

Ad Hoc Committee on Employment Policies Report

May 4, 2000

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Ad Hoc Committee on Employment Policies

Final Report

May 4, 2000

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Executive Summary

The Committee and Its Process

President Rudenstine appointed the Ad Hoc Committee in April 1999, and asked it to review the University's current policies with respect to its contingent workforce and to make recommendations as necessary. The full Committee met 17 times, beginning April 15, 1999, with additional subcommittee meetings, and meetings among Committee members and students representing the Harvard Living Wage Campaign.

The Committee conducted extensive fact-finding based on: human resources data from the University; surveys and interviews with hiring managers at Harvard; a questionnaire in five languages mailed to casual employees; written surveys and telephone interviews with service contractors; external market surveys; and discussions with representatives of other large Boston-area universities.

Overview of Committee Recommendations

The Committee report includes recommendations that, if adopted, will build on the University's strong framework of employment and compensation practices. These recommendations will materially improve the quality of working life for service employees and other workers at the University—those employed by the University and those who work for companies that contract with the University. The Committee urges the University to:

- Expand its institutional commitment to the long-term career prospects of workers through a workplace education program (The Harvard Bridge to Learning and Literacy) that is accessible and free to entry-level workers, with paid release time;
- Provide subsidized health insurance for all regular service employees who work at least sixteen hours per week;
- Decline to contract with outside service companies that do not provide subsidized health care benefits for their employees who work on the Harvard campus;
- Enhance the benefits and perquisites provided to long-term casual employees to increase their participation in the University community; and
- Establish guidelines governing contracting with outside companies for service work.

These recommendations, if adopted, will represent a new additional investment by the University. The additional health coverage will cost \$2000 annually for each new eligible worker. The workplace education program will cost an estimated \$2800 per participant per year.

Key Findings of Fact

Regular Employees

Harvard University employs 12,722 regular employees, including faculty, administrative and professional staff, clerical and technical employees, and service and trades workers. Of these employees, 12,458 work more than half time and receive full University-subsidized benefits.

Harvard offers a generous benefit package including: pension, paid time off, health and dental insurance, life insurance, short- and long-term disability, retiree health, subsidized childcare, adoption assistance, pre-tax benefits for childcare and medical expenses, subsidized T-passes and parking, subsidized education programs, group rates for home and automobile insurance, employee discounts, and admission to Harvard's libraries, museums, and athletic facilities. Benefits increase total compensation for each worker by an average of 25%.

Unionized Employees

Thirty-eight per cent of Harvard's employees—4,865 workers—are unionized, with wages and benefits set by collective bargaining agreements. For these employees, wages mirror industry-wide contracts negotiated with a number of different employers; benefits are generally more generous than local standards. Harvard's unionized workers are represented by seven unions. Five contracts, with four of these unions, were successfully negotiated during 1999.

Among the unionized employees, Harvard employs 264 part-time employees, (sometimes called "limited regulars,") who work 20 hours a week or less and receive Social Security, workers' compensation, and unemployment compensation.

Of its total regular and "limited regular" staff of 12,722 employees, 372—or 2.9% of the workforce—earn less than \$10 per hour in wages. All of these workers are represented by unions.

When benefits are included, 194 of Harvard's 12,722 employees, all of them working half time or less, earn a total hourly compensation of less than \$10. No full-time Harvard employee earns less than \$10 an hour in total compensation.

Casual Employees

In addition to its regular workforce, Harvard employs, in any given pay period, between 1,200 and 1,500 "casual" or temporary workers who work less than half time or for periods of less than 3 months. In FY99 approximately 9000 such employees worked at Harvard, assisting with seasonal overload, special projects, or ongoing work where less than a half-time commitment was required. These employees receive Social Security, workers compensation, and unemployment compensation.

Many people take on casual employment as an avenue to full-time employment at Harvard. Based on a survey conducted at the Committee's direction, three quarters of these workers are students, retirees, or people supplementing income from other jobs.

Employees of Outside Contractors

Harvard estimates that in fiscal year 1999, approximately 2000 employees of outside companies worked on campus in service jobs—dining, custodial, security, and parking. Many of these workers are represented by unions. A recent analysis indicates that somewhat less than a quarter of these contracted employees earn wages of less than \$10 an hour; of these, more than half are part-time workers. Total compensation for these workers is not known.

The University has guidelines governing the hiring of contractors for capital projects. No such guidelines exist with respect to other service companies.

Health Insurance

All regular employees receive health insurance subsidized by the University. Limited regulars who work half time or less and “casuals” do not receive University-subsidized health insurance. According to the survey of service contractors conducted at the Committee's direction, three quarters of the companies that contract for service work on the Harvard campus provide health insurance to their full-time workers. None provide health insurance to part-time workers.

Job Training and Employment Opportunities

For anyone desiring regular employment and full benefits, Harvard offers many opportunities. In a typical week, there are between 600 and 800 open jobs, approximately half of which are service/trades or clerical/technical. In the current, tight labor market, it takes six and a half weeks, on average, to fill each job.

Harvard has an extensive system for posting available jobs—both within the University and to the general public. In June 1999 the University established HIRE (Harvard Information about Recruitment and Employment System)—a Web-based job posting and application system. The University posts advertisements for jobs in University publications as well as in regular newspapers. It also has in-house personal counseling available at the University for individuals seeking jobs.

Harvard offers a number of avenues for employees to improve job skills. Through the Tuition Assistance Program (TAP), the University subsidizes Harvard courses so that employees pay only \$40 per semester. Harvard also reimburses employees for up to \$2,000 for non-Harvard courses that are job-related and taken for credit. Approximately 3,000 employees take advantage of this benefit each year, at a total annual cost of \$2.375 million. In addition, through its Center for Training and Development, Harvard offers various courses and training programs for managers and employees, such as basic

supervisory skills, dealing with difficult clients, computer skills, and leadership development.

Because many entry-level service workers cannot fit TAP offerings into their schedules, in the fall of 1999 the University piloted a program at the Faculty Club to address the needs of entry-level employees. The program, supported by the hotel and restaurant union to which the employees belong, offers English as a Second Language and basic literacy training on-site, with paid release time to facilitate participation. The pilot program has so far served 38 employees.

Key Recommendations

Job Training and Employment Opportunities

The Committee strongly endorses the training program (the “Bridge” Program) that is being piloted at the Faculty Club during academic year 1999-2000, and recommends that it be expanded to include: 1) more departments within the university; 2) more categories of entry-level workers, including casual (extended part-time) employees and the employees of contractors. The program should be free, and include paid release time, for all individuals who qualify for the program, whether they are Harvard employees or the employees of outside companies. The program should be located as conveniently as possible to participating workers.

Employees Who Will Benefit. The Committee recommends that all entry-level employees, whether regulars, limited regulars, casuals, or employees of contractors, be eligible to participate.

Cost. Free to employees. Cost to University is estimated to be \$2,800 per participating employee, or \$1.3 to \$1.5 million per year, if the program is expanded to serve 500 employees a year, or 1,000 entry-level employees over a two-year cycle.

Rationale

- A well-structured training program tailored to the needs of entry-level workers represents an important investment in their long-term career growth. In contrast to a short-term cash benefit unaccompanied by job mobility, training in basic skills is both durable and portable. The training program is a win-win—employees have greater opportunities within and outside Harvard, and Harvard has a better trained workforce.
- According the 1997 International Adult Literacy Survey, U.S. workers who can read and write well earn two to three and a half times as much over their lifetimes as workers who have not achieved basic literacy.¹

¹ Report of The Conference Board, 1999, with data from the International Adult Literacy Survey, 1997.

- As an educational institution, Harvard is an employer particularly well situated to offer an effective training program. Such a program fits well with the University's mission and core competencies.

Health Benefits

1. The Committee recommends that the University extend eligibility for subsidized health insurance to service employees who work a minimum of 16 hours per week. Currently, to be eligible for benefits, a service employee must work more than 20 hours per week. This change would give those who work at least two days (for example, weekend shifts) access to health insurance. The Committee recommends that these workers be included in the current University health plans, paying the same rates as other eligible employees.
2. The Committee recommends further that the University adopt guidelines specifying that its hiring managers should decline to contract with outside service contractors employing more than 20 employees, for contracts of \$50,000 or more, extending for nine months or more, unless such companies offer subsidized health coverage for all Harvard-based employees who work 16 hours per week or more. Such insurance should be provided either, in unionized settings, consistent with industry-wide union benefits programs, or, in non-unionized settings, equal to the health coverage provided for the company's full-time employees (or management employees, where all full-time workers do not receive subsidized health coverage).

Employees Who Will Benefit. 247 limited regulars who work at least 16 hours per week; part-time employees of outside contractors (approximately 500 per year).

Cost. Approximately \$500,000 per year for limited regular employees, or \$2,000 per employee per year. For employees of contractors, costs will vary depending on how the contracting company chooses to meet the requirement (e.g. through reassignment of benefited workers or by providing additional benefits). Any increased costs will presumably be reflected in higher contract prices.

Rationale

- Since health coverage is tied strongly to employment in this country, employers should offer subsidized health coverage, where possible and practical.
- Limited regulars are engaged in long-term employment relationships with the University, albeit part time, as measured by competition for jobs, regular schedules, systematic management, and evaluation. Members of this population frequently support themselves and their families through multiple part-time jobs, and thus often lack access to healthcare.
- Making available subsidized, and affordable, health coverage to more of Harvard's employees would make Harvard a more attractive employer and would enable the University to better retain its good service employees.

- Employees of service contractors, who may work side by side with Harvard employees who have health benefits, may not themselves be eligible for subsidized health insurance from their employers. Requiring that Harvard not contract with companies that do not provide health insurance for their Harvard-based employees is feasible, as 75% of contractors already have workers with benefits assigned to Harvard; the other 25% may be accommodated by reassignment or adjustment to benefits.

Enhanced Benefits and Perquisites

1. The Committee recommends that the University adopt a series of measures to ensure that limited regular and casual employees are more fully integrated into the University community.
2. For casual employees who have worked at the University for one academic year or more, even for less than half time, the University should consider offering the following: an ID card with the designation of “Extended Part Time;” eligibility for annual pay raises and bonuses and paid time off; subsidized T passes; eligibility for group home and automobile insurance rates; access to libraries and museums; inclusion in work-related training; participation in the Tuition Assistance Program and workplace education programs; and access to Outings and Innings (Harvard’s program of discounted purchases for employees).
3. The Committee recommends that limited regular and other service employees who work half time or less be eligible for the same array of benefits and perquisites. (Note that limited regulars already are eligible for annual wage increases and bonuses and paid time off.) It asks that these benefits be presented to those employees through negotiations with their collective bargaining agents.

Employees Who Will Benefit. Estimated 500 to 750 casual employees; 264 limited regulars.

Cost. \$333,000 per year, or \$.60 per hour worked, chiefly for paid time off and annual wage increases for casual employees.

Rationale

- Long-term casuals are important and valued workers at Harvard. Their continuous service should be recognized by paid time off and eligibility for annual wage increases. Their sustained membership in the Harvard community should be reinforced by access to an array of perks open to other employees on campus. The same is true for limited regulars and other part-time service employees.
- At the same time, the University should not offer full benefits, such as health coverage and pension, to casuals—a category of employees whose employment relationship is not “regularized” in important ways: e.g. competition for jobs;

regularly scheduled work; ongoing oversight and management; evaluation. In short, an employment relationship deserving substantial benefits, such as health coverage and pension, consists of more than duration of service.

Guidelines for Contracting

1. The Committee recommends that Harvard adopt University-wide guidelines to ensure that practices for contracting service work are fair and appropriate, and that service contractors maintain employment practices consistent with the University's commitment to fairness for all workers.
2. Such guidelines should apply to contracts for ongoing service to the Harvard campus of more than \$50,000 per year and for periods of nine months or more. They should acknowledge the importance of maintaining an appropriate balance between the autonomy of Harvard's schools and departments to determine how services are to be provided, and the University's obligation as a purchaser of services to support fairness and healthy business practices both internally and within the community at large.
3. Such guidelines should specify requirements for: the bidding process; contractors' compliance with applicable laws; health insurance, as noted above; factors to be considered in selection of outside companies in lieu of University staff; and availability of training programs. Draft guidelines, prepared by the Committee, are included as an appendix to the full report.

