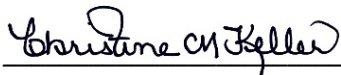


XIII. Compensation and Benefits Monitoring Report

This Monitoring Report was approved by the AIR Board of Directors on 8/14/2023. The entire report is for internal use only. Do not duplicate or distribute without the express written approval of the Association for Institutional Research. Copyright 2023.

I certify that the information contained in this report is true.



Christine Keller, Executive Director & CEO

submitted: July 28, 2023

Date

Note: Evidence for this report are from July 1, 2022 through June 30, 2023, unless otherwise noted.

Global Policy Language

With respect to employment, compensation, and benefits to employees, consultants, and contract workers, the Executive Director will not cause or allow jeopardy to fiscal integrity or to public image.

Interpretation 1

The interpretations and data for Policies A to E reasonably demonstrate the avoidance of jeopardy to the fiscal integrity and public image of AIR with respect to employment, compensation, and benefits for AIR staff.

Rationale 1

In aggregate, the data for Policies A thru E provide evidence of fairness, transparency, fiscal responsibility, and appropriate alignment with market conditions in respect to employment terms and conditions, salary levels, and availability of benefits provided to AIR staff, with special attention on the appropriate handling of the Executive Director's compensation and benefits.

Evidence 1

Evidence is provided within Policies A to E later in this report.

Interpretation 2

The terms of any compensation provided to consultants/contractors will be clearly delineated in writing and signed by the Executive Director or Deputy Director and the other party. Consultants/contractors are not eligible for benefits. (Note: AIR does not distinguish between a consultant and a contractor in its processes, treatment, or tasks assigned.)

Evidence 2

Regular AIR consultants/contractors include the approximately 30 IPEDS Educators who serve as teachers and mentors for IPEDS workshops and courses. A contract is signed by the Executive Director or Deputy Director and each educator at the beginning of the contract period (July to June), outlining the responsibilities,

compensation, and reimbursement policies. Other consultants/contractors hired by the Executive Office are provided with similar contracts outlining the scope of work and compensation levels and terms. Agreements with consultants/contractors clearly state the individuals are not employees and specify the ownership of any work products, as appropriate.

A. Policy Language

The Executive Director will not: Change the Executive Director's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

Interpretation 1

Changes to the Executive Director's compensation or benefits that are outside the typical benefits provided to other employees will be documented in writing by the Board of Directors.

Evidence 1

A change to the Executive Director's compensation for 2023 was documented in a letter from the Board of Directors dated 12/16/2022. A copy of the letter is kept within the Executive Director's personnel file.

Interpretation 2

The benefits available to the Executive Director will be consistent with the benefits provided to other eligible, full-time, salaried employees in accordance with the [AIR Employee Handbook](#), or will be defined in writing by a contract or statement issued by the Board of Directors.

Evidence 2

The benefits provided to the Executive Director are the same as the benefits for full-time, salaried employees outlined in the [AIR Employee Handbook](#) with one exception. An addendum to the Executive Director's employment contract was approved by the Board in August 2018 to specifically authorize and encourage the Executive Director to pursue continuing education activities and to annually report on those activities.

During the reporting period, the Executive Director participated in the [Coaching for Leaders community](#), including the online peer community, expert chats, podcasts, and idea circles. There was no cost to the association.

B. Policy Language

The Executive Director will not: Promise or imply permanent or guaranteed employment.

Interpretation 1

All new employees will receive standard offer letters that contain specific written statements that employment is “at will” unless the letter specifies a fixed term, temporary positions (e.g., internships, summer student workers).

Evidence 1

Per advice from AIR’s attorney and HR consultant, offer letters conform to the recommended standard and include the phrase “your employment with AIR is at will.” There were two employment offer letters during the reporting period and the recommended language was included.

Interpretation 2

All new and continuing employees will acknowledge their understanding of the policies and standards within the [AIR Employee Handbook](#) at least annually, including the following statement. *“This Handbook is not to be considered a contract, and all employees remain in an at-will capacity with AIR unless otherwise specified in a formal written contract.”*

Evidence 2

All AIR employees electronically acknowledged their understanding of the handbook policies and standards in January 2023. There was also an opportunity for questions and discussion of the [AIR Employee Handbook](#) during the January staff meeting. All new employees hired after January 2023, provided their acknowledgement during their onboarding process.

C. Policy Language

The Executive Director will not: Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.

