

Policy 201

Employment Policy

Section: 200 – *Human Resources*

Responsible Executive: *Senior Director, Human Resources*

Responsible Department: *Human Resources*

First Effective Date: *May 1, 1996*

Last Reviewed: *May 18, 2018*

Next Scheduled Review: *June 2022*

1.0 PURPOSE

- 1.1. To provide a general framework for the administration of employee salaries, benefits and working conditions for Cal Poly Corporation (“CPC”).

2.0 BACKGROUND

- 2.1. It is expected that CPC will follow good business practices and all federal and state employment law requirements in its employment practices. California Code of Regulations §42405 requires that each auxiliary provide Salaries, Working Conditions and Benefits for full-time employees which are comparable to those provided by California State University (“CSU”) performing “substantially similar service.” The California Nonprofit Integrity Act also requires periodic review of certain executive position compensation. This policy is to ensure compliance with these requirements and to ensure a CPC salary structure that is externally competitive and internally equitable and which ensures that positions with equal skill, effort, responsibility and working conditions receive equal pay. This policy shall not operate to create employee rights not previously vested or specifically provided herein, or to determine CPC policy beyond the requirements established by CSU Board of Trustees.

3.0 POLICY

3.1. General.

- 3.1.1. CPC shall determine and document its operational employment policies and practices, guidelines and procedures within an employee handbook and other documents as appropriate, as approved by the Executive Director or a designee.
- 3.1.2. Salaries, Working Conditions and Benefits shall be provided to all full-time CPC employees on a basis comparable to those provided CSU employees performing Substantially Similar Services. For those full-time employees performing services that are not Substantially Similar Services as performed by CSU employees, the Salaries, Working Conditions and Benefits shall be at least equal to those prevailing in other educational institutions in the area or commercial operations of like nature.
- 3.1.3. Except for the position of Executive Director, the Executive Director appoints other Executive positions within his/her budgetary authority and under CPC’s established compensation plans. This authority may not be delegated.

3.2. Position and Salary Reviews.

- 3.2.1. The Executive Director or designee shall evaluate and determine those CPC positions to be classified as performing Substantially Similar Services to CSU positions based upon this policy.

- 3.2.2. All new positions will be reviewed as created to determine if the position is “substantially similar” to a CSU position.
- 3.2.3. All positions will be reviewed periodically to determine if they are classified as “Substantially Similar” or non-Substantially Similar correctly.
- 3.2.4. CPC shall periodically review the salary structure by conducting and/or reviewing salary surveys to determine the competitiveness and necessary adjustments of the salary structure based on average market rates.
- 3.2.5. CPC will also evaluate positions through a Job Evaluation process to ensure that each position’s salary range and rate is fair and equitable in relation to other CPC employees.
- 3.3. Employee Compensation Plans. The Executive Director is authorized to develop and implement employee compensation plans consistent with this policy and the CPC budget(s). Such implementation shall include means to involve the Board and apprise the University President of planned Executive appointments and significant compensation plan changes.
- 3.4. Executive Compensation Review.
 - 3.4.1. The Board of Directors must periodically review and approve the compensation of the “chief executive officer” and the “chief financial officer”, or the executives with comparable powers. The Board must approve that the compensation, including benefits, as “just and reasonable,” with the decision reported in the minutes.
 - 3.4.2. Whose compensation is to be reviewed is based on an individual’s function, not based on actual titles, and regardless whether the person is a CPC employee.
 - 3.4.3. Review of the executives’ compensation must occur:
 - 3.4.3.1. Upon first hiring of the individual;
 - 3.4.3.2. Upon renewing any contract with him or her, and
 - 3.4.3.3. Whenever the compensation is modified, unless the modification applies to substantially all employees.
 - 3.4.4. The Board shall consider the compensation of comparable employment positions paid by comparable organizations. The Board shall also take into account any other relevant information and factors in determining the reasonableness of executive compensation. The minutes shall reflect the consideration of the Board as to the issue of executive compensation.
- 3.5. Employment Status. Employment with CPC is “At Will” and does not constitute a vested right of permanent status. CPC employment is at the discretion of both CPC and the employee. Either may conclude employment at any time with or without cause or advance notice. CPC retains the right, at its sole discretion, to demote, transfer, change job duties, adjust compensation, and benefits at any time with or without notice or cause.

4.0 DEFINITIONS

- 4.1. Classification or Class. This means a group of positions sufficiently similar with respect to duties and responsibilities such that:
 - 4.1.1. The same title may reasonably and fairly be used to designate such positions allocated to the Class,
 - 4.1.2. Substantially the same tests of fitness may be used, and

- 4.1.3. Substantially the same minimum qualifications may be made to apply with equity.
- 4.2. Substantially Similar Services. These are positions that are within an established CPC Classification and qualification standards equivalent to those Class standards established by the CSU.
- 4.3. Comparable Salaries, Working Conditions and Benefits. These are those Salaries, Working Conditions and Benefits paid to or provided on behalf of an otherwise qualified CPC employee, which, in total, are competitive with, but not necessarily identical to, CSU employment in Substantially Similar Services.
- 4.4. Full-time Employee. This means a person who has a regular appointment that requires 20 or more hours per week for an indefinite period, including those employees engaged on a 10-month or academic year basis and will last 180 days or more calendar days. Normally, such appointments are made to positions that have been authorized by the CPC Board of Directors in conjunction with the approval of a department's annual budget.
- 4.5. Executive position. This refers to any management employee with responsibility for the development and execution of CPC policy.

5.0 PROCEDURES, GUIDELINES AND FORMS

- 5.1. The Senior Director, Human Resources or his/her designee is authorized to establish, procedures, guidelines and forms consistent with and in implementation of this policy, as approved by the Executive Director.

6.0 COMPLIANCE

- 6.1. All CPC units, departments and personnel and must comply with this policy.

7.0 REFERENCES AND RELATED POLICY

- 7.1. California Code of Regulations §42405
- 7.2. California Education Code §89900(c)
- 7.3. Government Code 12586(g)- Non-Profit Integrity Act (enacted 2004)
- 7.4. State and federal labor/employment law

Technical and administrative change updates
5-18-18 for title and definition consistency.