

RISD

Total Compensation Program Guide Book

2022-2023

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I. Introduction and Overview

At Rhode Island School of Design, we are committed to organizational excellence and to delivering on our mission of providing exemplary art and design education. This commitment is met and supported, in part, by providing a total compensation program (salary plus benefits) that enables us to attract, motivate, engage, retain, and reward a qualified and diverse workforce.

Our total compensation philosophy and program are designed to be simple, clear, transparent, and aligned with our mission and the values of our strategic plan. In our practices, we aim to be just, fair, and equitable when recognizing the relative value of each role, when rewarding an individual's performance, and when reflecting trends within our external market peer group.

Finally, we strive to create and maintain a program that is sustainable; fiscally and socially responsible; adaptable to operational and staffing needs; and compliant with all applicable laws, including equal pay laws, equal employment opportunity laws, benefits regulations, and the Fair Labor Standards Act (FLSA.)

II. Terms & Definitions

Below is a list of terminology frequently used when describing salary administration at RISD. While not exhaustive, the list provides a good foundation to help you better understand the terms and process.

25th%: Also known as the first quartile. Typically, starting salaries of those new to a role or with the minimum required experience fall within this percentile of the market data for their position.

50th%: Typically represents the average rate paid to a group of individuals who meet all of the qualifications of the position, and whose background and experiences allows them to be fully functioning in all aspects of the role at RISD.

75th%: Also known as the third quartile. Salaries for employees who are expert (or seasoned) in the role, and bring significant skills and experiences beyond what is normally required in the position, may be placed in the third quartile.

Externally Competitive: RISD targets its salaries to be at the average salary level, or 50th%, of employees in comparable positions within our various peer labor markets. External pay equity exists when RISD employees are being rewarded fairly in relation to those who perform similar jobs in other organizations, companies, and institutions.

Exempt: A salaried employee who earns at least \$684 per week **and** who holds a position that satisfies one of the respective FLSA tests regarding the content of the job duties, (<http://webapps.dol.gov/elaws/whd/flsa/overtime/menu.htm>). Exempt employees are not eligible for overtime pay.

Fair Labor Standards Act (FLSA): Also known as the "Wage Hour Law." FLSA is a federal law, which prohibits oppressive child labor and establishes a minimum hourly wage and premium overtime pay for hours in excess of a specific level (time and one-half after 40 hours per week) for all workers engaged in, or producing goods for, interstate commerce.

Internally Competitive: Jobs internally at RISD are grouped and paid similarly for similar functions, accountability, knowledge, and skills required. Jobs of similar nature will be grouped in salary grade structures based on their relative internal level/position.

Maximum: Typically, the highest wage paid for jobs within the salary grade.

Midpoint: The average wage paid in the external labor market for all like classified positions within the salary grade.

Minimum: Typically, the lowest wage paid within the salary grade to a new employee with limited experience in this specific position.

Non-Exempt: An hourly employee who earns less than \$684 per week or who does not meet one of the exempt categories by satisfying a respective FLSA test. Non-exempt employees are eligible for overtime pay for all hours worked in excess of forty hours in one payroll week. Overtime pay is calculated at one and one-half times the employee's regular hourly rate.

Peer Group: Employers in the external market with whom RISD competes for talent and that are reasonably similar to RISD in terms of industry profile, size, operating budget, and/or geographic location.

Position Description: A document used to identify the key duties, responsibilities and qualifications necessary to perform the job. Managers are responsible for reviewing job descriptions and for ensuring that descriptions accurately reflect the current operational and academic need.

Salary Grade: A range of compensation that has minimum, midpoint, and maximum. Each job and each position are assigned to a specific salary grade based on internal and external equity. While regular positions at RISD are assigned a grade in a structure, the pay range for each position does not always span the entire grade structure and often is a narrower range within the grade range.

Salary Grade Structure: A tool to help administer our pay philosophy, taking into consideration the internal equity (how jobs of similar level compare to each other for pay) and external equity (how jobs of a similar type and level are compensated out in the market) of each job.

III. RISD's Salary Administration Process

Salary administration is the process by which we determine and manage pay. Our salary administration process begins with a position description, which is a document used to identify and clearly articulate the key duties, responsibilities, and qualifications necessary to perform the job. ([See attached position description form.](#)) Once a position description has been written by the hiring manager and approved in accordance with the position approval process, Human Resources will:

- Determine if the position is "exempt" or "non-exempt" in accordance with the Fair Labor Standards Act (FLSA).
- Conduct research of "like" positions in the external market peer group. A "like" position is a position with similar functions, responsibilities, and duties and requires similar knowledge, skills, and experience.
- Compare the role to others internally at RISD based on job scope and major responsibilities; job complexity and impact; job accountability; knowledge, skills, and competencies required; and education and experience needed to ensure internal equity.

