

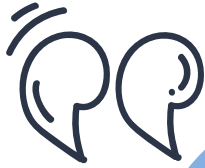


STAFF COMPENSATION

UPDATE TO STAFF | MARCH 2022

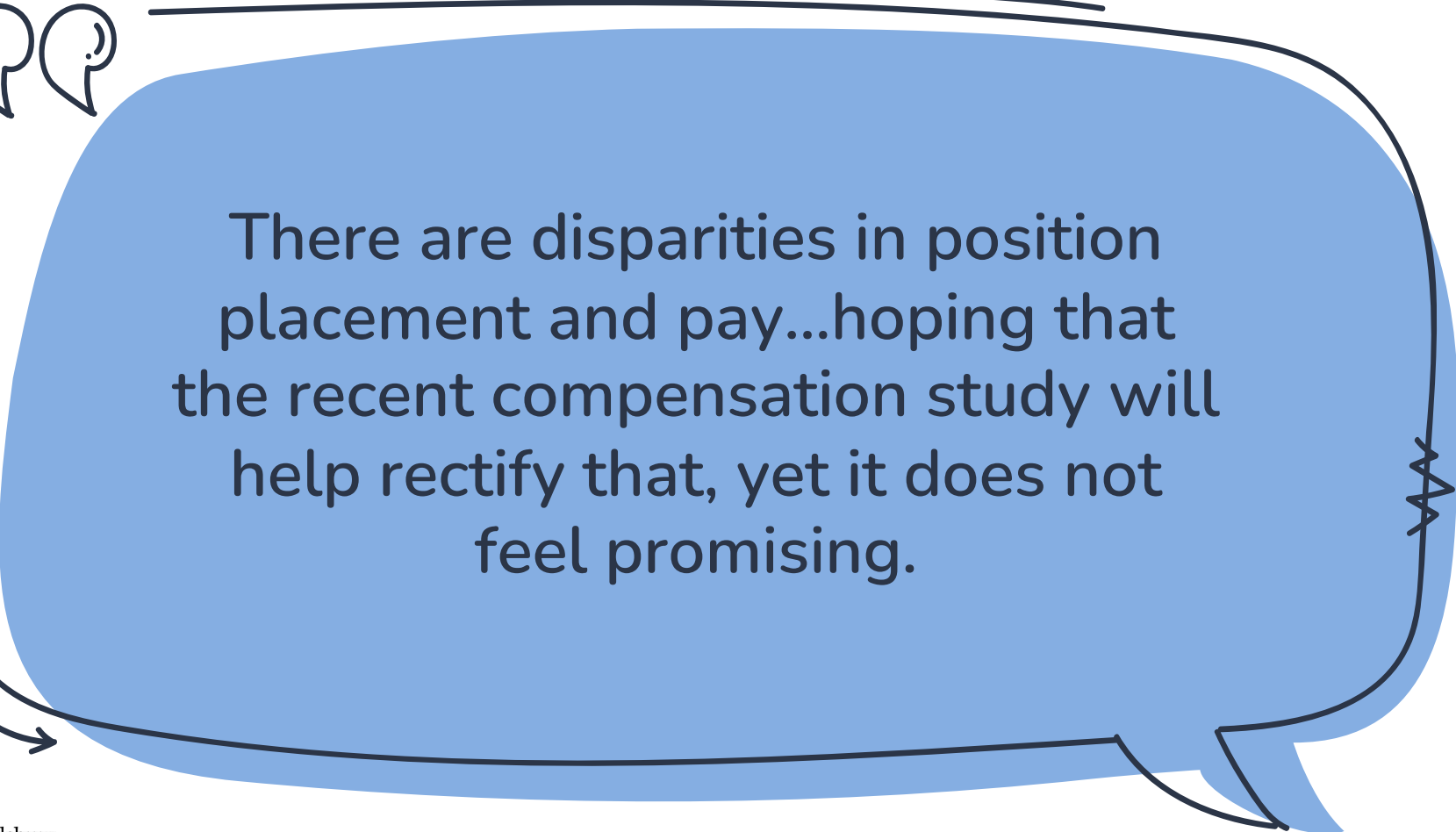


Middlebury



This used to be a place that cared about people—by compensating them fairly—that does not seem to be the case anymore.





