PA 9: Employee Compensation

3 points available

A. Credit Rationale
This credit recognizes institutions that ensure that their lowest paid workers earn sustainable compensation. Poverty, or the inability of current generations to meet their needs, is a sustainability challenge even in highly developed countries. By providing employees wages and benefits that meet basic needs, a university or college can enfranchise its entire workforce so that each individual can contribute positively and productively to the community.

B. Criteria

Part 1
Institution’s employees and/or the employees of its on-site contractors are covered by sustainable compensation standards, guidelines, or policies and/or collective bargaining agreements.

A sustainable compensation (or “living wage”) standard, guideline or policy is one that addresses wages and benefits in terms of the ability of employees to meet basic needs. For example, a sustainable compensation policy may index hourly wages to a poverty guideline or to local cost-of-living indicators. A labor market survey, salary survey or similar assessment may be used in conjunction with a basic needs/cost-of-living approach, but is not sufficient on its own to count as a sustainable compensation policy.

Part 2
Institution’s employees and/or the employees of its on-site contractors receive sustainable compensation.

To earn points for Part 2 of this credit, an institution must assess employee compensation against one or more of the following:

1) A sustainable compensation standard developed or adopted by a committee with multi-stakeholder representation (i.e. its membership includes faculty, staff, and students and may include Human Resources administrators or other parties). The standard need not be formally adopted by the institution.

2) A sustainable compensation standard that is in use in the institution’s locality. The standard may be formal (e.g. a “living wage” ordinance covering public employees) or informal (e.g. a standard adopted by a local, regional or national campaign).

3) An appropriate poverty guideline, threshold or low-income cut-off for a family of four.
For institutions that elect to assess compensation against a poverty guideline, threshold or low-income cut-off, sustainable compensation is defined as wages equivalent to 120 percent of the poverty guideline for a family of four. An institution may offset up to 20 percent of the wage criteria with employer-paid benefits that address basic needs (e.g. healthcare and retirement contributions).

Both parts of this credit are based on the total number of employees working on campus as part of regular and ongoing campus operations, which includes:

- **Staff and faculty**, i.e. all regular full-time, regular part-time and temporary (or non-regular) employees, including adjunct faculty and graduate student employees (e.g. teaching and research assistants). Institutions may choose to include or omit undergraduate student workers.
- **Employees of contractors** that work on-site as part of regular and ongoing campus operations. Such contractors may include, but are not limited to, providers of dining/catering, cleaning/janitorial, maintenance, groundskeeping, transportation, and retail services.

Construction and demolition crews and other temporary contracted employees may be excluded.

**C. Applicability**
This credit applies to all institutions.

**D. Scoring**
Each part is scored independently.

**Part 1**
An institution earns the maximum of 1.5 points available for Part 1 of this credit when 100 percent of its employees and the employees of any on-site contractors are covered by sustainable compensation standards, guidelines, or policies and/or collective bargaining agreements. Incremental points are available based on the percentage of employees covered. For example, an institution for which 50 percent of campus workers are covered by collective bargaining agreements would earn 0.75 points (half of the points available for Part 1 of this credit). Points earned are calculated according to the following table:
**Part 1**

Enter values as indicated below to calculate points earned for Part 1 of this credit

Points will be calculated automatically when data are entered in the STARS online Reporting Tool

<table>
<thead>
<tr>
<th>Factor</th>
<th>Multiply</th>
<th>Number of Employees Covered By Sustainable Compensation Standards, Guidelines, or Policies and/or Collective Bargaining Agreements</th>
<th>Divide</th>
<th>Total Number of Employees Working On Campus</th>
<th>Equals</th>
<th>Total Points Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5</td>
<td>×</td>
<td>_______</td>
<td>÷</td>
<td>_______</td>
<td>=</td>
<td>_______</td>
</tr>
</tbody>
</table>

**Enter values as indicated below to calculate points earned for Part 1 of this credit**

Points will be calculated automatically when data are entered in the STARS online Reporting Tool

**Part 2**

An institution earns the maximum of 1.5 points available for Part 2 of this credit when 100 percent of its employees and the employees of any on-site contractors earn sustainable compensation. Incremental points are available based on the percentage of employees that earn sustainable compensation as defined in one or more of the ways outlined above. For example, an institution for which 50 percent of campus workers earn wages equal to or greater than 120 percent of the poverty guideline for a family of four would earn 0.75 points (half of the points available for Part 2 of this credit). Points earned are calculated according to the following table:

Enter values as indicated below to calculate points earned for Part 2 of this credit

Points will be calculated automatically when data are entered in the STARS online Reporting Tool

<table>
<thead>
<tr>
<th>Factor</th>
<th>Multiply</th>
<th>Number of Employees that Receive Sustainable Compensation</th>
<th>Divide</th>
<th>Total Number of Employees Working On Campus</th>
<th>Equals</th>
<th>Total Points Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5</td>
<td>×</td>
<td>_______</td>
<td>÷</td>
<td>_______</td>
<td>=</td>
<td>_______</td>
</tr>
</tbody>
</table>
### Scoring Example: Employee Compensation

Example Community College employs 800 individuals directly and has an additional 200 employees of contractors working on campus. Thus the total number of employees working on campus = **1,000**.