Employees Who Will Benefit. All service employees (approximately 2000 per year) working on the Harvard campus under contracts of \$50,000 or more for nine months or longer.

Cost. The cost of complying could raise administrative expenses for schools and departments.

Rationale

- It is desirable and appropriate for the University and its schools and units to have the option to use outside contractors for a wide variety of work. Contracting gives Harvard access to expertise that it does not have in-house; it provides a competitive environment that increases the efficiency of in-house service departments; and, in certain circumstances, it provides opportunities for the University to secure work that is of better quality or more economically delivered than is possible internally.
- However, the University and its units should not contract for service work solely to save money, if the cost savings come at the expense of the workers providing the service. The recommended guidelines will specify fair treatment for workers and appropriate considerations in making contracting decisions.

Casual Settlement and Future Casual Employment

1. With respect to casual employees, the Committee commends the recent collaboration between the University and HUCTW that resolved outstanding issues regarding the past employment of casual employees.
2. The Committee also recommends that the University study its method for calculating the fringe benefit rate—the rate that the University charges its departments and its grants for employee benefits and their administration—and consider moving to a single rate for all staff (administrative, professional, unionized, and casual). It urges, further, that the University consider having one fringe rate for all employees, including faculty.

Cost. The total cost of fringe benefits will not change but will be allocated differently.

Rationale

- The University currently has five categories for fringe rate calculation: faculty, administrative and professional staff, unionized staff, casuals, and post-doctoral fellows. These categories convey an illusory sense of precision that is not reflected in the actual cost of benefits for different workers within each category.
- The varying fringe rates create incentives to use less well-benefited workers, undermining, in certain circumstances, considerations of skill level or programmatic goals.
- A single fringe rate for all staff could potentially serve as a practical and symbolic step reinforcing Harvard's commitment to fostering, to the extent possible and practicable, a unitary community of workers.

Impact of Recommendations on Collective Bargaining

Harvard has a history of successful relations with the unions that represent its employees, and the wage and benefit packages that collective bargaining has produced are reasonable and appropriate, when compared to those offered by other employers in relevant markets. The Committee has endeavored to develop recommendations that are consistent with existing collective bargaining agreements or may be fairly bargained within the terms of future agreements.

Consideration of The Living Wage Proposal

The Committee carefully considered the issues raised by the Living Wage Campaign, through which students and others have focused attention on the wage levels of the lowest paid workers at the University and on important questions of economic justice. The Committee has taken with utmost seriousness the issues raised and given considerable thought to the single solution proposed—the establishment of a specific

wage rate as a floor. Committee members met on a number of occasions with student advocates of the “living wage” to hear directly the core arguments for the concept.

Based on this engagement and on its own deliberation, the Committee finds itself in agreement with the underlying premise of the Living Wage Campaign—that workers on the Harvard campus should be paid fair and competitive compensation for the jobs they perform and should be treated with dignity as part of the larger University community. With those principles in mind, the Committee examined the compensation and working conditions of the lowest-wage workers on campus in every category to determine whether it is meeting this standard.

The Committee concluded that for most workers the University meets and exceeds its stated goal of providing fair and competitive compensation. Even when examined under the living wage rubric, the University’s record is strong. In a total workforce of 12,722, 372 employees, all of whom are unionized, earn less than \$10 in wages alone. 194 of this group—all of them part-time—earn less than \$10 in total compensation.

Although it might have been easier, quicker and more popular for the Committee simply to adopt the concept of a specific wage floor, for a number of reasons the Committee found that solution inappropriate as a way of setting University compensation policy.

First, a reform that focuses on wages does not adequately address the fundamental aim of improving the employment situation for Harvard workers. Fringe benefits, such as paid time off and health insurance, are demonstrably important to employees and are rightly conceived as a central part of any employee’s total compensation. Further, benefits add a significant increment to total compensation costs for the University, and therefore must be factored into any consideration of overall pay scales.

Second, the focus on current wage levels does not recognize the need of the lowest paid workers for education and training to improve their career prospects. We believe that it is most important to consider these workers as potential long-term employees of the institution. As noted, the Committee believes that the University is in a particularly strong position to put significant resources into opportunities for Harvard’s entry-level workers to improve their skills and marketability, thus enabling them to assume better paying and more responsible positions over time.

Finally, a peremptory wage adjustment to entry-level jobs would, as a matter of pay equity, require corresponding increases for many others in the same job categories, as well as those in adjacent job classifications, whether or not such adjustments are appropriate in terms of length of service or level of skill or responsibility. This is not a sound basis for setting compensation when satisfactory institutional systems, such as collective bargaining and job classifications, are in place and working.

Taking together Harvard’s current policies and practices, the Committee feels that the University offers a strong—indeed exceptional—employment environment for its

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workers. If the University adopts the changes recommended by the Committee, Harvard will provide an even better environment for employees and for the University as a whole.

I. Committee Charge, Membership and Activities

The Ad Hoc Committee on Employment Policies was appointed by President Rudenstine in April 1999, with the following charge:

Harvard University is committed to providing a total compensation package to its employees that is competitive and fair. Wages for regular employees are set through processes that consider market rates and other factors such as "time off" and benefits, as well as through the process (when appropriate) of collective bargaining. Extensive review procedures are currently in place to guide the University's compensation and benefits policies for its regular employees, both union and non-union.

In recent years, however, the University, like most organizations, has seen an increase in its contingent workforce—those who work on a temporary basis and who, in many instances, are employees of organizations outside Harvard. In a large and complex institution where contracting is decentralized (and where arrangements may change from year to year), it is important to assess this situation periodically.

The charge to the Ad Hoc Committee on Employment Policies is to review the University's current policies with regard to this contingent workforce, and to make recommendations as necessary. The focus will be on data and analysis including demographics, total compensation, and types of jobs in light of Harvard's existing policies and the relevant external markets. In its review, the committee will consult with student, faculty and appropriate staff groups as necessary. The work of this committee will not affect the University's collective bargaining and contractual obligations. Finally, the group will make any recommendations it deems to be in order (and which are not inconsistent with collective bargaining processes and contractual obligations). The recommendations will be considered by the Deans of the

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Faculties, relevant administrative officers, and ultimately the Provost and President.

The Ad Hoc Committee met 17 times between April 1999 and April 2000. Committee members were Professor D. Quinn Mills, HBS, Chair; Professor David Cutler, FAS; Professor Barbara McNeil, HMS; Professor Frank Sander, HLS; Professor James Stock, KSG; Executive Dean Paul Levy, HMS; Administrative Dean Nancy Maull, FAS; and Vice President for Administration Sally Zeckhauser. Robert Iuliano, Office of the General Counsel; Polly Price, Office of Human Resources; Kim Roberts, Office of Human Resources; and Clayton Spencer, Office of the President, served as staff to the Committee.

In April 1999, the Committee met with four students representing the Harvard Living Wage Campaign who expressed their concern for “those who haven’t seen the benefits of the good economy.”² They also expressed their belief that Harvard has a responsibility as a major employer and a not-for-profit institution to take the lead in paying a living wage. They explained that although they recognized the importance of benefits, the focus of their campaign was the \$10 hourly wage, the same amount mandated by the City of Cambridge for City workers and employees of some contractors doing work with the City.³

Later in the spring, the Chair of the Committee, the Provost, and the Associate Dean of Harvard College met with five students representing the campaign to summarize the work and progress of the Committee. The student representatives once again outlined their views and goals. Students were invited to continue to share their views with the Committee, and to submit any additional materials that would help the Committee understand the economic justification and implications of the \$10 figure they were advocating.

² Materials about the Harvard Living Wage Campaign are in Appendix A.

³ Copies of the Cambridge, Boston and Somerville Living Wage Ordinances are in Appendix B.

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At its fifth meeting, Committee members talked with Ted Mayer, Director of Dining Services for the University, who employs many entry-level workers. He provided details about dining service operations and costs, and shared his concerns about the implications of creating wage rates outside of market rates. He also provided the Committee with insight about career paths of entry level workers.

In February 2000, the Chair of the Committee and two others met with four students and an alumnus active in the Harvard Living Wage Campaign. At that time, the students expressed additional concerns about health benefits and stated that their campaign was committed to \$10 per hour *plus* benefits for all workers. The alumnus also presented the Committee members with case histories of entry level employees working at the University, both employed by Harvard and employed by outside contractors doing business on campus. In April 2000, the Chair and two others met directly with a Harvard-based employee of a contracted custodial company.

The remainder of the full Committee meetings were attended only by Committee members and staff assigned to work with the Committee. Additional sub-Committee meetings took place throughout the year.

After an initial meeting in which members reviewed materials describing the way Harvard operates and the nature of its workforce, Committee members identified two classes of contingent workers for potential investigation. The first group was “casual” Harvard employees, those who work less than half time (possibly over extended periods) and those who work for less than three months (up to full time). The second group the Committee identified was employees of outside firms doing work on the Harvard campus. Within this second group, the Committee decided to target its attention on service companies that have contracts of more than \$50,000 per year with the University. In order to provide some context, particularly for the assessment of employees of external companies, the Committee decided to seek information about a class of non-contingent workers: regular Harvard University service employees—both full and part time—working in dining services, parking, security, and custodial operations.

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The Committee asked for data about each class of workers, and received and assessed information about the numbers of employees in different categories, their wage rates and relevant market data, their benefit levels, their status as members of bargaining units or not, and their demographic profiles. Data were drawn from the University's human resources information systems, surveys of and interviews with hiring managers at Harvard, a questionnaire mailed to casual employees, written surveys and telephone interviews with contractors doing business on the Harvard campus, external market surveys, and discussions with representatives of other large universities in the Boston area.

III. Findings of Fact

A. Regular Employees

1. Numbers of Employees in Different Categories

On December 31, 1999, Harvard University employed 12,458 “regular” employees, including faculty, administrative and professional staff, clerical and technical employees, and service and trades workers, but excluding post-doctoral fellows and casual employees.⁴ (Appendix C.) All of these employees work more than half time⁵ and are eligible to receive University-subsidized benefits, including pension, paid time off, health and dental insurance, medical co-payment reimbursements, life insurance, short-term disability, long-term disability, retiree health, adoption assistance, childcare assistance, flexible spending accounts, subsidized T-passes and parking, subsidized education programs, employee discounts, and admission to museums, libraries and athletic facilities.⁶ The University charges its departments different rates for benefits for different classes of employees. For FY00 (July 1, 1999 through June 30, 2000), the charges for regular employees range from 18.2% of salaries for faculty to 31.1% of wages for unionized employees.⁷

2. How Salaries and Wages are Set and How Jobs are Filled

While University-subsidized benefits are determined centrally, schools and departments have considerable latitude in setting base salaries for employees. Faculty salaries are determined locally by the Deans. All administrative and professional staff positions fall within eleven broad salary ranges, allowing hiring supervisors to pay different salaries for jobs with the same title or within the same pay range, depending on the skills, knowledge,

⁴ The actual number of employees fluctuates seasonally and as employees leave their positions. Except where noted, in this report, numbers of employees are always counted on December 31, 1999.

⁵ For purposes of this report, the terms “full time” and “works more than half time” are synonymous. Under Harvard’s employment policies, employees who are regularly scheduled to work more than 50% of the normal work week applicable to their job category are treated as full time employees for purposes of benefits and other employment policies.

⁶ Appendix D lists University benefits provided to regular employees.

⁷ The cost of these benefits to the hiring departments depends on the category of employee. For faculty the cost in FY00 is 18.2% of payroll; for administrative and professional staff it is 22.6% of payroll; for unionized employees it is 31.1% of payroll; for casual employees it is 9.5% of payroll.

and experience of the employee, internal equity with others in the same department, and external drivers, such as the scarcity of workers for some jobs. Employee need is not a criterion.

