consistent with an institutional salary schedule approved by the institution's governing board and that is consistent structurally with the market salary schedule.

Findings. The current classification and compensation system was developed based on the assumption that all similarly-situated employees, regardless of institution, should be compensated in an equivalent manner. In 2000, the Legislature restructured West Virginia's higher education system and transferred many governance issues to institutions. As part of this transition, newly-created institution governing boards were given responsibility for the expenditure of state appropriations, tuition and fees and other revenue, as well as the establishment of salaries based on the available resources. As a practical matter, the current system makes it impossible to guarantee that all similarly-situated employees across institutions are compensated in a similar manner.

Conclusions. The Legislature should consider requiring institution governing boards to approve institution salary schedules that would govern what classified employees at that institution should be paid. Additionally, the Legislature should allow West Virginia University's Board of Governors to create separate salary schedules for classified employees at Potomac State College and West Virginia University Institute of Technology. The institution salary schedule would reflect what employees at the institution actually are paid and be consistent in terms of pay grades, steps and range spread with the market salary schedule approved by the Commission and Council.

Recommendation No. 43: Institutions should have the flexibility to collapse jobs in pay grades 4 and 5 into pay grade 6 if they want to do so.

Findings. A small number of employees are in pay grades 4 and 5 in the current classification system. The salaries of employees in these pay grades are low.

Conclusions. The Commission and Council should allow institutions the flexibility to collapse jobs in pay grades 4 and 5 into pay grade 6. The cost an institution that chose to do so would be minimal and would make it easier to recruit low-wage employees in areas like the Eastern Panhandle with a high cost of living.

Recommendation No. 44: The Commission and Council should have the authority to establish a minimum salary below which no higher education employee at each pay grade and step may be paid.

Findings. Although it is not possible to ensure that all similarly-situated classified employees across institutions receive the same pay, it is possible to ensure that every higher education employee at a particular pay grade and step receives a certain salary. Just as the federal minimum wage guarantees most workers a certain salary, there should be some minimum salary guarantee for each higher education employee at a particular pay grade and step.

Conclusions. The Legislature should consider authorizing the Commission and Council to establish a minimum salary schedule. The Commission and Council would establish the minimum salary schedule at a percentage of the market salary schedule, and institutions would be required to pay all employees at a particular pay grade and step that amount.

Recommendation No. 45: Institutions should be allowed to start new hires whose education and/or experience exceeds position requirements at a step in the first tertile of the salary schedule.

Findings. A major limitation of the current years-of-service compensation system is that all employees must start at the zero step, or entry level, on the classified salary schedule regardless of their education or experience above position requirements (unless that experience is in West Virginia public higher education or state government). This limits the ability of institutions to attract experienced private sector and non-West Virginia candidates during the hiring process.

Conclusions. The Legislature should consider giving the Commission and Council authority to promulgate a rule that would allow institutions to start new hires whose education and/or experience exceeds position requirements at other than the initial step on the classified salary schedule. The Commission and Council in turn should promulgate a rule that would allow a human resources administrator to place a new hire on any step in the first tertile of the classified salary schedule based on education and work experience above position requirements and provide a mechanism to phase in this recommendations so that new hires do not start out at a higher salary than similarly situated current employees.

Recommendation No. 46: Institutions that employ highly qualified classification and compensation professionals should be allowed to start new hires at a step up to the midpoint of the salary schedule if at least two searches have produced no qualified candidates or external market data clearly demonstrates that a lower salary would not be competitive.

Findings. Occasionally, institutions will find it difficult to fill a particular position within the classification system despite diligent efforts to recruit qualified candidates. Currently, no mechanism exists within the classification and compensation system to deal with difficult-to-fill positions.

Conclusions. The Legislature should consider giving the Commission and Council authority to promulgate a rule that would allow institutions to start employees hired to fill difficult-to-fill positions at other than the initial step on the classified salary schedule if they employ highly qualified classification and compensation professionals. The Commission and Council in turn should promulgate a rule that would allow a human

resources administrator to start employees hired to fill difficult-to-fill positions at any step up to the midpoint of the classified salary schedule. Institutions should be required to indicate in their job announcement when the starting salary range may extend to the midpoint of the institution salary schedule.

Recommendation No. 47: Current employees should begin the new institutional salary schedule at whatever step is next highest based on their current base salary. The Legislature should fund this “rounding up” of classified employees’ salaries to the next highest step.