**Part 1**
The college does not have sustainable compensation policies or collective bargaining agreements covering its employees, however **100** workers employed by its cleaning services and maintenance contractors are covered by collective bargaining agreements.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Multiply</th>
<th>Number of Employees Covered By Sustainable Compensation Standards, Guidelines, or Policies and/or Collective Bargaining Agreements</th>
<th>Divide</th>
<th>Total Number of Employees Working on Campus</th>
<th>Equals</th>
<th>Total Points Earned for Part 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5</td>
<td>×</td>
<td>100</td>
<td>÷</td>
<td>1,000</td>
<td>=</td>
<td><strong>0.15</strong></td>
</tr>
</tbody>
</table>

**Part 2**
The college typically assesses its wage and benefits policies using a market-based salary survey and no living wage standard has been developed locally. Therefore, to report for this credit the institution opts to assess the compensation it provides its employees against 120 percent of the current national poverty guideline for a family of four. In assessing its wages and benefits, the college finds that **700** of its 800 employees receive sustainable compensation. The college does not conduct a similar assessment for the 200 contracted workers.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Multiply</th>
<th>Number of Employees that Receive Sustainable Compensation</th>
<th>Divide</th>
<th>Total Number of Employees Working on Campus</th>
<th>Equals</th>
<th>Total Points Earned for Part 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5</td>
<td>×</td>
<td>700</td>
<td>÷</td>
<td>1,000</td>
<td>=</td>
<td><strong>1.05</strong></td>
</tr>
</tbody>
</table>

**Total points earned** = 0.15 + 1.05  
= **1.2 points**
E. Reporting Fields

Required
- Number of employees (staff + faculty, headcount)
- Number of staff and faculty covered by sustainable compensation standards, guidelines, or policies; and/or collective bargaining agreements (headcount)
- An indication of whether the institution has employees of contractors working on-site as part of regular and ongoing campus operations
- An indication of whether the institution wishes to pursue Part 2 of this credit (assessing employee compensation)
- An affirmation that the submitted information is accurate to the best of a responsible party’s knowledge and contact information for the responsible party. The responsible party should be a staff member, faculty member, or administrator who can respond to questions regarding the data once submitted and available to the public.

Conditional
Required if the institution has employees of contractors working on-site as part of regular and ongoing campus operations:
- Number of employees of contractors working on campus (headcount)
- Number of employees of contractors covered by sustainable compensation standards, guidelines, or policies and/or collective bargaining agreements (headcount)

Required if the institution has employees or employees of contractors that are covered by sustainable compensation standards, guidelines, or policies; and/or collective bargaining agreements:
- A brief description of the sustainable compensation standards, guidelines, or policies; and/or collective bargaining agreements covering staff, faculty and/or employees of contractors

Required if the institution is pursuing Part 2 of this credit (assessing employee compensation):
- Number of staff and faculty that receive sustainable compensation (headcount)
- Number of employees of contractors that receive sustainable compensation (headcount) (report zero if there are no employees of contractors working on campus)
- A brief description of the standard(s) against which compensation was assessed
- A brief description of the compensation (wages and benefits) provided to the institution’s lowest paid:
  - Regular, full-time employees
  - Regular, part-time employees
  - Temporary (non-regular) staff
- Temporary (non-regular, adjunct or contingent) faculty
- Student employees (graduate and/or undergraduate, as applicable)

**Optional**
- The website URL where information about the institution’s sustainable compensation policies and practices is available
- The local legal minimum hourly wage for regular employees (US/Canadian dollars)
- An indication of whether the institution has an onsite child care facility, partners with a local facility, and/or provides subsidies or financial support to help meet the child care needs of its employees
- An indication of whether the institution offers a socially responsible investment option for retirement plans to its employees
- Notes about the submission

**F. Measurement**

**Timeframe**
Report on current compensation status and offerings, for example at a single representative point during the performance year that aligns with other institutional commitments. When using a representative point, institutions should strive to ensure that it recognizes seasonal and other variations that influence employment.

**Sampling and Data Standards**
Institutions unable to confirm that a contractor meets the criteria for this credit should include the contractor’s employees in the count of employees working on campus and exclude the contractor’s employees from the count of employees that are covered by sustainable compensation standards or collective bargaining agreements and the count of employees that receive sustainable compensation.

Institutions may use their own established definitions of each job type referenced.