



**Maricopa County Community College District  
Governing Board Minutes  
November 14, 2017**

An Agenda Review and Work Session of the Maricopa County Community College District Governing Board were scheduled to be held beginning at 4:00 p.m. at the District Support Services Center, 2411 West 14th Street, Tempe, Arizona, pursuant to ARS §38-431.07, notice having been duly given.

**GOVERNING BOARD**

Linda Thor, Vice President  
Johanna Haver, Member  
Jean McGrath, Member  
Dana Saar, Member  
Alfredo Gutierrez, Member

**Absent:**

Laurin Hendrix, President  
Tracy Livingston, Member

**ADMINISTRATION**

Maria Harper-Marinick  
LaCoya Shelton  
Debbie Kushibab  
Gaye Murphy  
Edward Kelty  
Paul DeRose for Chris Haines  
Steven Gonzales  
Terry Leyba Ruiz  
Sasan Poureetezadi  
Christina Schultz  
Kate Smith for Chris Bustamante  
Leslie Cooper

**Agenda Review  
Call to Order**

Vice President Thor called to order the Agenda Review for the November 28, 2017 Regular Board Meeting at 4:05 p.m.

Item 7-1: Minutes of 10.10.17 and 10.24.17. No discussion.

Items 8-1 thru 8-6 Emeritus: Six emeritus recommendations will be on the agenda. No questions asked.

Item 8-7: U.S. Small Business Administration Award for America's Small Business Development Center Arizona Network. No discussion.

Items 9.1: Curriculum: No discussion.

Items 10.1 thru 10.6 Business Services:

Item 10.1 Final Guaranteed Maximum Price Amendment Number Three "C" Building Remodel at Phoenix College: This will be the final item submitted for this remodel.

Item 10.2: Conceptual Approval for the Makerspace at GateWay Community College – Stauffer Annex : GWC President Gonzales and Kristin Gubser reported that they had come to the Board before the summer break to ask for approval of a \$3 million grant which required a similar dollar match. The other match has come from the City of Phoenix. Since that time they have provided each of the board members with answers to their questions. They

expressed appreciation for the opportunity to explain what their plans were. The changes include the adoption of a design thinking methodology approach which would provide an educational platform providing for Train the Trainer which would take what faculty are doing and bring design principles that employers want. They intend to include a boot camp to teach design thinking principles intended to increase productivity and increase retention.

- Drop-off space is location on west side of building
- Agrees with makerspace concept, however location is an issue. Is it sustainable?
- Nine minutes from Phoenix College and sixteen from GWC
- Can't see investing \$6 Million on this project for two years. Parking is an issue.
- Enthusiastic about this project. Alternative source of revenue.
- This particular site make sense because of explosive growth in downtown Phoenix. Change in demographics in center of Phoenix. This is precisely the right place. Parking is an issue in every city and this is part of becoming a major urban city. Everyone has learned to adopt and adapt. Value of building will increase.

#### Item 10.3: Award for Investment Advisory Services

- In 2009 the Audit and Finance Committee recommended that 2/3 of funds invested with the State Treasurer be invested elsewhere. 35% of deposits stayed with the State Treasurer. RBC was the first investment house the funds were invested with. Now Chandler Management Group is the chosen bidder. This decision was made by in-house financial team. The Audit and Finance Committee served in an advisory capacity. Dr. Thor and Mr. Hendrix serve on this committee. Add this item as a discussion item for the Budget & Finance Meeting on November 28.
- Surprised that the investment is not with the State Treasurer's Office since they have been so successful.
- Members wanted investment trends for State Treasurer, Chandler Asset Management, and RBC Investments in order to compare growth of funds.
- Members wanted to know how much money was involved in this investment.

Item 10.4: 32-Year Ground Lease with Arizona Agribusiness and Equine Charter School (AAEC) Inc., and Arizona Corporation and an Independent Public High School District. No changes were made to this item which has been resubmitted. The only thing eliminated was that there were no previous intentions for use of the land.

- Concern about stables and the proximity to the Performing Arts Center. Concerned about how this will play out.
- Criticism is not about this school but rather the property use. Too many questions unanswered.
- Impressed with cleanliness
- This is a 32 year lease that will mature in 2050. No provisions for increases. Can't see horse stables next to PAC.
- No foreseeable use for the land. Will increase enrollments.

- Major concern about 32 year lease. This property is next to an area that city plans to develop into major educational park. Land will go up in value.