Findings. In implementing the proposed institutions salary schedule, the Commission, Council and institutions will need a method to move existing employees from the current years-of-service system, in which most employees salaries are not on a step to a new step system, in which all employees’ salaries are on a step. The easiest way to accomplish this is to “round up” classified employees’ salaries to the next highest step on the new classified salary schedule.

Conclusions. The Legislature should consider providing institutions with funding to “round up” classified employees’ salaries to the next highest step on the new institution classified salary schedule. If funding is not provided by the Legislature, institutions would not have to do the “rounding up” until the institution provides its next set of salary increases for classified employees.

Fiscal Note. System-wide, the total estimated cost of “rounding up” classified staff salaries to the next highest step on a new institution salary schedule is \$950,000.

Recommendation No. 48: In contrast to the current system in which more than 40 percent of employees are at the same step (step 15), proper step dispersion of employees generally should be ensured in the new system.

Findings. If one is not very careful, improper step dispersion can lead the system or an institution to miscalculate the true difference between institution salaries and market salaries. “Market salaries” basically are average salaries in the appropriate market. By definition, this means that half of a group of employees is above the market average and half is below the market average. In both 1994 and 2001, the salary schedule in the West Virginia Code placed the market average in the center of the fifteen-step year-of-service schedule (between steps 7 and 8) even though the true midpoint in the system was closer to step 12. This led policymakers to overstate market salary deficiencies. Additionally, improper step dispersion can make it difficult to hire or retain employees if dispersion is dramatically different between the market and the higher education system.

Conclusions. The Commission and Council should attempt to prepare a salary schedule in which an appropriate level of step dispersion will develop over time. Unfortunately, without a significant influx of salary funding, there is no way to bring about proper step

dispersion when more than 40 percent of employees are on the same step of the current classified salary schedule.

Recommendation No. 49: The Legislature should consider providing funding to support one-time salary increases for classified employees with more than fifteen years of experience to create greater step dispersion.

Findings. The current classification and compensation system contains little step dispersion because employees with fifteen or more years of experience are supposed to be paid exactly the same. Over time, this has resulted in salary increase dollars being devoted disproportionately to employees with fewer years of experience.

Conclusions. The Legislature should consider providing funding to support one-time salary increases for classified employees with more than fifteen years of experience to create greater step dispersion. While the purpose of these proposals generally is not to remedy past inequities or unfairness, one way to increase step dispersion and provide some small compensation for one of the flaws in the current system would be to provide these one-time salary increases.

Fiscal Note. The estimated cost of a one-time salary increase for classified staff with more than fifteen years of experience would be \$2.5 million. This is based on that assumption that employees with 16 to 18 years of experience would receive a 1 percent increase; employees with 19 to 21 years of experience would receive a 2 percent increase; employees with 22 to 24 years of experience would receive a 3 percent increase; employees with 25 to 27 years of experience would receive a 4 percent increase; and employees with 28 to 30 years of experience would receive a 5 percent increase. This proposal could be aligned to match the amount of available funds.

Recommendation No. 50: An employee with more than fifteen years of experience should be able to continue to move across the salary schedule, albeit at a slower rate than an employee with fewer years of experience.

Findings. The current compensation system rewards employees only up to their fifteenth year of service. After that time, the current system no longer values the employee's contributions, regardless of whether or not the employee's contributions are exemplary.

Conclusions. The Legislature should consider granting authority to the Commission and Council to develop a rule that allows institutions to reward more than fifteen years of experience in the new compensation system. The Commission and Council should adopt the step system proposed by the Compensation Committee, which theoretically can reward employees with up to 36 years of experience.

Recommendation No. 51: Subject to certain exceptions, an employee should be allowed to move one step across the salary schedule for each year of experience in the first tertile, for each two years of experience in the second tertile, and for each three years of experience in the third tertile.

Findings. In the labor market, new employees reach the market salary (midpoint on a salary schedule) more quickly than veteran employees move from the market salary to the top of the salary range. The recommended tertile structure is designed to mirror labor market compensation patterns.

Conclusions. The Legislature should consider granting authority to the Commission and Council to develop a rule that allows institutions to adopt a structure that allows salary increases to slow, but not stop, as employees' years of service increase. The Commission and Council should adopt the step system proposed by the Compensation Committee, which provides for a gradual slowing of salary increases as employees' years of service increase.

Recommendation No. 52: An employee who earns a degree that is above position requirements in a directly-related field should receive an adjustment in base pay.