Union contracts determine compensation for clerical, technical, service, and trades employees. For clerical and technical workers, salary ranges for specific positions are relatively broad, and managers have some discretion in determining actual pay.⁸ For other unionized employees, salary structures are more rigid, often with greater rewards for longer service.⁹ The University participates in 30-35 annual surveys of peer institutions to determine whether its salaries and wages are fair and competitive. Recent surveys have shown that University wages and salaries, at most levels, are high relative to those of comparable local employers.

In addition to its unionized employees who work more than half time, on December 31, 1999, the University employed 264 unionized “limited regulars” and part-time dining service employees, all of whom are scheduled to work 20 hours per week or less, and all of whom receive statutory benefits (Social Security, workers’ compensation, and unemployment compensation). Some also receive paid vacation, holiday benefits and meal or clothing allowances. “Limited regular” employees are included in either the SEIU or HUSPMGU collective bargaining units; the dining service employees who work half time or less are represented by HEREIU. Wages and benefits for these employees are negotiated by their recognized representatives. The Committee noted that none of these employees are eligible for University-subsidized health benefits for themselves and their families.

⁸ The Harvard Union of Clerical and Technical Workers (HUCTW) represents 97% of clerical and technical workers. 120 such workers are excluded from the bargaining unit because of their status as non-exempt supervisors or as “confidential.” Confidential employees “assist and act in a confidential capacity to persons who formulate, determine, and effectuate management policies in the field of labor relations.”

⁹ Harvard’s service and trades employee are represented by the Service Employees International Union (SEIU local 254), the Hotel Employees and Restaurant Employees International Union (HEREIU local 26), the Graphic Communications International Union (GCIU local 600), the Maintenance Trades Council (MTC), the Harvard University Police Association (HUPA), and the Harvard University Security, Parking and Museum Guards Union (HUSPMGU).

While the Committee was meeting, the University successfully negotiated five contracts with four of its unions: HUSPMGU, SEIU (custodians), SEIU (Arboretum employees), GCIU, and HUPD. The University is currently in the midst of negotiations with the MTC, and the HEREIU and HUCTW contracts expire in June 2001.

The University posts all staff openings in publications and on the Internet through HIREs (Harvard Information about Recruitment and Employment System).¹⁰ In the current tight employment market there are regularly between 600 and 800 openings. The number of vacancies swells to 1000 during the summer months. It takes an average of six and a half weeks to fill positions. Approximately half of the posted vacancies are for service/trades or clerical/technical jobs. Harvard also has a central employment office where external and internal candidates can test their skills and where counselors advise individuals about the likelihood of Harvard employment. Group and individual career counseling is also available to Harvard employees.

3. Harvard and the Cambridge Living Wage Campaign

The Committee, in response to students and faculty representing the Harvard Living Wage Campaign, paid particular attention to University employees earning less than \$10 per hour, because this is the rate suggested by the campaign as appropriate for workers in Cambridge. In February 1999, the Cambridge City Council adopted this standard for its employees and contractors, and in March 1999 it urged Harvard to do the same, although no other private employer or educational institution has been asked to or has agreed to such requirements. The City of Boston adopted a rate of \$8.23 for municipal employees in September 1998, and the City of Somerville adopted a rate of \$8.35 for municipal employees, effective July 1, 1999. The Massachusetts state minimum wage, which covers private sector employees in these three cities, was raised to \$6.00 per hour on January 1, 2000, and will become \$6.75 per hour on January 1, 2001.

Over 97 per cent of Harvard's regular workforce of 12,722 are paid more than the \$10 per hour wage rate urged by the Living Wage Campaign. On December 31, 1999, only

¹⁰ www.jobs.harvard.edu

372 individuals received hourly wages below \$10 per hour. All of these employees were paid at the wage rates set forth in the collective bargaining agreements with SEIU, HEREIU, or HUSPMGU. Even within these bargaining units, the majority of employees (508) were paid \$10 or more per hour.¹¹ Of the 372 employees paid less than \$10 per hour, 139 were benefits-eligible employees who worked more than half time. When the value of benefits (31.1% of pay) is taken into account, the cost of total compensation for these 139 benefits eligible employees (that is, those who work full time) ranges from \$10.24 to \$12.84 per hour. After a specified time on the job, they received prorated vacation and holiday pay. Some also received allowances for meals, uniforms and shoes. (Appendix E.)

There are 233 service employees who earned wages of less than \$10 per hour who worked 20 hours or less per week and were therefore ineligible for full Harvard benefits. The fringe benefit rate charged to the hiring departments for these employees is 9.5% of wages. Thus, the cost to the schools and departments of total compensation for these employees ranged from \$8.55 to \$10.29 per hour. Like their full-time coworkers, after a specified time on the job, these employees received prorated vacation and holiday pay, and allowances for meals, uniforms, and shoes. (Appendix E.)

Two other characteristics of the lowest-paid positions affected the Committee's ultimate conclusions. First, people remain in these entry-level positions for short periods of time; the median length of service is 2.56 years. The median length of service is 9.9 years for custodial, dining service, parking and security employees who are paid more than \$10 per hour. Second, these positions are frequently the gateway to regular Harvard employment. For example, many dining service employees begin their work as part timers in "cash operations," or fast food outlets, and over time take on "board positions," working in the undergraduate houses. These more desirable jobs carry greater responsibilities and better pay; this translates into greater longevity. (Appendix F.)

¹¹ All employees represented by Harvard's other bargaining units—GCIU, HUPA, MTC and HUCTW—are paid a base rate of \$10 or more.

4. A Case Study: Harvard's Custodial Workforce

Harvard relies on the collective bargaining process to set wages for its service and trades employees. Together, the unions and the University have responded to the changing needs of the union members and the University's departments.

Under Harvard's decentralized governance structure, schools and departments must decide whether to purchase services (such as custodial, maintenance, food, and security services) from departments within the University or from outside vendors. Harvard's in-house service departments compete both in quality and in price with outside vendors for business from the schools and departments. Based on the differing circumstances of each situation, the schools and departments decide which outside vendors they feel are best suited to provide the service needed; for some, performance is most important, for others, cost is the deciding factor.

For many years the University's agreement with the SEIU covering the custodial workers provided for full-time employee wages that were about 40% higher than those paid by outside contractors represented by the same union.¹² Beginning in the late 1970s, the University's internal service departments were losing work to unionized and non-unionized outside contractors. Because of this, the SEIU and the University agreed to establish a part-time employee classification that more closely matched the outside union labor market because it did not include the full package of benefits.

At the time, this new classification provided the University with access to a pool of people who were generally looking for employment to supplement full-time benefited jobs they held elsewhere. As a result, there were more jobs at Harvard for SEIU members.

By the mid-1990s, the job market had changed. Many of the part-time custodial staff were now employed in several part-time jobs, none of which provided benefits. In 1996,

¹² Until 1996, SEIU also represented the security guards, parking monitors and museum attendants under a separate, but co-terminus contract. In 1996, these employees decertified SEIU and formed HUSPMGU.

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the University and the Union again restructured the custodial labor agreement to restore an internally competitive cost structure and create opportunities for growth in full time, benefited positions. The new agreement also tracked the Boston-area contractors' Master Agreement with the SEIU with respect to wages, while retaining the value of Harvard's benefit programs. Between November 1996 and March 2000, University Operations Services (UOS) added 59 fully benefited positions to the custodial workforce, for a total of 131 such positions. All but three of these new employees were promoted from the part time ranks. Over the same period, the number of part-time custodians fell from 216 to 196.

5. Harvard Service Employees' Wages Compared to the Market

The Committee reviewed confidential compensation surveys provided by the Art Museums and the Parking Department that showed that Harvard's wage rates for museum attendants and parking guards were average to high compared to rates paid by comparable employers. The actual average rate for the University's security guards, \$11.96 per hour, is comparable to rates paid by other area colleges and universities, where wages ranged from \$10 to \$13 per hour according to a fall 1998 survey. These surveys reflect only hourly wages, not total compensation. Harvard's benefits package is more substantial than that of most other employers. As noted above, wage rates for SEIU-represented custodians track those of the Boston area "Master Agreement" that SEIU negotiates with 70 local employers.

6. Difficulty Finding Service Employees

Managers of departments in which some workers (custodians, parking monitors, security personnel, and dining service employees) are paid less than \$10 per hour were asked whether it is difficult to find candidates to fill positions in their departments. Except in the case of parking monitors, most jobs are filled within a few weeks, especially when the department is able to promote non-benefited employees into full-time benefited positions. University Operations Systems' pre-employment screening process may cause delays in hiring, although there are always ample candidates. The manager of the parking office

believes that there are reasons other than wages that account for his difficulty in filling positions. (Appendix G.)

7. The Harvard Bridge to Learning and Literacy

Harvard offers a number of avenues for employees to improve their job skills. Through the Tuition Assistance Program (TAP), the University subsidizes Harvard courses so that employees pay only \$40 per semester (\$70 for Summer School courses). Harvard also reimburses employees for up to \$2,000 for non-Harvard courses that are job-related and taken for credit. Approximately 3,000 employees take advantage of the TAP benefit each year, at a total annual cost of \$2.375 million. Clerical and technical workers can also receive scholarship assistance for educational expenses over \$2,000 and for job-related courses that are not given for credit. In addition, through its Center for Training and Development, Harvard offers various courses and training programs for managers and employees such as basic supervisory skills, dealing with difficult clients, computer skills, and leadership development. Entry-level service and trades employees typically do not take advantage of these offerings or of the TAP benefit.

The Committee received information about a new initiative, piloted in academic year 1999-2000 in the Faculty Club with the full support of HEREIU. “The Harvard Bridge to Learning and Literacy” addresses the educational and training needs of entry level employees. (Appendix H.) During this pilot year, 38 employees learned English as a Second Language or basic literacy skills through the Harvard Bridge to Learning and Literacy. This investment in the long-term career growth of service workers means that these workers ultimately have greater employment opportunities within and outside Harvard, and also that Harvard gains a better-trained workforce. According the 1997 International Adult Literacy Survey, U.S. workers who can read and write well earn two to three and a half times as much over their lifetimes as workers who have not achieved basic literacy.¹³

¹³ Report of The Conference Board, 1999, with data from the International Adult Literacy Survey, 1997.

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The Bridge Program was designed to reach 120 Harvard employees per year, at a cost of \$1.06 million for the first three years. As an educational institution, Harvard is an employer particularly well situated to offer this effective training program, which fits nicely with the University's mission and core competencies. The program builds on the unique resources of the Graduate School of Education and the Division of Continuing Education. The local departments will provide their employees with paid release time so that they can participate.

II. Findings of Fact

B. Casual Employees

1. Number of Casual Employees

The University employs between 1,200 and 1,500 “casual” workers per week.¹⁴ In FY99, 8,983 individuals held casual positions (including 2,775 Harvard students in summer jobs but not in term-time positions) generally working less than half time, or for less than three months.¹⁵ Employees in this category fill in when a special project must be completed, serve during periods of seasonal overload, help out when regular staff are absent, or work for ongoing projects when a less-than-half-time commitment is needed. They receive only the statutory benefits (Social Security, workers compensation, and unemployment compensation). They do not have formal job descriptions or job titles, nor are they hired through an advertised and competitive process. Many take these jobs as an entrée to regular Harvard employment.¹⁶ Others work as casuals between full-time assignments or to supplement another source of income. The Committee regards casual employees as part of Harvard’s contingent workforce.

2. Employment Policies for Casuals

Harvard’s policies regarding casual employees appear in the Personnel Manual and in union contracts. The Personnel Manual for administrative and professional staff and non-bargaining unit support staff says:

An individual who is hired for three months or less or who works less than 17½ hours per week and earns less than \$15,000 per year should be paid as a casual staff member. Pursuant to federal and state regulations, casual staff members are entitled to Social Security, workers’ compensation, and unemployment

¹⁴ During the summer the weekly average increases to more than 2000 because the count includes Harvard students who are eligible for FICA, workers compensation and unemployment compensation when they work during non-term time. The average number of casual employees per week for the first quarter of calendar 2000 (starting with the week that begins January 3) was 1320.58.