There are disparities in position placement and pay...hoping that the recent compensation study will help rectify that, yet it does not feel promising.





People on the lower end of the pay scale aren't appreciated...fix the pay. A person should be able to support their family if they work hard.



Middlebury

Source: Staff comments from Modern Think 2017 and Staff Council 2021 employee survey.



I'm concerned about lowest paid/service employees...and hope those roles are properly attended to...so that employees can make a livable wage.





Annual pay increases either don't keep pace with, or just barely match, inflation.





WE HEAR YOU.

IT'S TIME TO REFRESH OUR STAFF
COMPENSATION PROGRAM.

WE'RE HERE TO SHARE WHAT'S NEXT...



Middlebury



WAIT, WHAT?

I'M STILL WAITING TO HEAR
ABOUT THE MERCER STUDY...



Middlebury

THE STAFF COMPENSATION ROAD—THEN TO NOW

Feb 2020 Mercer shares initial market analysis

1

June 2020 Project put on hold due to COVID

3

October 2021 Project re-started with commitment to deliver in July 2022

5

July 2022 New rates and program in place

7

May 2020 Mercer design discussions and modeling

2

February 2021 Project re-boot and then paused again with VPHR departure

4

January 2022 SLG alignment to new approach and launch of pilots

6



Middlebury

BENCHMARK DATA IS FROM THE FOLLOWING INSTITUTIONS

Comparison Market Analysis

Primary Comparison Market (N=39)

The CUPA-HR Data on Demand feature allows criteria to be used to develop the comparison market. Based on current participation in CUPA-HR and the criteria described in the prior pages, the following lists of institutions is in the data set.

Operating expenses: \$140M - \$560M, Student Enrollment: 2500 - 8000; Affiliation: Private Independent and Private Religious, Geography: Northeast (ME, VT, NH, MA, RI, CT, NY, NJ, PA, DE, MD, DC)		
Adelphi University	Johnson & Wales University	Simmons University
Babson College	Lafayette College	Skidmore College
Barnard College	Lehigh University	Smith College
Bentley University	Long Island University Brooklyn Campus	Suffolk University
Brandeis University	Marist College	Teachers College, Columbia University
Bryant University	Monmouth University	The Culinary Institute of America
Bucknell University	New York Institute of Technology	The University of Scranton
Colgate University	Pratt Institute	University of Hartford
College of the Holy Cross	Providence College	University of New Haven
Emerson College	Rensselaer Polytechnic Institute	Wesleyan University
Fairfield University	Rider University	Widener University
Fairleigh Dickinson University	Roger Williams University	Worcester Polytechnic Institute
Ithaca College	Saint Joseph's University	Yeshiva University



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Middlebury

Comparison Market Analysis

Secondary Comparison Market (N=66)

Operating expenses: \$140M - \$560M, Student Enrollment: 2500 - 8000; Affiliation: Private Independent and Private Religious, Geography: National			
Adelphi University	Elon University	Monmouth University	Smith College
A. T. Still University of Health Sciences	Emerson College	New York Institute of Technology	Suffolk University
Babson College	Fairfield University	Oberlin College	Teachers College, Columbia University
Barnard College	Fairleigh Dickinson University	Pepperdine University	The Culinary Institute of America
Belmont University	Florida Institute of Technology	Pratt Institute	The University of Scranton
Bentley University	Furman University	Providence College	University of Hartford
Bioia University	Gonzaga University	Rensselaer Polytechnic Institute	University of New Haven
Bradley University	Illinois Institute of Technology	Rider University	University of Richmond
Brandeis University	Ithaca College	Roger Williams University	University of the Incarnate Word
Bryant University	Johnson & Wales University	Rollins College	University of the Pacific
Bucknell University	Lafayette College	Saint Joseph's University	University of Tulsa
Butler University	Lehigh University	Saint Mary's College of California	Wesleyan University
Colgate University	Lipscomb University	Samford University	Widener University
College of the Holy Cross	Loma Linda University	Seattle University	Worcester Polytechnic Institute
Columbia College Chicago	Long Island University Brooklyn Campus	Simmons University	Xavier University
Creighton University	Loyola University Maryland	Skidmore College	Yeshiva University
Drake University	Marist College		