Findings. Although West Virginia's public higher education system promotes and provides higher education, the compensation system does not reward for education above position requirements, even if the degree is in a directly-related field.

Conclusions. The Legislature should consider granting authority to the Commission and Council to develop a rule that allows institutions to reward classified employees for education above position requirements as follows: An employee who earns a degree in a field directly related to his or her job and above what is required to perform the job should move one step for each year of additional education.

Fiscal Note. The precise cost of this proposal is difficult to calculate. Therefore, the Commission and Council request a \$200,000 set-aside to reward employees who earn degrees in fields directly related to their work. The Commission and Council should be required to report annually on expenditures from this set-aside and about the possible need for additional funding infusions.

Recommendation No. 53: Institutions should have the flexibility to reward an employee who earns a degree above position requirements in a field that is not directly related to his or her work with a one-time bonus.

Findings. Consistent with the liberal arts tradition, the compensation system does not reward for education above position requirements, even if the degree is in a directly-related field.

Conclusions. The Legislature should consider granting authority to the Commission and Council to develop a rule that provides institutions the flexibility to reward an employee who earns a degree in a field that is not directly related to his or her work with a one-time, non-base-building bonus.

Recommendation No. 54: The Job Classification Committee should identify and approve certifications the acquisition of which would produce a one-time, non-base-building bonus.

Findings. In addition to earning degrees, employees can earn certifications in a variety of educational areas. However, not all certifications have the same rigorous standards. For those certifications that are both rigorous and valuable to higher education institutions, institutions should be allowed to reward employees.

Conclusions. The Legislature should consider granting authority to the Commission and Council to develop a rule that allows institutions to reward classified employees for earning certifications. The Commission and Council should delegate identification of certifications for which monetary rewards are permissible to the Job Classification Committee.

Recommendation No. 55: The Legislature should consider providing funding for a one-time salary increase or bonus for current employees whose education and/or certifications exceed position requirements.

Findings. The preceding two recommendations would have prospective application to employees who earn degrees and certifications after these proposals are implemented. There, however, are current employees whose educations and/or certifications currently exceed position requirements. As a matter of fairness, it would be appropriate if those employees could receive compensation, but the status of institution budgets would make that very difficult at many institutions.

Conclusions. The Legislature should consider providing a pool of funding for a one-time salary increase or bonus for current employees whose educations and/or certifications exceed position requirements.

Fiscal Note. The precise cost of this proposal is difficult to calculate. Therefore, the Commission and Council request a \$200,000 set-aside for this purpose. The Commission and Council should be required to report annually on expenditures from this set-aside and about the possible need for additional funding infusions.

Recommendation No. 56: Institutions should be required to fund the current salary schedule that appears in the West Virginia Code fully before moving to a new system

or taking advantage of any of the flexibility provisions contained in these recommendations.

Findings. Many classified employees feel that a commitment to fund the classified salary schedule was not kept by either the State or institutions.

Conclusions. The Legislature should require institutions to fund fully the 2001 classified salary schedule before moving to a new system and not to allow institutions to take advantage of any of the flexibility provisions contained in this report until they have done so.

Recommendation No. 57: Institutions at which 95 percent or more of classified employees receive annual performance reviews should be allowed to deny an employee credit for a year of experience beyond the midpoint of the first tertile if the employee's performance does not meet expectations and beyond the midpoint of the third tertile if the employee's performance does not exceed expectations.

Findings. Conceptually, employees who fail to meet performance expectations have not fulfilled their job responsibilities and should not benefit from a year of service with additional compensation. Additionally, employees who do not exceed performance expectations should not be paid significantly above the midpoint on an institution classified salary schedule. Such a system will not work for classified employees, however, unless almost all employees receive annual performance reviews.

Conclusions. The Legislature should consider granting authority to the Commission and Council to develop a rule that allows institutions to deny certain employees salary increases based on years of service if 95 percent or more of classified employees received an annual performance review during the preceding year. An employee's performance rating currently is a grievable issue and would remain so under these rules.

Recommendation No. 58: The Legislature should consider allowing a limited number of institutions with a strong history of performance management to pilot a "points-for-performance" system for employees.

Findings. The performance management committee has proposed an innovative approach to rewarding classified employees for exceptional performance. Because of the requirements of the new program, the committee believes that the program should be a pilot so that all outstanding issues can be identified and resolved before implementing across the entire system. The premise of the program is that employees who demonstrate exemplary performance should be allowed to earn points for performance, which they can convert into different types of rewards (e.g., institution paraphernalia, preferential parking spaces or trips).

