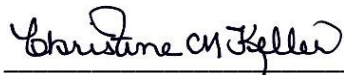


XIII. Compensation and Benefits Monitoring Report

This Monitoring Report was approved by the AIR Board of Directors on 8/8/2022. 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 2022.

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



Director & CEO Date

submitted: July 29, 2022 Christine Keller, Executive

Note: Evidence for this report are from July 1, 2021 through June 30, 2022, 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,

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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 and benefits that are outside the typical benefits provided to other employees will be documented in writing from the Board of Directors.

Evidence 1

A change to the Executive Director's compensation during the reporting period was documented in a letter from the Board of Directors dated 12/31/2021.

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 Academy](#), a yearlong leadership development cohort. No time was taken from regular duties as the meetings were held outside normal business hours and 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 template and include the phrase “your employment with AIR is at will.” All seven offer letters written during the reporting period contained this language. (Not all these offer letters were accepted.)

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 2022. 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 2022, 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

Full-time staff positions will have salary benchmarks from a third-party authoritative source. The benchmarks will be updated once every five to seven years or in the event of material changes in AIR staffing patterns or structures.

Evidence 1

A staff compensation study is planned for the fall of 2022 and will be conducted by AIR’s HR consultant, Linda Barineau. (Note: AIR’s last compensation study was completed in December 2014 by The Krizner Group. The compensation of employees hired since the study have been based on similar existing positions within AIR or comparable positions in other associations. As discussed with the 2019-20 Board and again with the 2021-22 president and treasurer, the staff salary study planned for 2020 was postponed due to financial constraints caused by the coronavirus pandemic.)

Interpretation 2

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 authoritative 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 2

Beginning in 2017, any cost-of-living adjustments (COLA) to AIR staff salaries are based on the federal rate used by the Social Security Administration and the U.S. Military. The federal rate was 5.9 percent for 2022. Due to financial constraints, the COLA for AIR staff was 3 percent for 2022 and the executive director did not receive an increase.

Interpretation 3

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 3

In fall 2020, a full review of AIR insurance benefits was conducted by the employment benefits specialists from Brown and Brown Insurance. 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 in 2021 for the 2022 fiscal year.

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 or contractors.

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 2021 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, 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 2021 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 worked 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 2022, the contributions by AIR were increased from 3 percent to 4 percent.
- The Executive Director receives the same tax-deferred contribution of 4 percent as other employees and the option to make pre-tax contributions as all other AIR employees per the contract with TIAA.