Interpretation 1

Cost of living salary adjustments will be made at the end of the calendar year as financially prudent, will be based on a consistent and reputable source, and will apply to both full-time and part-time staff who have successfully completed their probationary period. The Executive Director is also eligible for the cost-of-living adjustment per *BRE IV. Executive Director Compensation and Benefits, Policy D.*

Evidence 1

The typical benchmark for cost-of-living adjustments (COLA) to AIR staff salaries is the federal rate used by the Social Security Administration and the U.S. Military. For 2023 the federal rate was 8.7 percent, the largest

increase since 1981. It was not financially prudent for AIR to increase all staff salaries by 8.7 percent as the association continues to rebuild from the financial impacts of the pandemic. However, all staff received a cost-of-living increase of 5 percent, which was consistent with national trends and averages. According to the Society for Human Resource Management information in fall of 2022, U.S. employers planned to increase salaries by 4.6 percent on average in 2023. AIR's retirement contributions on behalf of staff also increased by 1 percent from 4 to 5 percent. In total, all staff received a 6 percent increase in compensation. (The executive director's 2023 compensation was handled separately, and she did not receive the cost-of-living increase.)

Interpretation 2

AIR staff insurance benefits will be reviewed at least every two years by an experienced insurance broker for an assessment of the cost and value, alignment with industry standards, and the offerings of similar small, nonprofit organizations – considering the AIR's financial circumstances.

Evidence 2

Each fall the Executive Director and Director of Finance consult with the employment benefits specialists from Brown and Brown Insurance about potential changes to staff insurance benefits. (For example, comparisons between companies prompted a change in insurance providers for 2021 that resulted in cost savings to AIR at no loss in benefits to staff.) No changes were made to benefits for the 2022 and 2023 fiscal years after discussions with the experts from Brown and Brown about other options. In fall 2023, Brown and Brown will do a more extensive review, including a direct cost comparison among insurance providers to provide information for 2024 benefits decisions.

Interpretation 3

Full-time staff positions will be benchmarked by a reputable outside source (as available). The benchmarks will be updated once every three to five years or in the event of material changes in AIR staffing patterns or structures.

Evidence 3

A staff compensation study was conducted in the fall of 2022 by AIR's HR consultant, Linda Barineau. Despite considerable time and effort by the HR consultant, salary benchmarks for all AIR positions were not available due, in large part, to the nature of the work done by AIR as a small, nonprofit association and the lack of a common geographic location for AIR staff and operations. The executive director also accessed salary data from a [survey](#) by the American Society of Association Executive (ASAE), which helped to supplement the work of the HR consultant. Acknowledging the limitations of the benchmarking data, no material discrepancies were identified when comparing by position and geography, and full-time staff salaries were largely within the ranges of the benchmarks. Efforts will continue to ensure internal consistency and fairness in salary levels as well as the ranges for position groupings. Attention will also continue to be given to external market conditions and locations.

D. Policy Language

The Executive Director will not: Create obligations over a longer term than revenues can be safely projected, in no event longer than one year, and in all events subject to losses in revenue.

Interpretation

AIR's audited financial statements will contain no long-term liabilities for compensation and benefits paid to employees.

Rationale

AIR employees are "at will" and do not receive any guaranteed period of employment; thus, AIR does not incur any long-term liabilities for compensation or benefits. If AIR were to have a financial obligation greater than one year it would appear on the financial statements as a long-term liability.

Evidence

The [audited financial statements](#) for 2022 shows no long-term liabilities for any reason, including compensation and benefits paid to AIR employees or compensation paid to contractors.

E. Policy Language

The Executive Director will not ... Establish or change retirement benefits so as to cause unpredictable or inequitable situations, including those that

1. *Incur unfunded liabilities*
2. *Provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited*
3. *Treat the Executive Director differently from other key employees.*

Interpretation

AIR will have a "defined contribution" retirement plan, will automatically enroll all eligible employees (i.e., those regularly scheduled to work 25 hours or more per week), and will treat the Executive Director the same as other key employees.

Rationale

By offering equal access to a common retirement plan, AIR avoids unpredictable and inequitable situations. A basic level of retirement benefits is available for all eligible employees, including the Executive Director. Because AIR's retirement benefits are part of a "defined contribution" plan rather than a "defined benefits" plan (i.e., an example of a "defined benefits" plan is a pension plan that guarantees future benefits), AIR retirement benefits are not considered a long-term liability.

Evidence

- The [audited financial statements](#) for 2022 show no long-term liabilities for any reason, including retirement benefits.
- AIR's retirement plan through TIAA includes an automatic contribution of a set proportion of an employee's gross monthly salary (with no required employee contribution or match) for all employees who regularly work over 25 hours per week. Employees also have the option to make pre-tax contributions (subject to IRS limits). All eligible employees participated during the reporting period. In 2023, the contributions by AIR were increased from 4 percent to 5 percent of staff salaries.
- The Executive Director receives the same tax-deferred contribution of 5 percent as other employees and the option to make pre-tax contributions as all other AIR employees per the contract with TIAA.