Conclusions. The Legislature should consider allowing one two-year institution and one four-year institution to participate in a pilot points-for-performance program and report on the success or failure of that program in two years. An institution should not be allowed to serve as a pilot if it has not funded the 2001 salary schedule fully on the effective date of legislation. The Commission and Council should delegate system coordination of the programs to the compensation committee.

Recommendation No. 59: Institutions should be allowed to provide certain employees with one-time bonuses in a limited number of situations on a pilot basis.

Findings. As a general rule, institutions currently cannot provide employees with one-time compensation, often called bonuses, even though bonuses sometimes are a cost-effective form of compensation that does not create a long-term obligation for an institution.

Conclusions. The Legislature should consider allowing institutions to provide bonuses in lieu of base-building compensation in a limited number of situations, including to reward employees for earning a degree or certification above position requirements in an unrelated field, for recruiting a person to apply for a position who ultimately is hired for that position, and ultimately for performance. The Legislature should direct the Commission and Council to report annually on the success or failure of the system.

C. Benefits

Recommendation No. 60: The Public Employees Insurance Agency Finance Board should include a representative from higher education.

Findings. The PEIA Finance Board makes major decisions about the health care that state employees and others receive. Although higher education employees constitute a large percentage of the state employees who utilize PEIA benefits, they do not have a voice on the PEIA Finance Board.

Conclusions. The Legislature should consider allowing the Commission to designate a representative from higher education to serve on the PEIA Finance Board.

Recommendation No. 61: Institutions should be permitted to purchase additional benefits above those that are statutorily mandated on behalf of some or all of their employees.

Findings. While statutorily mandated benefits are useful and necessary, some employees desire more benefits, and institutions desire to provide them as part of a total rewards strategy..

Conclusions. During the 2008 Legislative session, the Legislature gave institutions the discretion to provide additional retirement benefits above what is statutorily required for employees. The Legislature should clearly extend this discretion to other types of benefits, as well.

Recommendation No. 62: Institutions should be permitted to move a non-classified employee into the classification system, while allowing that employee to continue to accrue leave at the rate he or she accrued it as a non-classified employee.

Findings. Institutions have moved a number of classified employees to non-classified positions over the years in areas like technology where the institution determined that compensation within the classification system made it difficult to recruit and retain qualified candidates. Institutions may wish to move some of these employees back into the classification system. One of the challenges in doing so is that an employee's annual leave accrual rate theoretically could decrease from two days per month to one-and-one-half days per month.

Conclusions. The Commission and Council should allow institutions to move a non-classified employee into the classification system, while allowing that employee to continue to accrue leave at the rate he or she accrued it as a non-classified employee. The Commission and Council also should consider establishing a uniform set of annual leave accrual rates for future classified and non-classified employees.

D. Performance and Recognition

Recommendation No. 63: Absent having a better system in place, institutions should utilize the performance management system developed by the personnel study performance management committee for classified and non-classified employees.

Findings. The performance management committee was charged with developing a performance management system that could be used at multiple institutions and across a wide range of employees performing different duties. A survey conducted in 2005 found that only 36 percent of classified employees across public higher education had received a performance review during the previous year.

Conclusions. Institutions should be allowed to utilize whatever performance management system institution leaders believe works for the institution. With that discretion, however, should come a Legislative mandate that all institutions have some type of performance management system in place.

Recommendation No. 64: Each public higher education institution should provide adequate information to faculty and staff on evaluation of their performance as part of

the annual review procedures and define the review process in their faculty and/or staff handbook.

Findings. Most institutions have faculty evaluation policies that provide (1) that faculty receive adequate feedback on performance and (2) that faculty are effectively counseled when improvement is required. Every institution, however, needs to make feedback a priority practice and to describe the process in a faculty handbook. The same applies for staff members, as well.

Conclusions. Careful monitoring by the institutions and reliance on fair and equitable procedures will assure the efficacy of faculty and staff evaluation and review processes on each of the campuses.

Recommendation No. 65: All supervisors should be required to attend performance management training as part of the process of implementing the performance management system.

Findings. Performance management is simultaneously a sensitive exchange between the supervisor and the employee, while also being a necessary management tool to accomplish the goals of the department and institution. This balance requires both knowledge of performance management principles and skill in their application. Recognizing this, the performance management committee recommended that all supervisors attend a mandatory performance management training to ensure appropriate implementation of the system.

