



CORPORATE POLICIES

Subject: Compensation Plan

Policy No.: 219

Last Revision Date: 4/09/2025

Orig. Date: 06/13/00

Revision: 3

- A. Purpose**
 - B. Objectives**
 - C. General and Merit Pay Adjustments**
 - D. Salary Grade Adjustments**
 - E. Implementation**
-

A. Purpose

To provide a framework for managing compensation at the Enterprises for employees (non-student) that is in compliance with Title 5, California Code of Regulations Section 42405 and Education Code 8990 To ensure that working conditions and benefits are comparable to those provided to campus employees as well as other educational institutions in the area or commercial operations of like nature.

B. Objectives

1. To provide a wage and salary structure that is internally equitable, and which ensures that positions with equal skill, effort, responsibility and working conditions receive equal pay.
2. To recruit and retain well-qualified employees for positions within the Enterprises.
3. To maintain salary and benefit costs within budgetary limits established by the Board of Directors, consistent with Education Code section 89905.
4. External Equity: The Chief Human Resources Officer shall conduct salary surveys/assessments to assist in establishing and/or adjusting the wage and salary ranges for positions. The survey includes other commercial organizations and non-profit corporations within the California/Los Angeles area and/or auxiliary organizations within the California State University and University of California systems which have positions that perform services that are comparable to Enterprises' positions.
5. Internal Equity: The Enterprises will evaluate the internal wage and salary structure to ensure that positions with equal skill, effort, responsibility and working conditions receive comparable pay. A position classification plan is used to assist in the job evaluation.

C. General and Merit Pay Adjustments

1. Management and non-management positions are eligible for a general wage or salary adjustment based on budgetary approval by the Board and within the range of the respective job classifications. Such adjustments are granted only if the Board approves the annual budget and the employee is satisfactorily meeting or exceeding the performance standards for the position.
2. Merit increases must be within budget, approved by the division head (or CEO in situations where the employee is the next higher level of supervision), and reviewed by the Chief Human Resources Officer. An employee may be eligible for a lump sum award once the employee reaches the maximum rate of the range for their job classification in conjunction with the performance evaluation program. The employee's immediate supervisor prepares performance evaluation to support any full-time employee merit adjustments.

D. Wage Grade Adjustments

1. Changes in an employee's level of responsibility can result in the position being assigned to a different grade range. If a position is assigned a higher grade range, the incumbent will normally have their wage adjusted to the minimum of the range or receive a pre-approved percentage increase, whichever is greater. When a position is assigned to a lower grade range, the pay rate may be reduced to the top of the lower range or retained at the existing level for a specified period of time depending upon the circumstances

E. Implementation

1. The Board of Directors must approve any changes to this policy. The Enterprises' Chief Executive Officer and Chief Human Resources Officer shall develop and implement guidelines to facilitate this policy. The Chief Executive Officer and executive staff are responsible for ensuring that this policy is executed in a fair and equitable manner.