- Assign a salary grade to the position.

Please note: Job evaluations should be initiated by the manager when an employee’s job functions have changed by 20% or more. The position, not the incumbent, is the focus of the job evaluation when determining the grade.

IV. Salary Adjustments

While a salary is determined and assigned for every position based on the position description, as highlighted in Section III (Salary Administration Process,) an employee’s salary *may* change throughout the course of employment at RISD as a result of any one, or a combination of reasons (see details below.) Each year the Board reviews and approves RISD’s operating budget, which includes the total salary increase pool. Our total salary increase pool is used for increases such as cyclical base salary increases market adjustments, promotions, general increases and/or other organizational changes (defined below).

Increases and Other Forms of Compensation:

- **Cyclical Salary Increase:**
 - **July 1, 2022 Salary Increase Pool**

RISD’s 2022-2023 budget includes a 4% salary increase pool for eligible non-bargaining unit staff in good standing*in accordance with the table below.

PRORATION TABLE:

Non-Bargaining Unit Staff* Hired Between:	Proration %	Increase % Based on 4% Pool & Date of Hire
July 1 and December 31	Not Applicable – No Proration	4.0%
January 1 and March 31	50%	2.0%
April 1 and June 30	0%	0%

**Non-bargaining unit staff must be in good standing to be eligible for a salary increase. To be in good standing, a non-bargaining unit staff member may not currently be or have been on a performance improvement plan or received any form of disciplinary action (whether verbal or written warning or suspension) in the six month period prior to the expected increase, (meaning the period of January 1, 2022-June 30, 2022). Non-bargaining unit staff who are on a performance improvement plan (or who have received disciplinary action) in the January 1, 2022-June 30, 2022 time period who then improve and sustain their performance may be eligible for an increase effective October 1, 2022 , at their manager and senior leader’s sole discretion. However, the increase will not be retroactive to July 1, 2022.*

- **Market adjustment:** Commonly referred to as an “equity adjustment.” Market adjustments may be requested when a salary grade is correct, but the salary is low in comparison to the external marketplace and /or to others, usually in the same grade and with similar credentials, which have comparable responsibilities, experience, and skills.
- **Promotion:** Salary increases may be granted when an employee moves to a position in a higher grade. When determining the amount of the promotional increase, several factors are considered, including, the employee’s relevant skills and experience, internal and external equity considerations, and departmental budget will be considered when determining the amount of the promotional increase.
- **Stipend:** A sum of money granted on a short-term basis. A stipend may be used to recognize and reward completion of tasks/duties/responsibilities that are short term in nature (expected to continue for at least six consecutive weeks), fall outside of normal scope of the position, and require a higher level of knowledge, skill, or experience to complete. Normally, a stipend should not exceed 10% of an incumbent’s current base salary/rate. In addition, a stipend should be assigned an end date or re-evaluation date. Non-exempt employees who receive a stipend will receive it in the form of an hourly rate. For example, non-exempt employee “A” normally earns \$15/hour. Employee A has taken on additional duties which are outside of the scope of the normal assigned position/grade **and** which require an advanced level of skill/experience beyond the assigned position/grade while another employee is out on an extended three-month leave of absence. The additional duties, as priced to market, are \$1/ hour more than employee A’s current rate. Therefore, employee A would earn \$16/hour for hours worked performing those additional duties during the stipend period.
- **Bonus:** A one-time, lump sum of money, typically given for exemplary performance. A bonus is not added to, and does not, compound annual salary. While bonus pools are not guaranteed, if and when they are available, the Cabinet is encouraged to utilize them to recognize accomplishments that are above and beyond day-to-day responsibilities, require extraordinary efforts beyond high performance of regular job duties, and those that have a positive impact on our institution.
- **General increase:** Commonly referred to as an “across the board increase.” General increases are typically used for RISD’s unionized positions¹ where all employees in the union are given the same increase amount. General increases are not typically based on performance or tenure, but rather, on regular active employment status.

Need more information? We are here to help! Please contact Cathy Davis, Director of Compensation and Benefits at 401-454-6429 or cdavis@risd.edu with questions.

¹ Please note that while unionized employees may be the beneficiaries of various salary adjustments, any salary change or adjustment must be negotiated with and agreed to by both the union and the college in order for it to take effect.