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HOW BENCHMARKING WORKS

- X Employers (like Middlebury) complete salary surveys with the pay information for particular positions, for example Admissions Counselor.
- X The survey has a brief job summary to use to match jobs.
- X Survey results are used to determine the average pay for a position. That average becomes the market rate.
- X Organizations (like Middlebury) use market rate information to place a position in a pay grade with a midpoint closest to the market rate.



AND IF A JOB ISN'T BENCHMARKED...

- X For jobs that don't have market rate data, we then compare with other similar jobs or jobs in that department.
- X Consider factors below and slot the job in a grade:
 - X Complexity of work, relationship between positions
 - X Level of influence and responsibility
 - X Degree of independence and decision making
 - X Required education and experience

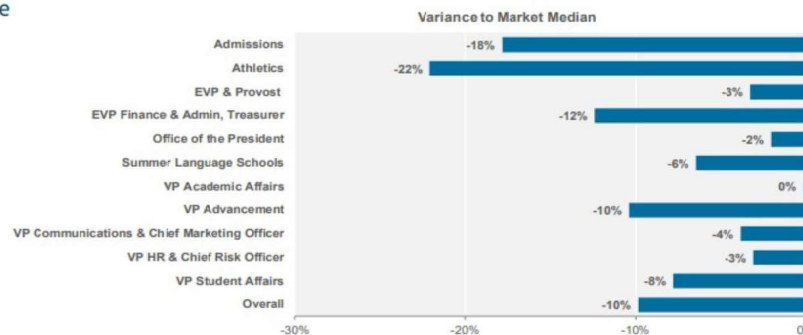


FROM MERCER

Executive Summary Variance from Market

- Benchmarked 186 unique jobs representing 726 employees
- Overall, Middlebury College's budget allocation for salaries is approximately 10% below the market median, with variation by VP Area:
 - Salaries in 7 VP areas are within 10% of the median
 - Salaries in 4 VP areas are 10% or more below the median (average percent in parentheses):
 - Admissions (18%)
 - Athletics (22%)
 - Finance & Admin (12%)
 - Advancement (10%)

Middlebury College Data			Average Base Salary Variance to Market Percentiles		
VP Area	BM Job Count ¹	EE Count	25th %ile	50th %ile	75th %ile
Admissions	6	13	-6%	-18%	-26%
Athletics	17	35	-14%	-22%	-30%
EVP & Provost	44	73	11%	-3%	-17%
EVP Finance & Admin, Treasurer	125	413	0%	-12%	-23%
Office of the President	11	12	12%	-2%	-15%
Summer Language Schools	11	14	11%	-6%	-15%
VP Academic Affairs	56	78	19%	0%	-14%
VP Advancement	22	34	6%	-10%	-20%
VP Communications & Chief Marketing Officer	9	10	14%	-4%	-18%
VP HR & Chief Risk Officer	5	10	9%	-3%	-15%
VP Student Affairs	20	34	4%	-8%	-18%
Overall	326	726	3%	-10%	-21%



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¹ In some cases, benchmark jobs are found in multiple VP Areas, therefore, the overall count of unique benchmark jobs is different than the total number of unique benchmark jobs in each VP Area.

Note: Exhibits above reflect benchmark jobs across all Middlebury College locations (Middlebury, Monterey and Washington D.C.)