Item 10.5: Grant Canyon University (GCU) License Agreement with Phoenix College

- Would like list of institution we have agreements with.
- Concern about having an agreement with an institution that charges \$700 per credit. Should consider economic consequence to our students. Tuition is too high and will vote no on this.
- Our students are intelligent enough to make decisions such as this.
- Reconsider agreements with “for-profit” institutions.

Item 10.6: Intergovernmental Agreement Between City of Phoenix and the Maricopa County Community College District

- Corrections needed on this item.

Item 11.1: Placeholder for Human Resources. This item to be listed as First Reading Item for November 28 and action on December 12.

Item 12.1 Human Resources

Mr. McGrath requested an accounting for continued employments in light of decreasing enrollments at the various colleges.

Item 13.1, 13.2, and 13.3 Monitoring Reports: No discussion.

**Adjournment of  
Agenda Review**

The Agenda Review ended at 5:10 p.m.

**Call to Order of Work  
Session On Policies  
Recommendations Part I**

Dr. Thor called the Work Session to order at 5:16 p.m.

**Introduction by Chancellor**

Chancellor Harper-Marinick provided introductory context comments about the evening’s session. She reminded everyone that compensation policies were being brought back to the board as requested in adopted resolutions. The Board would be asked to provide confirmation. These were part of a decision made back in 2012. Key components were to reduce classifications from 1800 to no more than 500, provide for open range pay system, and make changes to all employees with the exception of faculty. No faculty component was included in the 2012 decision. At that same time, a decision was made to commit to *“a fair, consistent, flexible and competitive classification and compensation program that supports the mission and vision of MCCCDC. Our classification and compensation program is designed to attract and retain a high-quality and diverse workforce through competitive and progressive pay practices that are externally competitive and internally equitable; and supports a fiscally responsible pay program.”*

Additional context for this evening’s discussion included:

- June 2017 Board Action Item rescinding delegation of authority for employee policies
- September 2017 Board Resolution to draft new, updated employee policies that support the District's ability to operate fluidly and efficiently to meet the goals of its strategic commitments
- November 14, 2017 - today's work session serves to respond to those directives in preparation of release HCM R4 and implementation of Class/Comp
- Remaining policies in staff policy manual to be addressed in accordance with proposed Work Plan

**Board Member Comments** Outside firm was hired in 2012 when we moved to new model. They have done work until now. The processes have come from the consultants. Board Member Saar wanted to remind everyone that the Board did not "abdicate" but "delegated" these responsibilities and it is up to the Board to approve Board policies.

**Presentation by Vice Chancellor of Human Resources** Vice Chancellor Shelton explained that Board Members and Vice Chancellor had received a 3-ring binder with Table of Contents, an Executive Summary of Recommendations for February action, Draft Employee Policy Manuals, Glossary of Items Referenced, Index, Policies, and Appendices.

**Classification/ Compensation Components** Ms. Shelton explained the three Relevant Classification/Compensation Components:

- **Classification**
  - *Includes classification structure, such as*
  - *grades,*
  - *Job families, and*
  - *Job series.*
  - *Went from over 1800 classifications to 255.*
- **Compensation: Open Range**
  - *Has a minimum, midpoint and maximum value assigned to each grade.*
  - *An employee's salary can be at any point between minimum and maximum.*
- **Compensation: Performance Based Pay**
  - *Rewards employees for meeting performance targets that are linked to organizational goals.*
  - *Includes:*
    - *Base pay*
    - *Merit pay*
    - *Variable pay (incentives)*

**Compensation Model of the Future** MCCCCD Compensation Model of the Future: Total Rewards

- **Base Pay** – fixed ("cash") compensation based on current role and market
- **Merit Pay** – percentage increases or flat amount added to base salary based upon the employee's contributions and achievements.

- **Variable Pay** – a lump-sum payment earned depending upon achievement of performance targets or goals. Variable pay does not adjust base pay.
- **Non-Financial Rewards** – non-cash awards to recognize a specific achievement
- **Benefits** as part of the *Total Rewards Compensation Model* include both mandatory benefits and voluntary programs

**Goal****Goal: A comprehensive, Robust Talent Management System**

Technology: Maximize functionality of system through reduction in customizations and elimination of manual processes where possible thus improving process efficiencies and enabling improved compliance.