Conclusions. The Commission and Council should coordinate the development of an online training module on performance management for supervisors. Additionally, institutions should ensure that all supervisors receive performance management training periodically.

Recommendation No. 66: All supervisors should be required to conduct performance reviews of all employees at least once annually and new hires immediately in advance of their six-month anniversary dates. Additionally, supervisors should be required to discuss employees' strengths and weaknesses with them at their three-month anniversary dates.

Findings. Best human resources practices suggest that all employees should receive at least one annual performance review (ideally more often) and that new hires should have a review before completing six months of employment and effectively being certified permanent. (Currently by rule, classified employees are required to have a three-month and six-month evaluation during their probationary period.)

Conclusions. The Commission and Council should consider adopting a rule that requires institutions to ensure that all employees receive performance reviews at least once

annually and that new hires receive performance reviews immediately in advance of their six-month anniversary dates. The rule also should require all supervisors to meet with probationary employees at their three month anniversary dates. If the new hire is not meeting job requirements, a development plan should be created and implemented before the new hire's six month performance review. Salary increases for supervisors whose current employees have not received some type of performance review in the last year should be withheld until the reviews are completed.

Recommendation No. 67: Incorporate the higher education disciplinary policy into Commission and Council rules.

Findings. Before employees are held accountable to disciplinary standards, they should be fully informed of all disciplinary policies that apply to them. At present, the disciplinary standards currently in use are not widely available.

Conclusions. The Commission, Council and institutions should incorporate the higher education disciplinary policy into Commission, Council and institution rules.

E. Career and Development Opportunities

Recommendation No. 68: The Commission and Council should hire a statewide Training and Professional Development Coordinator to support training and professional development across public higher education.

Findings. The professional development committee's survey of staff found that many employees were not benefiting from periodic training and professional development. Accordingly, the committee recommended that the Commission and Council hire a statewide training and professional development coordinator to promote training and development across the postsecondary system.

Conclusions. The Legislature should provide funding for and the Commission and Council should employ a statewide training and professional development coordinator to support training and professional development across the postsecondary system. Additionally, the Legislature should grant authority to the Commission and Council to require institutions to hire, or appoint, local coordinators to support these efforts.

Fiscal Note. The salary and benefits for a statewide training and professional development coordinator would be approximately \$70,000.

Recommendation No. 69: The Commission and Council should continue to provide professional development opportunities for human resources professionals through WorldAtWork and other applicable organizations.

Findings. The Commission and Council successfully negotiated, sponsored and coordinated several professional development sessions for the human resources community and classified employees throughout the personnel study. This effort resulted in a host of human resources staff at the system and institutional levels receiving up to three professional certifications, thereby enhancing their ability to serve as highly qualified personnel administrators. These efforts should be supported and enhanced to broaden the scope of participation, thereby continuing the momentum established during the initial round of training.

Conclusions. The Legislature should consider providing funding for the continuation of these statewide efforts to provide professional development opportunities for human resources professionals and classified employees.

Fiscal Note. The estimated annual cost associated with the coordinated offerings of WorldAtWork and SHRM certification classes would be \$20,000.

Recommendation No. 70: Higher education institutions should develop a series of online training modules for new managers and supervisors, and such courses should be provided at no cost to such personnel.

Findings. Given the broad range of expertise held by faculty and staff in fields such as human resource management and public administration, institutions serve as an excellent resource for developing and conducting continuing education courses. Institutions across both the two- and four-year sectors should develop and conduct courses and training modules that support and enhance the training needs of employees and supervisors.

Conclusions. The Legislature should consider providing funding for the establishment of institutionally developed training modules for managers, supervisors, human resources professionals, and employees.

Fiscal Note. The annual costs associated with the development of institutionally-generated courses and training modules would be \$50,000.

Recommendation No. 71: Institutions should ensure that new-hire orientation programs include information about training and professional development resources and opportunities.

Findings. The professional development committee's training and development survey found employees often are unaware of the professional development resources and opportunities available at their respective institutions. Industry best practices indicate that the communication of available professional development resources and opportunities should occur during the new hire orientation process. Such activity allows the employee to immediately know what is available to them, and such knowledge can be retained and utilized throughout the duration of their work history at the institution.