6



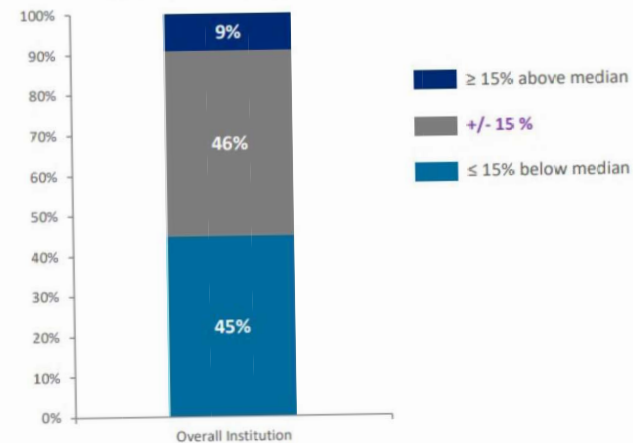
Middlebury

FROM MERCER

Market Pricing Results (Benchmark Jobs) Overall Distribution of Salary Positioning

- A little under half (46%) of benchmarked salaries fall within the 15% range of the market median.
 - Mercer considers a range of 15% around the market median is considered competitive for incumbents who demonstrate a range of knowledge, skills, experience and performance necessary to handle job responsibilities.
 - Salaries below this range would be appropriate for inexperienced incumbents and salaries above this range would be appropriate for highly experienced incumbents who are strong performers
- At the overall College level, we would expect to see more of a 'normal distribution'. Middlebury's distribution shows a larger portion of the population paid below the competitive range than we would expect.
- The pages that follow show the distribution of salaries by VP Area and also by Job Family.

Distribution of Middlebury salaries to the market (benchmark jobs only)



Note: Exhibit above reflects benchmark jobs across all Middlebury College locations (Middlebury, Monterey and Washington D.C.)



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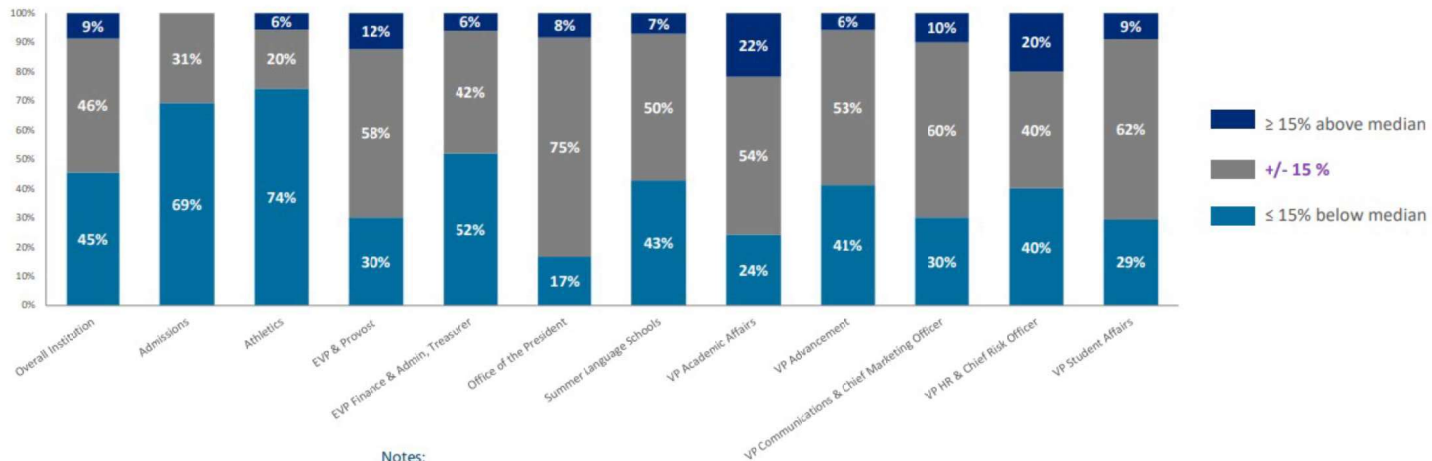


Middlebury

FROM MERCER

Market Pricing Results (Benchmark Jobs) Distribution of Salary Positioning by VP Area

The graph below shows the distribution of salaries within each VP Area. Several VP Areas show a similar distribution of employee salaries to the overall College. There are several VP Areas with salaries that are considerably below the competitive range.