**Timeline: 2014-2018**

HR Redesign: Redesign of HR workflow and business processes to meet advanced talent management needs of MCCCCD, design and functionality of HR system with a focus on operational excellence, products / service / outcomes / customer experience; and end-to-end view of work across employment life cycle, no silos. **Timeline: 2017-2020**

Classification & Compensation: Valid, reliable classification/ compensation system designed to be fiscally responsible, externally market competitive/internally equitable. Encourage attraction of top talent and comply with pay equity and other applicable laws.

Completion of the Study sets the foundation for implementation of a performance based pay system for appropriate performance rewards and incentives. **Timeline: 2012-2018**

Performance Management: Competency based easy to use electronic tool tied to system and local strategic commitments and goals. Establishes common language for success factors across jobs.

Includes employee career development & succession planning feature essential for talent management

**Timeline: 2017-2020**

Talent Management: Organizational capability to attract, engage, develop and retain talent necessary to advance transformation, system priorities and objectives.

Talent management includes succession planning and facilitates employee career mobility.

-Requires technology infrastructure supportive of talent management essentials

-Equitable, clearly distinguishable classifications upon which to build competencies

-Competitive compensation system, which incentivizes workforce to excel

- Performance management system for accountability, measurement of progress and rewards

**Deliverables**

To be Delivered February 5, 2018

- Implemented classification & compensation structure reflective of open range system

- Policies to support these changes in place (drafted and adopted by the Governing Board)
- Detailed implementation plan for rollout of performance based pay to include leadership and employee training
- Completed e-performance tool to support competency-based outcomes focused performance management, career, and succession planning; and supports a performance based pay environment
- E-compensation delivered functionality to support performance based merit and variable pay
- All additional elements of HCM R4 (in addition to/outside of classification and compensation configuration)

**Policy Review**

- Reviewed over 30 policy topics relating to classification, compensation and employment mobility
- These policies were located in different employee policy manuals with differing terms that meant the same thing
- In most cases, these were a mix of both policy and procedure
- The goal was to move to a more concise, accurate and understandable set of policies to be consistently applied throughout Maricopa

Further streamlined to three single policy documents using the following design criteria:

- Simplify
- Consolidate like topics, introduce consistent use of language
- Separate procedures from policy documents
- Integrate best practices modeled after other higher education institutions
- Ensure policy language conducive to move to performance based pay environment
- Hyperlinks where appropriate (i.e., FLSA laws, I-9 requirements)
- A single Definitions section (glossary, not policy)

**Results**

More Concise, Accurate and Understandable Set of Policies

- In order for HCM R4 to go live in February, it is recommended that the Board adopt the following three policies:
  - Compensable Time
  - Salary Administration
  - Classification and Employment Mobility

**Compensable Time**

Compensable Time covers the following topics:

- Overtime, Blended Overtime
- Compensatory time
- Shift Differential
- Uniform Allowance
- Holiday Pay
- On-Call and Emergency Call Back Pay

**Salary Administration**

Salary Administration covers the following topics:

- Initial Pay Placement

- Promotions, Lateral Changes, Demotions, Reclassifications
- Annual Pay Increases
- Anniversary Awards
- Temporary Assignments
- Educational Awards

**Classification and Employment Mobility**

Classification and Employment Mobility covers the following topics:

- Classification of Positions
- Employment Mobility

**Revised Policies**

The adoption of these policies will complete the policy related requirements needed to implement HCM R4 / Classification & Compensation in February 2018

**Timeline**

November 14<sup>th</sup> – Work Session To Review  
November 28<sup>th</sup> – Official First Read  
December 12<sup>th</sup> – Second Read and Requested Adoption  
February 5<sup>th</sup> – Implementation of HCM R4 and Class/Comp

**Discussion Comments**

Discussion comments:

- No longer paid for longevity. No longer move on a step basis.
- Compensation should be based on job description of what performance is expected. Job descriptions are documented and specific to scope of what should be delivered.
- Equity issues. Law governs around gender and role. To determine equity we have to determine what internal equity is in length of service, etc., for workplace to start defining what it means to us.
- Why don't we consider contracting our services? No recommendations for outsourcing.
- Part of this journey is to align compensation with philosophy. At issue is internal employees are being neglected.
- COLAS: temporary measures. Used when not maintaining market.
- Check time-and-a-half aspect on holiday pay.
- Sabbaticals pertinent to employees other than faculty.
- Opportunity provide context of work that has been done. Follow-up to be done for next meeting during Policy Committee. First Read on November 28 and Adoption on December 12.

**Adjournment**

The Work Session adjourned at 6:45 p.m.

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Dr. Linda Thor  
Governing Board Vice  
President