Conclusions. Institutions should conduct an internal review of existing training opportunities and new hire orientation processes to ensure that staff are made aware of training opportunities. The Commission and Council should periodically conduct institutional audits to ensure that new hire orientation programs include information about training and professional development resources and opportunities.

Recommendation No. 72: Institutions should incorporate professional development plans into their performance management systems.

Findings. Survey results from research conducted by the professional development committee indicate that supervisors often do not have strategic plans and associated budgets regarding professional development opportunities at the institutional level. By requiring supervisors to incorporate the professional development requirements of their employees into a strategic performance management process, the ability of supervisors to make objective decisions regarding assignments for training, and the allocation of associated resources, will be enhanced.

Conclusions. Institutions should incorporate professional development planning into performance management systems, as the performance management committee's proposal does.

Recommendation No. 73: Institutions should track the overall amount, as well as the cost, of all training and development provided to staff.

Findings. Industry best practices for professional development encourage the tracking of investments and expenditures for all training and professional development provided to staff. Tracking of expenditures should be specific and consistent so that analysis may be conducted at the institution and system levels. Such information also will enable the training and development coordinator, as well as local training coordinators, to maximize resources directed toward staff development.

Conclusions. The Commission and Council data collection process should seek general information about the amount of training and development provided to employees over the course of the preceding year. The State Auditor's Office's object code definition of training and development should be broadened so that all training and professional development costs, except salaries and benefits of employee trainers, can be captured within a single object code.

Recommendation No. 74: The Commission and Council should study whether to alter current internal promotion preferences.

Findings. One of the mandates contained in Senate Bill No. 603 was to “[e]xplor[e] justifications for maintaining or removing the internal preferences for hiring, promoting and transferring classified employees” W. Va. Code § 18B-1B-13(b)(7). At present, current employees receive an absolute preference over external candidates when applying for Fair Labor Standards Act non-exempt positions in higher education. This issue was discussed with various constituency groups, but no consensus developed.

Conclusions. The Legislature should consider mandating that the Commission and Council continue studying internal promotion preferences and provide a report to LOCEA no later than June 1, 2010.

VII. Acknowledgements

Large projects like this one are not completed without the dedication of many people. In closing, I would be remiss if I did not thank some of the people who worked so hard to bring this project to a successful conclusion:

- Nichelle Perkins, the current Project Coordinator, who was a consummate professional and extraordinary facilitator throughout this long project.
- Jacqueline Bass, the initial Project Coordinator, whose wide-eyed innocence and razor-sharp thinking caused all of us to reconsider how we saw human resources.
- Amy Pitzer, Chair of the Advisory Council of Classified Employees, who has a vision about how the world should work and strives every day to make it a reality.
- Stephanie Neal, Director of Employee Development at Marshall Community and Technical College, whose quiet demeanor hides both a thoughtful and caring soul.
- Cindy Curry, Classification and Compensation Director at West Virginia University, who repeatedly provided us with a voice of reason amidst the insanity.
- Terry Nebel, Chair of West Virginia University's Classified Staff Council, who chose a road less traveled so that he could participate in this study and support classified employees.
- Zac Wycherley, Director of Career Planning at West Virginia Northern Community College, who logged countless hours traveling on this journey for a better future.
- Jim Morris, Director of Employee Relations at West Virginia University, who took on the most difficult subject, pay-for-performance, and committee, performance management, imaginable and did the impossible – produce a consensus.
- Nancy Taylor, Associate Statewide Coordinator at the Higher Education Policy Commission, who served on the professional development committee and also developed a project website in her spare time.
- David Lord, Director of Campus Operations at Southern West Virginia Community and Technical College, whose experience working at many institutions proved invaluable.
- Marie Carter DeWalt, Director of Human Resources at Shepherd University, who repeatedly supported this project and me in the most engaging of ways.
- Mike Dunn, the Chair of Marshall University's Staff Council, who was there in the beginning and has hung around to the end looking out for the best interests of employees.
- Cindy Anderson, my Executive Assistant and right (and left) hand, who put up with me and this project day after day for three very long years.
- Senator Bob Plymale, who also was there at the beginning of the Mercer system and provided every kind of support possible for this project.

Special thanks, too, to Jim Stephens ... Brian Hammond ... Patricia Clay ... Randy Elkin ... Sylvia Shurbutt ... C.B. Wilson ... John Estep ... Sheila Securro ... Steve Leach ... the list goes on and on

Sprezzatura!