¹⁵ This number has remained relatively stable over the past five years. FY95: 8,670 (2,816 of whom were summer students), FY96: 9,040 (2,684 of whom were summer students), FY97: 9,250 (2,725 of whom were summer students), FY98: 9,048 (2,775 of whom were summer students).

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compensation.... Casual employment may not be used to deny benefits to a staff member whose employment meets the requirements of regular employment. A casual staff member may not work more than 17½ hours per week for longer than three months regardless of whether the work is performed in one or in several different departments.

The HUCTW personnel manual states:

A casual employee is one who is (a) hired to, or regularly scheduled to, work less than 17½ hours per week; or (b) hired to work for three months or less; or (c) hired to replace a regular employee who is absent for a period of time, but who retains a right of reinstatement....Casual employees are on the casual payroll and are not included in the bargaining unit.

It also states:

Retirees receiving a Harvard University pension may work on the casual payroll indefinitely, [and] Harvard University students are not covered by the HUCTW collective bargaining agreement. The Union recognizes the University's right to employ students for the purposes of financial aid, education, research and training. The University will not employ students as a pretext for purposefully weakening the Union or discriminating against Union members.

Agreements with the other unions reflect similar arrangements with the University.

Generally, local managers are able to hire and terminate casual employees in response to their changing needs with very few controls from the central administration or the local human resources offices. All units of the University observe the minimum wage laws and safety regulations, but beyond that the terms and conditions of employment for casuals are locally determined. Managers are not required to regularly assess the performance of casual employees; casuals do not qualify for regular salary increases. These policies reflect the "seasonal" nature of these jobs, their limited duration (less than three months), and their very part-time nature (fewer than 17.5 hours per week).

¹⁶ A spring 1999 review of employment records showed that 1300 regular employees at the University

3. Demographic Profile of Casual Employees

An initial survey of human resource deans and directors showed that casual employees work in a myriad of different roles and that their hourly pay ranges from a low of \$6.50 to more than \$15. (Appendix I.) To learn more about their demographic characteristics, the Committee asked that casuals be surveyed.

Questionnaires, printed in five languages (English, Creole, Spanish, Portuguese, Mandarin), were mailed the first week in October to 1,096 individuals who had worked during the prior two weeks. Harvard students who worked as casuals were not surveyed. (Sample, Appendix J.) A total of 441 questionnaires, or 40%, were returned. With these, 193 respondents included written comments. In their comments, many casual employees expressed job satisfaction and stated that they enjoy working at Harvard. There were also some complaints and concerns expressed, mainly by casual employees who work for less than half time and had been employed by the University for long periods. Primary among the concerns were the worker's ineligibility for benefits, ineligibility for raises, inability to receive a Harvard ID, and inability to get a full-time job, as well as a feeling of a lack of suitable recognition for their contribution to the University (such as ineligibility for attending Harvard computer systems training classes).

Respondents were asked to place themselves in one of five categories to indicate the importance of their Harvard work to their lives. Responses from the 441 employees can be categorized as follows:

1. "I have a primary job elsewhere and use this to supplement my income" (or this income supplements my household income) (120 respondents, or 27.2%).
2. "This is the main source of income supporting my family" (103, 23.4%).
3. "I'm mainly a student and this job helps to make ends meet" (102, or 23.1%).
4. "I am retired and this is a supplement to my income" (74, or 16.8%).
5. "I do this primarily because it helps to keep me busy" (31, or 7.0%). An additional 11 (2.5%) did not respond to this question. (Appendix K.)

began their work as casuals.

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A survey of policies at other colleges and universities also revealed their need for short-term or intermittently employed “temporary workers.” As compared to Harvard’s standard of three months, the norm for other large Boston-area universities is that individuals can work in these non-benefited positions for up to six months. The Committee suggested that Harvard might negotiate with the HUCTW to increase the allowable time for an individual to serve as a full-time casual. When asked, managers indicated that they did not feel it necessary to extend the three-month limit at this time.

4. October 1999 Settlement with the HUCTW with Regard to Casuals

In October 1999, in a joint statement with the HUCTW, the University acknowledged that there might be casual employees who had, over the past four years, worked without benefits for longer than contemplated by University policy. It also announced an agreement with the HUCTW on a schedule of benefits and compensation to be provided to certain classes of these individuals, most of whom filled clerical and technical positions. As a result by March 31, 2000, 107 individuals had been offered six-month, nine-month, or continuing fully benefited positions. Also, by the same date, the Union and the University determined that 31 recent and 201 former casuals were eligible to receive lump sum payments as a result of the settlement.

Committee members were briefed on the incentives for managers and hiring supervisors to hire casual employees instead of regular employees and learned about steps the University is taking to avoid similar problems in the future. The University is monitoring usage of casual employees and is informing local departments when individuals appear to be staying on the casual payroll for too long. Local schools and departments have designated Human Resource Compliance Officers to monitor local usage, train managers to do the right thing and make changes in employment practices when necessary. Committee members also learned that for many managers there is an economic disincentive to hire regular employees because the fringe benefit rate for casual employees is much lower than that for unionized employees. For casual employees in FY00 the rate is 9.5 per cent; for unionized employees the rate is 31.1 per cent.

II. Findings of Fact

C. Workers Employed by Outside Contractors

1. Service Workers Employed by Outside Contractors on the Harvard Campus

The University annually spends nearly \$600 million on goods and services from approximately 1,500 vendors that are paid more than \$50,000. The service providers range from computer service specialists, attorneys, and actuaries to groundskeepers and parking attendants. As noted, Harvard's schools and departments can choose to purchase services from departments within the University or from outside vendors.

While the University has very clear guidelines that govern its Capital Appropriations Project System (CAPS) and give direction in the hiring of construction and other capital project contractors (Appendix L.), there is nothing comparable to guide managers as they select suppliers of other services or trades. Dozens of managers within the schools and departments make decisions annually about when and for what purpose to hire external companies to provide services on the Harvard campus.

After some deliberation, the Committee decided to take a closer look at the status of employees of external contractors that meet the following conditions:

1. there is a contract for the provision of services, not goods;
2. the contract dedicates employees to the Harvard account;
3. some of the employees paid under the contract perform services on the Harvard campus for more than three months; and
4. the total annual payment to the contractor exceeds \$50,000.

2. Survey of Contractors

The Committee determined that 269 companies met these conditions in FY99 and sent questionnaires (Sample questionnaire, Appendix M.) to companies providing a range of services, including construction, building maintenance, mail services, engineering, electrical services, elevator repair, HVAC, environmental services, landscaping, moving,

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plumbing, refrigeration, security, and temporary office help. A total of 134 companies responded to the questionnaire or were telephoned.

Of the 1312 workers (937 full time and 375 part time) employed by the companies that responded or were called, 442 (181 full time and 261 part time), or 33.7% of the known contracted workers, were paid less than \$10 per hour in FY99. The Committee extrapolated from these data that approximately 2050 employees of outside contractors worked on the Harvard campus for more than three months in FY99, and, of those, slightly fewer than 500 (23.5%) received wages of less than \$10 per hour. More than half of the employees paid less than \$10 per hour (58%) worked part time. (Appendix N.)

All employees paid at this wage level fall into four broad job descriptions: dining service workers, custodians, security employees and temporary employees. Dining service employees and custodians generally work subject to collective bargaining agreements and are represented by the same unions that represent Harvard employees in similar jobs (HEREIU or SEIU); security and temporary employees frequently are not unionized.

The largest service contractors were asked whether they provided health coverage for their employees, and if so, to describe the benefits and eligibility criteria. Three quarters of the 12 companies queried offer coverage to all those who work full time (some define this as more than 29 or 30 hours per week, others use 20 hours per week at the cut off). At three of the companies where health insurance is subsidized only for managers, others can purchase unsubsidized insurance through the company's group plan. Four of the firms require a three-month waiting period, and one family-owned company did not offer insurance until an employee had worked full time for a year.

3. Guidelines for Service Contractors

Committee members debated whether there should be University-wide rules on the selection of outside contractors performing work on campus. They were cognizant of conflicting University interests, such as a desire to hire local minority- or woman-owned businesses that may not be unionized and may not offer employees a full range of

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benefits versus a desire to ensure an appropriate level of benefits. The Committee also learned that individual schools and departments consider a variety of factors in deciding whether to employ a service contractor. Cost competitiveness is, of course, one factor, but equally important are the contractors' quality of service, flexibility, expertise, and reliability. The review also demonstrated that contractors that provide services to the University adhere to fair employment practices, and meet standards of high-quality service.

Some Committee members suggested developing guidelines for service contractors to ensure that their employment practices are consistent with the University's commitment to fairness for all workers, while acknowledging the importance of the autonomy of Harvard's schools and departments to determine how services are to be provided. The Committee reviewed draft guidelines that specify requirements for: the bidding process, contractors' compliance with applicable laws, health insurance for full-time and part-time workers, factors to be considered in the selection of outside companies in lieu of University staff, and the availability of educational programs. (Draft Guidelines, Appendix O.)

III. Consideration of the “Living Wage”

The Committee carefully considered the issues raised by the Living Wage Campaign, through which students and others have focused attention on the wage levels of the lowest paid workers at the University and on important questions of economic justice. The Committee has taken with utmost seriousness the issues raised and given considerable thought to the single solution proposed—the establishment of a specific wage rate as a floor. Committee members have met with student advocates of the “living wage” on several different occasions to hear the core arguments for the living wage concept. Members also read press accounts of the student rallies and the literature and petitions the students have distributed. The Committee also encouraged students to provide it with any information, proposals, or analysis they considered relevant on the subject.

Based on this engagement and on its own deliberation, the Committee finds itself in agreement with the underlying premise of the Living Wage Campaign—that workers on the Harvard campus should be paid fair and competitive compensation for the jobs they perform and should be treated with dignity as part of the larger University community. With those principles in mind, the Committee has examined the compensation and working conditions of the lowest-wage workers on campus in every category to determine whether it is meeting this standard. In doing so, the Committee has in certain respects gone beyond its initial charge by examining the regular, and not just the contingent workforce in service jobs. It has also gone beyond a single-minded focus on current wage rates to consider both the present and future prospects of entry level workers at the University as measured by wages, benefits, skill development, and access to opportunities for good jobs with full benefits.

The Committee concluded that for most workers the University meets and exceeds its stated goal of providing fair and competitive compensation, and that its fringe benefits and other perquisites are “above market”, whether considered on a local or national level.

Even when examined under the living wage rubric, the University's record is strong. In a total workforce of 12,722, all regular employees not represented by unions, earn at least \$10 per hour in wages alone. The 372 regular employees whose wages are less than \$10 per hour (exclusive of benefits) are represented by unions that bargain regularly with the University for wages and other terms and conditions of employment.

Notwithstanding this fundamentally strong record, the Committee has identified areas in which the University could enhance significantly the circumstances of its entry-level workers, whether measured by fringe benefits, integration into the University community, or future prospects. It thus recommends elsewhere in this report that the University expand training opportunities; expand eligibility to health benefits; establish guidelines for hiring contractors; and enhance benefits and perquisites of its part-time workforce.

Although it might have been easier, quicker and more popular for the Committee simply to adopt the concept of a specific wage floor, for a number of reasons the Committee finds that solution inappropriate as a way of setting University compensation policy.

First, the Committee believes that a reform that focuses on wages does not adequately address the fundamental aim of improving the employment situation for Harvard workers. Fringe benefits, such as paid time off and health insurance, are demonstrably important to employees and are rightly conceived as a central part of any employee's total compensation. Further, benefits add a significant increment to total compensation costs for the University, and therefore must be factored into any consideration of overall pay scales.