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Notes:

Exhibit above reflects benchmark jobs across all Middlebury College locations (Middlebury, Monterey and Washington D.C.)
Totals may not equal 100% due to rounding

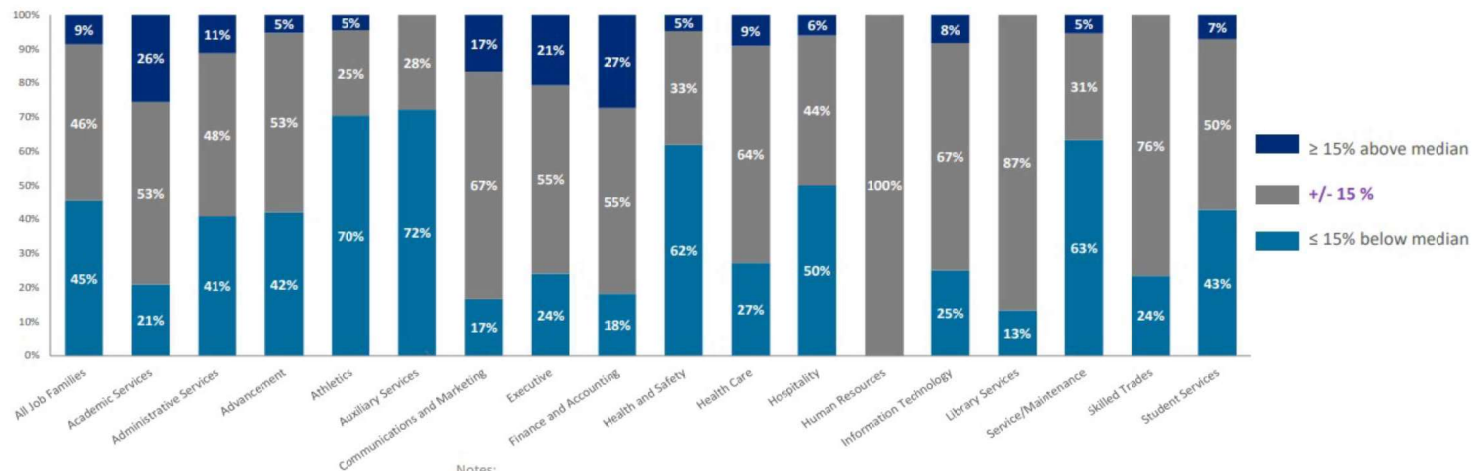


FROM MERCER

Market Pricing Results (Benchmark Jobs)

Distribution of Salary Positioning by Job Family

When analyzing salaries by job family, regardless of reporting relationship or VP Area, we see considerable variation in the degree of competitiveness.



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Notes:

Head Coaches are excluded

Exhibit above reflects benchmark jobs across all Middlebury College locations (Middlebury, Monterey and Washington D.C.)

Totals may not equal 100% due to rounding



SO WHAT HAPPENS WITH THIS MARKET DATA?

- X For benchmark jobs, the median of the data will help determine what grade it goes into...
- X Using the market median, a position is placed into the grade that has a midpoint closest to the market median.



SO WHERE DID THE NEW STRUCTURE COME FROM?

- X We created our grade structure with the following in mind:
 - X Accommodates the market variation of our positions
 - X Ranges wide enough to accommodate variation of expertise and experience
 - X Narrower at entry levels and wider for more complex roles
- X Results led to a structure with 13 grades, range widths from 40-70% and midpoint differences between grades of 10-25%.



WHAT ABOUT GEOGRAPHY DIFFERENCES?

- X Most of our positions are based in Vermont so that is the baseline for our grades.
- X We used national labor market statistics to understand the difference between the Vermont labor market and the markets in California and Washington D.C.
- X There is currently a 15% difference between VT and CA and Washington D.C. markets. This difference will be reviewed along with the market, annually.
- X Employee's working in other areas of the U.S. will be paid using the structure associated with their anchor function.



