



**Proposed Personnel Policy Updates  
Recommended to MPC Foundation Board of Directors**

February 17, 2021

As an auxiliary organization, the MPC Foundation should provide benefits that are commensurate with those provided to the Foundation's colleagues employed by the MPC District. During our formative years, it was not possible to mirror the college's costly benefits package; however, we have and must continue to make efforts to get closer to that goal. Offering competitive salaries and benefits is obviously also an important employee recruitment and retention tool.

Our current full-time employees have all been directly involved in contributing towards the organization's significant growth and success over the past 4-10 years. At the end of 2020, we reached an important milestone by surpassing \$10 million in assets. With respect for the global COVID-19 pandemic and the economic impacts it is causing, I am proposing that we make two updates to our Personnel Policies that will result in modest increases to our overall compensation package, as described below.

**A. Educational Advancement**

MPC's classified employees are eligible for \$1,600/year in reimbursement for education-related expenses. Additionally, MPC employees can seek FASA awards from the MPC Foundation to get financial assistance with their educational goals. Currently, the MPC Foundation employees do not receive any assistance, nor are they eligible to receive FASA awards.

In the spirit of furthering the education of our employees and continuing to keep their knowledge, skills and abilities aligned with our organization's goals, I am recommending we start this program in 2021 at \$1,200 per full-time employee annually, with the intention of building on this as our organization continues to grow and succeed. As such, the following language would be added to our Personnel Policy.

"Full-time employees who pursue educational opportunities that complement and advance their work for the MPC Foundation will be eligible for reimbursement for education-related expenses up to \$1,200 per calendar year, per employee, upon pre-approval of the Executive Director. Employees are encouraged to make their requests in the calendar year preceding the award for budgeting purposes."

In 2021, the maximum this would cost is \$4,800. However, based on conversations with our current staff, I anticipate that it would cost between \$1,200 - \$2,400 in 2021, and up to \$3,600 in 2022. This would result in a 0.5% increase in our payroll & benefits budget.

## **B. Update Retirement Benefits**

Retirement benefits for MPC employees range from 12 to 20% of salaries. The MPC Foundation's employer contribution is 4%, which we began in 2017 when our retirement plan was first established. At that time, we were a \$6 million organization, and with the help of our current staff, we have now grown to a \$10 million organization.

In order to improve our benefits plan from below average and contribute to employee retention, I would like to recommend a modest increase this year from 4% to 5%.

Additionally, I would like to add a 10-year longevity incentive that increases contributions from 5% to 6.5% once an employee reaches that milestone, as well as a 15-year incentive that further increases contributions to 8%.

The cost to the organization in 2021 to implement this would be:

- 1) Update base contribution from 4 to 5% for all employees: maximum \$3,012
- 2) Add 10-year incentive: \$1,391.

The total cost to implement both recommendations in 2021 would therefore be a maximum of \$4,403. This represents approximately 1% of our payroll and benefits budget.

### **Options for Board Action**

- 1) Approve both recommendations as presented (Educational Advancement and Update Retirement Benefits) - total estimated cost in 2021: \$6,800
- 2) Approve Education Advancement recommendation only - total estimated cost in 2021: \$2,400
- 3) Approve Update Retirement Benefits recommendation only- total estimated cost in 2021: \$4,400
- 4) Modify recommendations - total cost will depend on modifications
- 5) Do not approve recommendations at this time - \$0 cost