Second, the focus on current wage levels does not recognize the need of the lowest paid workers for education and training to improve their career prospects. It fails to respect these workers as potential long-term employees of the institution. Harvard's lowest-wage jobs are entry-level positions. People do not typically remain in them for extended periods and often seek to move up to better paying and more responsible positions. The Committee believes that the University should put significant resources into creating

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opportunities for Harvard's entry-level workers to improve their skills and marketability, thus enabling them to secure better positions. As an educational institution, Harvard is particularly well positioned to do this. Thus, the Committee strongly endorses the Bridge Program—training and education tailored to the needs of entry-level workers, with subsidies and release time to ensure that these employees can benefit from it.

Finally, the adoption of a particular wage rate at any point in the University's pay scale would have significant repercussions. For example, it would be impossible to limit pay increases just to the class of employees the campaign has identified. A peremptory wage adjustment to entry-level jobs would, as a matter of pay equity, require corresponding increases in adjacent job classifications. The ripple effect would be felt across the University's workforce and would materially increase the overall payroll. Although one might respond that Harvard can afford to pay all classes of its employees at higher rates, this would ignore the University's obligation to expend its resources prudently and in furtherance of its teaching and research mission.

The Committee based its conclusion that the University's employment practices are fundamentally sound on an analysis of the compensation actually paid throughout the University. The Committee finds that Harvard pays its employees fairly as compared with other local employers. The University participates in many salary surveys annually. Harvard's wages and salaries are generally at the high end of these scales. Even when examined under the living wage rubric, the University has done a reasonable job. In a total workforce of 12,722, all regular employees not represented by unions already earn the \$10 per hour target of the campaign. The 372 regular employees whose wages are less than \$10 per hour (exclusive of benefits) are all represented by unions that bargain regularly with the University for wages and other terms and conditions of employment.

Likewise, the casual payroll is properly designed to help Harvard meet short-term or part-time needs. The University does not expect casual employees to earn a livelihood or to make a career at the University, at least as casual employees; rather, the jobs are designed for people who are looking to supplement their income or to further their education. The

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survey results bear out this expectation. The Committee estimates that in FY99 Harvard paid hourly rates of less than \$10 to approximately 63 employees who say that their Harvard employment is their primary employment, who are not students or retirees, and who may have worked in casual positions for more than six months. More than three quarters of those responding to the Committee's survey said they are students, retirees, or people supplementing their outside income. Thus, for most casual employees, a stated goal of the living wage campaign (to permit people to support their families) does not apply.

In the Committee's judgment, the University should take the same approach to these individuals as it does to regular employees, by making available training and education programs so that those who wish to move beyond entry level positions have the means to do so. The University regularly has between 350 and 400 clerical, technical or service positions available. Many employees move into these full benefited, union-represented positions after a few months or weeks as "casuals." There are many opportunities for qualified individuals who wish to find permanent positions at the University; the Bridge Program will make it easier for these candidates to qualify for regular Harvard positions.

Taking together Harvard's current policies and practices, the Committee feels that the University offers a strong—indeed exceptional—employment environment for its workers. If the University adopts the changes recommended by the Committee, Harvard will provide an even better environment for employees and for the University as a whole.

IV. Recommendations

A. Overview

The Ad Hoc Committee has found that Harvard's employment and compensation practices are generally sound. University collective bargaining agreements and personnel policies are structured to provide members of Harvard's workforce fair and respectful treatment. The University honors the collective bargaining process and works with the duly designated representatives of employees to address concerns and resolve problems through both formal and informal grievance and problem-solving mechanisms.

Harvard's definition of "benefits eligible" employees (service and trades workers who work more than 20 hours per week, and others who work at least half time) is more inclusive than that of many other universities and large employers. It offers an attractive array of benefits and perks to its employees, as well as numerous employee and family-friendly subsidies, services, and programs. As a university, Harvard is able to provide outstanding educational benefits for employees. The Tuition Assistance Program serves approximately 3000 employees per year, many of whom earn degrees through the Extension School or at other universities, by taking courses that Harvard subsidizes. The Harvard Bridge to Learning and Literacy (called the Bridge Program for short) will serve those who have not completed high school requirements, or in some cases, cannot read or write in English or any other language.

The Committee discussed at length the meaning of the collective bargaining process as it pertains to employees on the Harvard campus and reviewed data regarding the employment and total compensation of workers represented by bargaining units certified by the National Labor Relations Board as part of its overall analysis. It found that collective bargaining provides an effective mechanism for reconciling different objectives, including an employer's operational requirements and the employees' financial priorities. Unionized employees sometimes forego wage increases in the course of bargaining to realize other goals—an enhanced benefits package, more paid leave, or to ensure the employer's continued viability (which translates into greater job security).

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The goal of collective bargaining is to reconcile different objectives, including an employer's operational requirements and the employees' financial priorities. Unionized employees sometimes forego wage increases in the course of bargaining to realize other goals—an enhanced benefits package, more paid leave, or to ensure the employer's continued viability (which translates into greater job security).

Harvard has a history of successful relations with the several unions that represent its employees, and the wage and benefit packages that collective bargaining has produced appear to be reasonable and appropriate. In the midst of the Committee's deliberations, the SEIU Local 254, representing custodial workers, commenced and concluded its negotiations with the University. Members overwhelmingly ratified a new three-year contract that began in November 1999. The wage rates in this contract track the wages agreed to in the August 1999 "Master Agreement" between Local 254 and 70 other local employers.

Observing this process, and also the University's recent negotiated settlements with HUSPMGU, GCIU, and HUPA, the Committee determined that the unionized nature of these groups of employees is important. It therefore believes that it should make no recommendations about wage levels for employees who are covered by collective bargaining agreements. It is the responsibility of the representative unions and their members to bring issues to the attention of the University, which will weigh these matters carefully during the negotiations.

B. The Harvard Bridge to Learning and Literacy

The Committee strongly endorses the Bridge Program that was piloted at the Faculty Club during academic year 1999-2000. (Appendix H) This program offered English as a Second Language and basic literacy skills to entry-level employees during paid release time. It is scheduled to expand to serve 120 Harvard employees per year with additional classes in computer training, GED (General Education Degree) preparation, and GED courses. The program takes advantage of the University's unique resources. Classes are

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taught under the aegis of the Division of Continuing Education; tutors and instructors are drawn from the Graduate School of Education's National Center for the Study of Adult Learning and Literacy. Through this program Harvard can help its service workers gain the literacy and other basic skills that will allow them to move into better jobs, whether at the University or elsewhere. Qualifying service and other entry-level employees and long-term casuals should be eligible for participation in the regularly scheduled classes.

The Committee endorses this effort and recommends that it be expanded even more broadly to reach up to 250 Harvard employees and an additional 250 campus-based service employees of contractors per year. All participants should be allowed paid release time during their workday to participate in these educational programs. Where possible, as has been true in the pilot, the programs should be taught at or near participants' work sites. Contracting departments should require that outside companies provide access to the Bridge Program for their Harvard-based employees, and should provide additional funding, if required, to make the programs available to on-site workers during the workday. While the total number of eligible people in these categories is unknown, the Committee recommends that the University be ready to invest further in the program.

C. Health Benefits

The Committee recognizes that the availability of health care is of concern to contingent workers, and the concerns of contingent workers about the availability of health care has been called to its attention by some faculty and staff. Since health coverage is tied strongly to employment in this country, employers should offer subsidized health coverage, where possible and practical. Under Harvard's current rules, Harvard's own service employees must work more than 20 hours per week in order to be eligible for health coverage. Making available subsidized, affordable health coverage to more of Harvard's employees would make Harvard a more attractive employer and enable the University to better retain its good service employees.

Furthermore, employees of service contractors, who may work side by side with Harvard employees who have health benefits, may not themselves be eligible for subsidized health insurance from their employers. The Committee believes that it is desirable and appropriate for the University and its schools and units to have the option to use outside contractors for a wide variety of work. Contracting gives Harvard access to expertise that it does not have in-house; it provides a competitive environment that increases the efficiency of in-house service departments; and, in certain circumstances, it provides opportunities for the University to secure work that is of better quality or more economically delivered than is possible internally. However, the University and its units should not contract for service work out solely to save money, if the savings come as a result of not providing appropriate benefits, particularly health coverage, to workers providing the service.

The Committee recommends extending eligibility for University health coverage to the 247¹⁷ service employees who work a minimum of 16 hours per week but are not now considered benefits-eligible. This change would give service employees who work at least two days (for example, weekend shifts) access to health insurance. The Committee recommends that these workers be included in the current University health plans, paying the same rates as other eligible employees. The Committee does not believe that it would be a prudent use of University resources to extend eligibility for subsidized health coverage below the 16 hours per week minimum.

Because of the fundamental importance of health benefits and to level the competitive playing field between internal service providers (University Operations Services, Dining Services, etc.) and outside contractors likely to work at the University, the Committee recommends that Harvard schools and departments contract only with service providers that offer subsidized health coverage for their Harvard-based employees. In particular, the Committee suggests that this standard should apply to companies with a total of more than 20 employees that are working within a contract for services that spans at least nine

¹⁷ On December 31, 1999, there were a total of 264 service employees who were not eligible for subsidized health benefits because they did not work more than 20 hours per week. Seventeen of these regularly worked less than 16 hours per week.

months (one academic year) and costs the University at least \$50,000 per year.

University schools and departments should not be permitted to contract with companies meeting these criteria unless they provide subsidized health coverage for employees working 16 hours or more that is either:

- in unionized settings, consistent with industry-wide union benefits programs; or
- in non-unionized settings, or in unionized settings where there exist no industry-wide union benefit programs, equal to the health coverage provided for the company's full-time employees (or management employees, where all full-time workers do not receive subsidized health coverage).

A minority of Committee members disagree with this recommendation and have written the dissenting statement, which appears after the full text of the Committee's report.

D. Enhanced Benefits and Perquisites

The September 1999 survey of casual employees revealed that many casual employees express great satisfaction with their Harvard employment, even those who say that they earn less than \$10 per hour. Others, especially those who have been working less than half time for several years or more, resent their lack of inclusion in the "Harvard community" or express the desire for greater recognition of their contributions to the University.

Committee members wish to improve the circumstances of these "long-term casuals" by providing certain benefits and perks for those who have worked at the University for one academic year or more, even if only at less than half time. Because of their longer-term contribution to the University, the Committee concludes that these individuals should be treated as part of the Harvard community; their work clearly benefits the University or they would not continue to be given assignments. An appropriate suite of benefits and perks for this group might include an ID card with the designation of "Extended Part Time," and access to libraries and museums, inclusion in work-related training, participation in the Tuition Assistance or Bridge Programs, eligibility for annual pay raises and for bonuses, access to Outings and Innings (Harvard's program of discounted

purchases for employees), subsidized T-passes, participation in group purchasing rates for home-owners', renters' and car insurance, and eligibility for paid time off.

The Committee reviewed the costs and benefits of providing these enhancements and perquisites to less than half-time employees who work for 36 or more weeks in a given year (Appendix P.) and determined that it would be a reasonable step for the University to take. At the same time, the Committee does not recommend that the University offer full benefits, such as health coverage and pension, to this category of employees since their employment relationship is neither regularized nor substantial in important ways. For example, these individuals do not formally apply for jobs, competing with other candidates for the same appointment; they often work sporadically or on an as-needed basis rather than performing scheduled work in the same position; they may not have a significant weekly commitment to a given job; they receive little ongoing oversight and management; and their work is generally not formally evaluated by their supervisors. The Committee believes that an employment relationship deserving substantial benefits, such as health and pension, should be comprised of more than duration of service.

The Committee recommends that "limited regular" and other half time or less service and trades employees be eligible for the same array of benefits and perquisites. It asks that the benefits be presented to those employees through negotiations with their collective bargaining agents.