OKAY...YEAH...SO HOW DOES IT REALLY WORK?

(WE'LL SHOW YOU HOW IT WORKS WITH SILLY JOB TITLES, BECAUSE WE CAN'T WALK THROUGH SPECIFIC INFO)

EXAMPLE: MAPLE SYRUP TIME

- X We have three positions in this department
 - X Dean of (Maple) Sugaring ★
 - X Supervisor, Mud Season Sap Collection
 - X Coordinator, Sugar on Snow Events ★
- X We participate in the Vermont Maple Sugar Association salary survey every year and it includes good matches for the Coordinator and the Dean but not the Supervisor
- X We have 2 benchmark jobs in this department ★



MARKET DATA DRIVES PLACEMENT FOR BENCHMARK JOBS

X The survey says...!

Job	Market Median	Closest Grade Midpoint	New Grade
Dean	\$80,000	\$76,000	7
Supervisor	No data		
Coordinator	\$40,000	\$45,860	4



WHAT ABOUT THE SUPERVISOR?

- X The Supervisor runs the operation, with autonomy and independence.
- X The Dean does marketing but otherwise this role is primarily responsible for staff and production.
- X Compared to other supervisory roles on campus which are benchmarked in grade 5, this role has more autonomy and requires more knowledge, skills and experience.



THE RESULT IS...!

- X First HR will recommend a grade, then the leader for the area will review and have an opportunity to request adjustments

Job	Market Median	Closest Grade Midpoint	New Grade
Dean	\$80,000	\$76,000	7
Supervisor	No data	\$66,100	6
Coordinator	\$40,000	\$45,860	4



EMPLOYEE FEEDBACK + MARKET DATA

= BUILD A NEW PLAN

GOALS OF THE NEW APPROACH TO STAFF COMPENSATION

Informed by market

Rates and ranges are based on market

Includes peer institutions, similar jobs, geography

Collaborative

Opportunity for department leadership to weigh in on market data and how roles are benchmarked

Fair & Competitive

Investment to increase starting wages

Competitive for all

Standard & Simple

Easily explainable and applicable to all staff

Career Progression

New system not directly tied to annual performance or minor adjustments to role

Repeatable

Something we can use this year AND going forward on an annual basis



PILOT PARTICIPANTS

Admissions, Custodial, HVAC, Public Safety, Center for
Nonproliferation Studies, IT