E. Guidelines for Contracting

The Committee recommends the establishment of guidelines for Harvard managers who contract with outside service contractors that provide ongoing service to the Harvard campus (defined as contracts for services of more than \$50,000 per annum and for periods of nine months or more). Specifically, the Committee recommends that the current operating assumptions about contracting practices and contractors' employment practices be codified in the form of University-wide guidelines to provide future guidance to managers responsible for engaging service contractors on campus. These guidelines should be consistent with, and modeled upon, the current CAPS (Capital Appropriations

Project System) policy for capital construction. Like the CAPS policies, they would acknowledge the importance of maintaining an appropriate balance between the autonomy of Harvard's schools and departments to determine how services are to be provided in support of the University's mission, and the University's obligation as a significant purchaser of services to support fairness and healthy business practices both internally and to the community at large. (Proposed Guidelines, Appendix P)

F. Casual Settlement and Future Casual Employment

With respect to casual employees, the Committee commends the recent collaboration between the University and HUCTW that resolved outstanding issues regarding the past employment of casual employees. It takes note of the internal circumstances that generated past variances from University guidelines on the employment of casual employees. To prevent similar problems in the future, the Committee endorses the decision by the University to centrally monitor casual use and to provide regular reports to schools and departments. It also endorses the designation of Human Resource Compliance Officers in the schools and departments and the development of regular training in different aspects of employment policy.

The Committee also recommends that the University study its method for calculating the fringe benefit rate, the rate that it charges its departments and its grants for employee benefits and their administration. The University currently has five different categories for fringe rate calculation: faculty, administrative and professional staff, unionized staff, casuals, and post-doctoral fellows. These categories convey an illusory sense of precision that is not reflected in the actual cost of benefits for the different categories of workers. The varying fringe rates also create economic disincentives to use certain kinds of workers. This is not a good basis for making staffing and resource allocation decisions. Those decisions should be based on substantive and programmatic goals.

The Committee recommends that the University consider "blending" the rates for administrative and professional staff, unionized staff, and casuals to convey Harvard's commitment to fostering, to the extent possible and practicable, a unitary community of

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workers. A single fringe rate for all staff may be a practical and symbolic step in that direction. Members also urge the President, Provost and Deans to consider establishing one fringe rate for all employees, including faculty.

Dissenting View on the Issue of Requiring that Contractors
Provide Health Benefits to Harvard-based Workers
Paul Levy and Nancy Maull

We fear that in one of its recommendations, our committee colleagues have erred both in the construction of business practice and in the formulation of university policy. The committee's strongly felt desire to be of assistance to a deserving sector of the workforce leads it to an unsound conclusion. That the University would vet the health benefits of certain outside contractors falls prey to a common problem of public policy. Lack of rigorous analysis will result in a misplaced program that is short-sighted, ineffective, and counter to equally important societal goals.

Observers from the outside would at once be perplexed by such a requirement. After all, in what other business arrangement does a purchaser of services look beyond the price and quality of services rendered to interfere with the management-labor relationship of the company providing the service? One would certainly be concerned if there were reason to believe that such a contractor was violating health, safety, or other employment laws. Here, though, there is no indication that laws are being violated. Instead, the committee is recommending that Harvard impose its own law, a requirement that a given level of benefits be provided to a certain segment of employees. First, this recommendation is made with little regard as to its practicality; second, the committee advances it as sound policy without analysis and argument.

On the issue of practicality, the interference of a Harvard-determined standard for certain employee benefits raises a number of problems. For one, it is likely to conflict with existing collective bargaining agreements. We should presume that local unions have properly represented their workers in collective bargaining with their employers. It is not appropriate for Harvard to step in from outside of this process and assert that its standards are now the ones that should apply. The committee's requirement would put non-union employers in the untenable position of having their employees doing work at Harvard offered greater benefits than those located elsewhere. The potential for favoritism, abuse, and discriminatory treatment raised by such a requirement is too evident to ignore.

As best we can determine, the committee's decision is based on a moral position: in a country in which there is no system of national healthcare, Harvard has a special obligation to ensure that workers on its campus are entitled to greater protections than what their employers currently offer. Certainly, Harvard is entitled to offer its own employees whatever level of benefits it deems appropriate. How, though, can one argue that it has the moral right, or obligation, to impose a similar requirement on service contractors? To do so, requires first, an overall statement of moral responsibility by the University. There are many moral issues: how does the University choose among them? In the past, Harvard struggled with choices about investment in South Africa. Rather than fully divesting its holdings, the Governing Boards established a committee on shareholder responsibility to monitor investments, influence companies, and

divest selectively. These were clearly a set of moral decisions, made with the President and Fellows, and in the context of worldwide condemnation of a corrupt political regime.

In the arena of healthcare, though, the University has made no pronouncements concerning the price or availability of healthcare in America or Massachusetts. It has taken no position on the multitude of proposals before Congress and the State Legislature on matters of this sort. It has not used its investment policies to indicate favor or disfavor of companies that might or might not offer healthcare to their employees. It has not made purchasing decisions of academic equipment or supplies on that basis, either. Yet, now, the committee proposes that the University impose requirements on individual service contracting companies that have done nothing illegal or improper, all to support a “moral” cause. (This, of course, raises the further question of whether the level of health benefits prescribed by Harvard is immutably “correct,” from a moral point of view. By what standard does Harvard decide to define, at present, and redefine, over time, the appropriate level of health benefits required of employers?)

A countervailing moral view, if one is needed, is that the University has an obligation to society to support its core teaching resources and research mission in the most efficient manner possible. Certainly alumni and other donors expect their contributions to the school to be used efficiently and effectively. If, in the judgment of the management, the use of outside contractors to perform certain services is advantageous, in price, quality, and other business terms, those managers would be violating their fiduciary responsibility to the University by failing to do so. The imposition of the committee’s requirement will, one way or the other, increase the University’s cost of doing business. Some may argue that a large endowment mitigates the effect of any such tax, but by that logic (“We have so much money”), one can also argue that there is no need to seek further philanthropic donations. We see no hesitation on the part of the University in that regard, and, indeed, there is a persuasive case to be made for an expansion of resources to serve the teaching and research functions of the school.

Returning to the question of morality, we offer a simple example. To the extent Harvard Medical School is able to save dollars by using high quality outside contractors to perform necessary functions on the Longwood campus, those funds are directly and immediately available for scholarship aid to medical students. If we are able to reduce the average indebtedness of those students from the current level of \$80,000, a greater percentage of them will be able to follow their idealistic instincts and provide medical services to the low-income public or engage in important (but low-paid) research careers, instead of pursuing high-paid jobs in investment banking or high technology. If there was ever a moral imperative, here is one.

The committee seeks to impose its feeling of guilt and remorse on an economic and political system that has a different set of values. In so doing, they err. Further, they do harm rather than good. We must respectfully dissent from their conclusion on this matter.

Appendix A

Information about the Harvard Living Wage Campaign

Appendix B

Cambridge, Boston and Somerville Living Wage Ordinances

Appendix C

Number of Harvard Employees

As of December 31, 1999 (does not include casual employees or post-docs)	Faculty (payrolls 01, 02, 03)	Administrative and Professional (payroll 04)	Clerical and Technical (payroll 06)	Service and Trades (payroll 08)	Limited Regulars and <1/2-time dining service workers (payroll 07)	Total*
Headcount	2,436	5,301	3,712 unionized 120 excluded from the union***	889 unionized	264 unionized	12,722
% of total	19.15%	41.67%	30.12%	6.99%	2.08%	100%
FTE**	2,117.27	4,982.18	3,548.73	824.37	122.64	11,595.19
% of total	18.26%	42.97%	30.61%	7.11%	1.06%	100%

*Total percentages do not add to 100 due to rounding.

** Full Time Equivalent

*** Individuals can be excluded from the union because they are supervisors or because they routinely have access to management information about union-management strategy.

Appendix D: University Benefits

**Benefits provided to three categories of full time University Staff:
Administrative and Professional, Clerical and Technical, and Service and Trades
January 2000**

Health Insurance	Four different programs (each offering an HMO or POS option). University pays varying levels of premiums (up to 85%) depending upon salary level and option selected. In addition, several out-of-state programs.
Dental Insurance	Two different programs. University subsidizes premiums (up to \$608 per year) depending upon option selected.
Co-pay reimbursement program	Employee earning less than \$45,000 per year can be reimbursed for medical co-payments exceeding \$100/\$250 per year.
Flexible Spending Accounts	Pretax contributions are possible for dependent care or medical expenses.
Life Insurance	Up to ½ annual salary provided; employee may elect to purchase additional insurance.
<i>Pre-Death Life Insurance Benefit</i>	If terminally ill, employee can cash-out up to half of life insurance benefit (to a maximum of \$100,000).
<i>Business Travel Insurance</i>	Equal to five times annual salary. Benefits are paid if employee dies or becomes disabled while on university business.
Short Term Disability	Provides coverage during first 26 weeks of illness or disability. Coverage varies from 60% to 100% of salary. (University paid, non-contributory)
Long Term Disability	Provides replacement income of 60% of onset salary for disability extending beyond 26 weeks. (Contributory)
Pension	Defined benefit - 3% to 6.5% of pay depending on age and length of service, with guaranteed rate of return of 5-10%. Defined Contribution – 3.5% of pay contributed to investment fund(s) of employee's choice. <u>Note:</u> both defined benefit and defined contribution are University paid. No match or employee contribution is required.
Tuition Assistance	Harvard pays up to 75% of job related courses for employees, up to \$2,000 in an academic year.

Paid Time Off	
<i>Vacation</i>	<p>Admin/ Prof: 20 days per year, plus bonus vacation time after 15 years service</p> <p>Clerical/Tech: 15 days per year, 20 days after 10 years service, plus bonus time after 15 years.</p> <p>Service/Trades: Varies per collective bargaining agreement and based upon varying length of service rules, ranging from 1 week per year to four weeks per year with bonus vacations for longer service employees.</p>
<i>Personal Days</i>	<p>3 days (3.5 additional personal days for admin/professional and clerical/technical for Christmas/New Years '99 and '00.)</p>
<i>Sick Leave</i>	<p>Admin/prof & : 1 day per month of service, with maximum accrual of 130 days.</p> <p>Clerical/tech</p> <p>Service/Trades: Varies according to collective bargaining agreement. Schedules ranges from 1-2 weeks, up to 1 - 26 weeks</p>
<i>Bereavement Leave</i>	3 days with pay.
<i>Parental Leave</i>	Varies from 1 week to 4 weeks with pay, up to 13 weeks unpaid FMLA leave.
<i>Jury Duty and Court Appearances</i>	Full salary while on jury duty or serving as a witness in court.
<i>Released Time</i>	Paid released time off for retirement planning, approved class attendance, and voting.
Retiree Health	<p>For retirees 65 and over, University provides lifetime health coverage for employee and dependent if age plus service equal 75 at retirement. Employee share of premium varies between 50% and 80% depending upon length of service.</p> <p>University subsidizes medical coverage for early retirees whose age plus service equals 75 on same basis as it subsidizes health care for active employees.</p>
Group Long-Term Care Insurance (Employee paid)	Pays the cost of nursing home or at-home nursing care for employee or family member due to chronic illness or physical or cognitive disability.
Faculty and Staff Assistance Program	Free and confidential employee assistance program on a range of work-related issues, staffed by professionals.
<i>Healthy Living</i>	Recognizing the importance of health and fitness the University has various free or inexpensive programs that make it easier to exercise during the day or after work.
<i>Access to Athletic Facilities</i>	Individual and family memberships are available for Harvard's various athletic facilities.
<i>Harvard Recreation</i>	A variety of formal recreation classes are offered through the Harvard Department of Athletics.
<i>Harvard Health Letter</i>	A monthly newsletter published by the Harvard Medical school provides health and medical information.
<i>Harvard Health and Fitness</i>	A Faculty and Staff wellness program offers free or inexpensive courses and workshops in physical fitness, stress management, nutrition, and overall wellness.

Unpaid Leaves of Absence	Multiple unpaid leave options for family or medical reasons, or for personal or career development.
<i>Family Leave</i>	Up to 13 weeks of leave for new parents by birth or adoption, and up to 12 weeks for new foster parents.
<i>Medical Leave</i>	Up to 12 weeks if one has a serious health condition and as a result cannot perform the functions of the job or if one needs to care for a spouse, QDP, child or parent that is seriously ill.
<i>Extended Parental Leave</i>	Employees may be eligible for up to one-year total time off (inclusive of family leave and vacation time) immediately preceding or following a child's arrival.
<i>Personal Leave of Absence</i>	Employees may be eligible for 31 to 90 days for personal reasons with permission, and depending on staffing needs.
<i>Long-term Personal or Career Development Leave</i>	After five years of continuous service, employees are eligible for leave (3mos to 1yr) with permission for professional or personal growth.
<i>Military Service</i>	Employees can take unpaid leave for active duty, or paid leave (the difference between one's regular salary and one's pay received for training) if one are required to participate in two weeks annual military training.
<i>Government Service Leave</i>	Employees can take a leave of absence up to two years (but not longer than one's prior service) for an appointive capacity at the federal, state, or local level.
Transportation Services	Variety of services to address travel needs.
<i>Parking Shuttle Services</i>	Pre-tax annual parking permits for the Cambridge and Allston campuses. Limited parking in the Longwood Medical and Academic area.
<i>Subsidized T-passes</i>	University subsidizes 40% of T-pass cost, up to \$65 per month.
<i>Bicycle Services</i>	Bike lock-up racks and bike registration provided.
<i>Motorist Assistance Program</i>	Free assistance in starting cars, fixing flat tires, unlocking car doors.
<i>Safety Escorts</i>	Escort service to help employees get across campus safely at night.
Child and Elder Care Resources Services	Referrals, one-on-one consultations, and informational materials for work/life issues such as: child and elder care, private and public schools, after school programs, in-home care for children and elders, summer camps, Adoption, relocation.
Child Care Centers	Six on-site day care centers offering full-time and part-time schedules.
<i>Child Care And Adoption Scholarships</i>	Financial assistance for childcare and adoption based on need.
<i>School Vacation Program</i>	Full day activity programs for children of employees offered during the February and April public school vacations.
<i>Summer Sports Camp</i>	One week or longer summer sports camps run by Harvard coaches and varsity athletes for children of employees.
Housing, Mortgage, and Personal Insurance Services	Discounts on major purchases and planning.

Harvard Housing Office	Maintains current information on housing owned by Harvard University and other Cambridge/Boston landlords.
Harvard University Employees Credit Union	A Cooperative Financial Institution operated by Harvard employees.
Harvard Faculty Club	Facility for fine dining, special events and functions.
Severance Pay:	<p>Admin/prof: 1 week/year (1-7 yrs.) 1.5 weeks/year (7-15 yrs.) 2 weeks/year (15 yrs. or more)</p> <p>Clerical/tech: 1 week/year (1-15 yrs.) 2 weeks/year (15 yrs. or more).</p> <p><u>Service/trades: Schedules vary per collective bargaining agreements.</u></p>
Information Assistance	Free assistance to employees who wish to learn more about their TDA and Retirement planning.
<i>Special Discounts</i>	
<i>Outings and Innings</i>	Leisure, recreational activities, and shopping discounts.
<i>Harvard Travel Center</i>	Simple leisure and business travel arrangements
<i>Harvard Cooperative Society</i>	Members are entitled to special discounts and a patronage rebate on all purchases.
Communications	
<i><u>The Harvard University Gazette</u></i>	Weekly news source for Faculty and Administrators.
<i><u>The Harvard Community Resource</u></i>	Monthly newspaper for Staff, Faculty, and Retirees of the University
<i><u>Harvard Magazine</u></i>	Bimonthly magazine with news and features about Harvard University.
Employee Discounts	Real Estate Assistance Home Mortgage Financing Personal Insurance Dental School Faculty Practice Technology Products Center Harvard University Press Cell Phone/Pagers Harvard University Athletic Facilities
Resources	Museum admission (free) Library access
Special Longer-Service Privileges	
<i>Free Harvard Courses</i>	Under TAP, one free course and one at a reduced rate per term.
<i>Crimson Card</i>	Free admission to a variety of sporting events.
<i>Free Athletic Participation Sticker</i>	Sticker for free and unlimited use of all athletic facilities.
<i>Discounted Membership in Harvard Museums</i>	\$5 membership fee for one of Harvard's many museums. Special events and discounts are included.
<i>VIP Voucher Book for the American Repertory Theatre</i>	Book of coupons redeemable for half-price tickets.
<i>Harvard Health Letter</i>	Free subscription.
<i>Harvard Faculty Club</i>	Eligible for free membership.
<i>Extra Vacation</i>	Eligible for extra vacation time, from a bonus of five extra days upon completion of 15 years of service to as many as 45 extra days upon the completion of 50 years of service.

Appendix E

Wage Rates for Custodians, Guards and Dining Service Workers, as set by Contracts
data of 12/31/99

Appendix F

Regular and Limited Regular Employees Earning Less than \$10 per Hour

Employees earning < \$10 per hour 12/31/99	Title	Number	Median length of service
Regular, Full Time Employees			
SEIU,	Custodian	67	7.9 yr
local 254	Custodial Crew Chief, Asst.	1	0.7 yr
HEREIU,	Cash operations, lead	7	1.1 yr
Local 26	Cashier/General Service	11	.3 yr
	Counter/General Service	12	1.9 yr
	Short Order Cook/General Service	23	1.25 yr
HUSPMGU	Museum Attendant	17	1.5 yr
	Parking Service Monitor	1	1.4 yr
Total Full Time		139	3.25 yr
Limited Regulars and Part-time Employees			
SEIU, Local 254	Custodian, Limited Regular (both > 5 years and < 5 years)	204	2.2 yr
HUSPMGU	Museum Attendant, Limited Regular	18	0.6 yr
	Parking Services Monitor, Limited Regular	4	9.7 yr
	Guard, Limited Regular	3	3.0 yr
HEREIU	Cashier/general service	1	27 yr
	Counter/general service	3	.8 yr
Total Part Time		233	2.2 yr
Totals with Wages < \$10 per hour		372	2.6 yr
Totals for employees in these three unions with wages \geq \$10 per hour	Various	508	9.9 yr

Appendix G

Perceived Difficulty in Hiring for Jobs that Pay Less than \$10 per Hour (In an e-mail survey, managers were asked about vacancies in their departments.)

(Note: Category A = regular, full-time positions; Category B = limited regular)

	Dining Services	Parking	UOS Custodial	Art Museums
Titles of positions that were filled in FY99	Lead, Cashier, Counter, Short Order Cook	Parking Monitor	Category A and B Custodians, Crew Chief	Custodian, Museum Attendant A & B
Total jobs in these categories	79	20	305	50
# Vacancies in FY99	45	3	105	25
How long to fill?	2 weeks-2 mos	6 mos; 1 still vacant	Higher ranking positions generally filled from within (by moving up limited regulars)—takes 4 weeks—2 for union bid posting and 2 to finalize selection and arrange for back fill. Limited Regulars take 6-8 weeks, mostly because of pre-employment screening.	No wait (filled from within) to 4 weeks

The parking office and the art museums hire similarly qualified people into jobs in the same union; the comments from the two managers indicate why some jobs are harder to fill than others.

Query:

Subjectively, do you feel that it is hard or easy to get people to work in your department?

Comments:

Dining Services: Getting people to work in our department is not the issue. With the job market so tight, filling any job (whether over or under \$10/hour) is a challenge. In addition, a number of our positions are under 20 hours/week which presents hiring difficulties (due to the fact that they are not benefited).

Parking: It is very challenging. Customer service is the very foundation of this department; unfortunately because of the great demand and the scarce supply, our “customer” is often very predictably condescending, which makes maintaining the staff’s morale the most difficult aspect of supervising.

UOS Custodial: Recruitment for these positions is relatively easy. Internal candidates usually fill the benefited openings (Crew Chief and Category A). Candidates for the Category B positions are generally available through internal referrals and University postings, thus avoiding the need to advertise externally. Since most folks looking for this type of part-time work want/need to start immediately, the time required to process the pre-screening checks is more likely to cause us to lose candidates to other employers than is the pay rate. While higher starting wages would provide some advantage in attracting workers with more experience and better communication skills it seems that retention rates are more likely to be influenced by offering more hours to our part-time workers. Lack of additional hours is the most often cited reason for leaving these positions.

Appendix G, continued

Art Museums: It is not difficult to find hourly employees in the Art Museums. Turnover in staff is slow. The Art Museums offer a unique environment in which to work: a consistent mix of patrons—students, faculty, staff, and the general public—amid some of the world’s greatest works of art. Many of the museum attendant staff are artists in their own right and enjoy being with the art for contemplation and inspiration. The professional staff of the Art Museums is a congenial group, and help to create a pleasant day-to-day experience for the support staff working here.

Appendix H

The Harvard Bridge to Learning and Literacy (original proposal 12/99)

Proposal Overview

The Office of the Vice President for Administration (VPA) proposes the implementation of a new program, the Harvard Bridge to Learning and Literacy (the Bridge Program), that would offer literacy, ESL, pre-GED, and GED training to Harvard employees who are trapped in low-paying jobs with little or no future because they lack basic educational skills. These employees are predominantly clustered in the service occupations at Harvard (i.e., kitchen and retail food employees, custodial and housekeeping staff, grounds crew). Harvard's Division of Continuing Education and the National Center for the Study of Adult Learning and Literacy (NCSALL) at the Graduate School of Education are committed to working with central administration staff on this program and would absorb a large share of the expense. This proposal outlines the details of the first three years of the initiative (one year of planning; two of implementation), at which point programmatic modifications would be made as needed.

Background

Over the course of a lifetime, men who cannot read and write well can expect to earn only \$800,000, while those with strong literacy skills can expect to earn \$2.2 million—more than two and a half times as much. For women, the value of literacy is even greater: those who cannot read and write well can expect to earn only \$350,000 in their lifetimes, while those with strong literacy skills earn more than three and a half times as much — \$1.25 million. For many workers, literacy and basic math skills can mean the difference between holding down several dead-end jobs or moving toward a better-paying, more satisfying job with fringe benefits and opportunities for promotion (The Conference Board, 1999, with data from the International Adult Literacy Survey, 1997).

Harvard, of course, is the workplace of many highly literate people. It is also the workplace of many people who lack basic reading, writing, and math skills. Faculty and administrators at Harvard frequently devote decades of their lives to the University. So do cafeteria workers and custodians, dishwashers and housekeepers. The exact number of illiterate people working at the University is unknown, but with 30 percent of Harvard's blue-collar employees in low-paid entry-level service jobs, and a large number of casuals and contracted workers in similar positions, we estimate the total to be well into the hundreds. Some of these people have not finished high school. Some are foreign-born, do not speak English well, and also cannot read their first language. As the proportion of jobs requiring math and reading skills increases, workers without those skills at Harvard and elsewhere will find themselves with even fewer opportunities to earn wages adequate to support themselves and their families.

At Harvard, the resources currently offered to low-paid service workers are not nearly accessible enough. For example, the University's tuition assistance program (TAP) is available to all full-time employees, but it is often simply out of reach for many service workers—at most, about 2% of the Harvard employees using TAP in FY99 were service workers. Many of these workers hold multiple jobs. Others have family obligations; few can arrange to take the time during work hours. Some of the unions offer skills programs, but these classes are generally run at night at Roxbury Community College, which is inaccessible to many Harvard employees. And these limited resources are not even available to part-time and non-unionized workers. Harvard has a commitment to investing in the skills and career opportunities of its staff, but it is Harvard's lowest-paid, most precariously situated employees who are least able to take advantage of opportunities that are currently offered.

Appendix H, continued

This proposal outlines an important opportunity for Harvard to help its service workers gain the literacy skills that will allow them to move into better jobs, whether at the University or elsewhere. Through this program, Harvard would use its unique educational resources to help the poorest members of its community learn skills that will serve them for the rest of their lives. This initiative is also an exciting opportunity for interdepartmental collaboration — three departments and volunteers from throughout the University can forward goals of their own while contributing substantially to the costs of a very beneficial program. (See Appendix A for a breakdown of costs.)