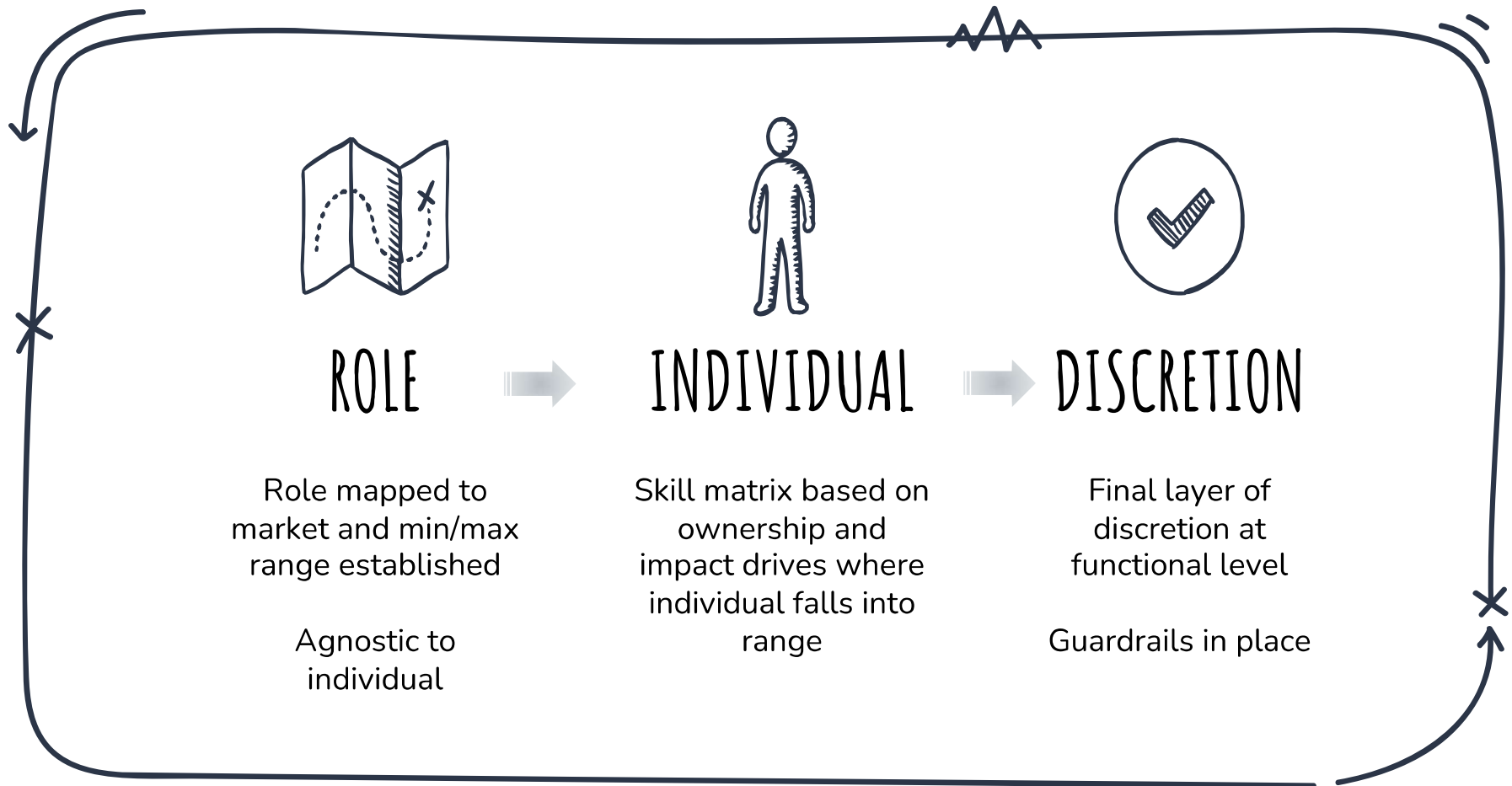
SLG + LEADERSHIP ALLIANCE + STAFF COUNCIL

Sharing direction, kicking the tires, questions, suggestions

COMPENSATION TEAM DIGGING IN

to deliver for July





QUESTIONS THAT MAY BE TOP OF MIND

- X Is anyone's pay going to go down because of this? **No.**
- X How does this map to the current structure? ***It doesn't. It's completely new.***
- X Is everyone's pay going to go up? **No. *This is not like an across-the-board percent raise. Some people may see a significant increase, and some may see nothing or something relatively small. All based on the new methodology and tied to market. More to come next month on each part of this approach.***
- X Are only some positions/departments/teams being reviewed? **No, *all staff positions are being reviewed for market.***
- X What's my specific raise going to be? ***We don't know yet. We're still working on finalizing the budget and carrying out department then institution-wide review.***



NEXT STEPS

- X Every month from now through June, HR will share a **recorded presentation** building out more information and detail as well as a **quick reference poster that captures the main points**
- X All content will be posted on HR website
- X Form to **submit any questions**—HR will **reply to all individuals and post a public FAQ**
- X **Department leaders will also be sharing** information and discussing with teams



NEXT STEPS & TIMELINE

APRIL

Share details on how
ROLE and
INDIVIDUAL sections
work in new program

Share approach and
details on fair and
competitive wages

*HR/Managers begin to
work on specifics*

MAY

Share details on how
DISCRETION section
works in new
program

Go over pathways for
growth year over year

*Department and
institutional review*

JUNE

Share examples of
common scenarios

Preview what is to
come

Discuss this year vs.
future years

Finalize details

JULY

Effective July 1

Share options and
pathways for
discussion going
forward

Action!



Middlebury