The First Year (FY 2000) – Faculty Club Project

This fall, the Faculty Club and the Division of Continuing Education made classes in English as a Second Language (ESL) available between work shifts to the Faculty Club's full-time, part-time, and casual employees. Special class times were negotiated with the Extension School to coincide with the Faculty Club's shifts: 7:00 am to 3:00 pm and 3:00 to 11:00 pm. Classes were held around 2:00 pm, right after the early shift and just before the later one, with a little time carved from both. The response was extremely positive: Forty-one Faculty Club employees (49 percent of the Faculty Club's 84.3 FTEs) are attending ESL classes. A one-on-one literacy program was created for six workers who were illiterate in their first language. In addition to attending classes and doing course work, the employees work singly or in small groups with volunteer tutors (currently eight Harvard staff members) for an hour or two each week at the Faculty Club during the afternoon break. Morale at the Faculty Club has never been better, and staff in all departments — kitchen, housekeeping, and wait staff — are enthusiastic about the program. As one employee put it, "I've been a general service worker for five years, and all I really want to do is become a cook here. I know I need to be able to read and write better to get a job like that." Another Faculty Club employee stated, "You know for me, I read the notes left in the rooms upstairs [by the guests]. I can read that they want a blanket or they need a light bulb. I always had to go to my supervisor to ask what the people want, but now I did it myself." The first semester of the Faculty Club Project was funded jointly by the HR Strategic Goals Fund, the HR Special Initiatives Fund, and the Division of Continuing Education.

The Proposed Expanded Program (FY 2001-2002)

In the next two years, VPA, the Harvard Graduate School of Education (HGSE), and the Division of Continuing Education (DCE) can work together to offer an expanded program of workplace literacy classes.

The Division of Continuing Education, which has provided ESL scholarships to Harvard employees since 1994, has agreed to provide 75-80 ESL spaces each year. The National Center for the Study of Adult Learning and Literacy (NCSALL), directed by John Cummings and housed at HGSE, will offer pre-GED, GED (high school diploma equivalency), and college preparatory classes for approximately 20 students each year. Faculty and doctoral students from HGSE will design curricula and train masters' students to teach these classes. In addition, graduate students in NCSALL's reading lab will provide one-on-one literacy tutoring each year for about ten employees.

Most of the students in the Bridge Program will probably participate in the Division of Continuing Education's English as a Second Language (ESL) training. Since demand for the various classes may well exceed the spaces available, a selection system will be developed. Classes will be held in convenient locations on campus, such as the Extension School and the Graduate School of Education, as well as at University Operations Services and Dining Services. Course materials will be provided to students, as will transportation to and from class when necessary. The employees' departments will arrange for replacement staff while students are in class.

Both Harvard's employees and Harvard as an institution stand to gain from this initiative. Most obviously, it fills a need for a substantial number of employees. But employers also gain from workplace literacy and basic skills programs. For example, in a recent National Conference Board survey of

Appendix H, continued

employers offering on-site workplace education, 83 percent of the employers reported an increase in the quality of their employees' work and in their ability to solve problems, and 87 percent reported improved morale among employees. More than 60 percent reported improved labor-management relations and an increased percentage of employees promoted within their organizations.

The purpose of this program is to provide employee literacy and basic skills training that is carefully-targeted to actual employment requirements and can potentially lead to long-term, higher-level jobs. The average length of employment for the very lowest-paid service employees at the University is currently three years; the average length for other University service employees is considerably longer. By offering these employees access to skills they need to advance, Harvard would be investing in their futures and in the development of a more capable, better-educated workforce. In the long run, the resulting labor pool could benefit Harvard by serving as a source of employees from a range of backgrounds, many of whom would add to diversity at higher levels.

The Harvard Bridge Program is also an exciting opportunity for interdepartmental cooperation. VPA, HGSE, and the DCE are strongly committed to the project, which will allow each to advance an institutional goal while assisting employees in need. For example, the NCSALL had been considering establishing a "learning lab" on campus, but had not thought of recruiting Harvard employees as students. With three departmental partners and the prospect of staff and student tutors from across the campus, the project can help build a sense of community and shared goals throughout the University.

Recently, a number of activists, primarily students, have raised the issue of low-paid workers in a "living wage campaign." While a \$10 minimum wage is still under consideration, the Bridge Program targets Harvard's unique educational resources to the needs of this group of staff and, over the long term, will likely improve not just their wages, but their jobs and their futures as well. The Bridge Program allows Harvard to move from a defensive position on the living wage to a leadership role in the training and development of low-paid employees, many of whom are in the contingent workforce. It also

- allows Harvard to redirect the dialogue on wages to focus on skills;
- allows Harvard to maintain the integrity of market-based compensation. The University would be working within the market by providing skills to employees rather than moving out-of-line with the market by providing above-market wages;
- preserves the integrity of the collective bargaining process, which has worked well for Harvard and its unions;
- allows Harvard to do something positive for its lowest-paid employees while the University is reaping the results of the capital campaign; and
- complements the series of recent financial initiatives for the external community such as Harvard's housing initiatives (Harvard 20/20/2000, Housing Innovation and Policy, and the Housing Advisory Committee) and the Boston Pilot payment.

Program Review (FY 2002)

At the end of FY 2002, the Harvard Bridge Program will be reviewed to allow for programmatic adjustments. Possible future additions to the program include courses in career skills.

The DCE, HGSE, and VPA all wish to track the effectiveness of this program, both for administrative and research purposes. Data collection would be an important component of the project, and a possible source of publications.

As the need for basic literacy and math skills becomes more pronounced, more employers are providing workplace education programs. Harvard has a unique opportunity to use its own resources to create a cutting-edge program that will benefit entry-level service workers and the University as a whole, and will also underscore Harvard's commitment to its employees by investing in their education.

Appendix H
Proposed Funding for
The Harvard Bridge Program

The total cost for the initial three years of the Bridge Program proposed here is \$1.06m: \$242,000 for the start-up year and \$410,000 for each of the two subsequent years. Thanks to the generosity of the departments and people involved, many of the expenses will be contributed. Actual classroom expenses, for example, will be provided at little cost by NCSALL at HGSE and DCE. The tutoring costs, which could also be substantial, will be contributed by NCSALL and by Harvard students and staff. The students' home departments will cover space and course material costs.

As a result of this internal funding, 59% of the costs in the first year's pilot program are already covered, as are 38% of the costs in the program's two subsequent years. The University's financial obligation for creating this program would thus be \$100,000 for the initial planning year and approximately \$250,000 for each of the next two years. If there are no modifications to the program at this review point, the annual cost would remain at the inflation-adjusted \$250,000 level. If it could be endowed, it would make a substantial impact over the longer term. In funding this program, Harvard could help hundreds of its entry-level service employees get a jump-start on the American dream.

Appendix H, continued
The Harvard Bridge to Learning and Literacy
Detailed budget spread sheet for the original proposal
12/99

**The Harvard Bridge to Learning and Literacy
(The Bridge Program)
(Original Proposal, 12/99)**

Questions and Answers

What is the Harvard Bridge Program?

The Harvard Bridge to Learning and Literacy (The Bridge Program), developed by the Office of the Vice President for Administration (VPA), is a new program that will offer literacy, English as a Second Language (ESL), pre-GED and GED training to Harvard employees who lack basic educational skills. These employees are predominantly clustered in the service occupations at Harvard (i.e., dining services and retail food employees, custodial and housekeeping staff). The Bridge Program will give approximately 120 employees per year the opportunity to obtain language, math and reading skills during work time.

This program was created through the collaboration of people in VPA, the Office of Human Resources, the Division of Continuing Education, and the National Center for the Study of Adult Learning and Literacy (NCSALL) at the Harvard Graduate School of Education. The program will be run by OHR's Center for Training and Development, with course instruction and curriculum advice from CTD and NCSALL. Literacy and ESL tutoring will be provided by Harvard staff volunteers.

Why is Harvard offering literacy and ESL training to employees?

In addition to being the workplace of many highly literate people, Harvard University is also the workplace of hundreds of people who lack basic reading, writing, and math skills. Some of these people have not finished high school. Some are foreign born and do not speak English fluently. Others are illiterate in any language. As the proportion of jobs requiring math and reading skills increases, workers without basic skills – at Harvard and elsewhere – will find themselves with few opportunities to earn wages adequate to support themselves and their families.

The purpose of the Harvard Bridge Program is to provide employee literacy and basic skills training that can potentially lead to long-term, more attractive, and higher-paying jobs for the Harvard employees who participate. By providing employees access to skills they need to advance, Harvard will be investing in their futures and in the development of a more capable, better-educated workforce.

As the need for basic literacy and math skills becomes more pronounced, an increasing number of employers are considering workplace education programs. Harvard has developed a unique program that uses its exceptional educational resources to benefit entry-level service workers and the University as a whole. This program underscores Harvard's commitment to its employees by investing in their education.

Harvard offers training opportunities to all of its employees. What is so special about this program?

The training resources currently offered to low-paid service workers are too often not really accessible to them. Many of these employees hold multiple jobs and have family obligations.

Few can arrange to take time off during work hours, and finding the time to work two jobs and take classes is virtually impossible. Only 2% of the Harvard employees using the University's tuition assistance program (TAP) are service workers, due largely to the time constraints they face in taking classes.

Through the Bridge Program, Harvard University will provide ESL and literacy training on-site, on work time, thus greatly increasing the accessibility of courses for those employees who are in greatest need of training. Harvard will be using its unique educational resources to help the poorest members of its community learn skills that will serve them for the rest of their lives.

How will the Harvard Bridge Program operate and when will it begin?

The Harvard Bridge Program began on a small scale at the Harvard Faculty Club this year. Thirty-eight Club employees participated in ESL training each semester, and eight staff members received literacy tutoring. Starting in the fall of 2000, 75 employees will be able to attend ESL classes at the Division of Continuing Education each year, 20 employees will receive GED or pre-GED training, and NCSALL graduate students will provide one-on-one literacy tutoring for an additional ten employees. Volunteer tutors will continue to provide assistance to the Harvard staff who are enrolled in classes. Course materials will be provided to employees, as will transportation to and from class when necessary. The employees' departments will be reimbursed for replacement staff while students are in class.

The Harvard Bridge Program will be managed by the Center for Training and Development in Harvard's Office of Human Resources. The OHR staff will be responsible for developing program curriculum, overseeing student admissions to the program, handling all coursework logistics, and coordinating communications between HGSE, DCE, the Harvard service departments, and the unions representing the employees who may participate in the program.

Who benefits from this program?

First and foremost, the Bridge Program will benefit the employees who participate. Research has shown that reading and writing skills translate into significant lifetime earning benefits. According to a recent Conference Board report, men with strong literacy skills can expect to earn more than two and a half times as much as men who cannot read and write. For women, the value of literacy is even greater: over the course of a lifetime, women with strong literacy skills can expect to earn three and a half times more than illiterate women. In addition to earnings differences, possessing literacy and basic math skills can mean the difference between holding down several dead-end jobs simultaneously or moving toward better-paying, more satisfying jobs with fringe benefits and promotion opportunities.

Harvard also expects to gain from the Bridge Program. In a recent survey of employers offering on-site workplace education, 83 percent of the employers reported an increase in the quality of their employees' work and in their ability to solve problems as a result of training, and 87 percent reported improved morale among employees. After only a few months of classes and tutoring at the Faculty Club, the benefits of the Bridge Program are being felt. Creating the opportunity for employees to dramatically improve their skills is a benefit to both the employees and the University.

Appendix I

Pay Rates for Casual Employees (excluding Harvard students) week of May 10, 1999
(From a survey of human resources deans and directors)

hourly wage rate	types of positions
\$6.50-6.99	Library data entry, mail clerk, RA
\$7.00-7.49	Building ops ass't, CADD intern, clerical ass't, circulation ass't, data entry clerk, FA*, mail room ass't, research support, sales associate, SA*
\$7.50-7.99	Admissions attendant, clerk, FA*, glassware washer, general food service, LA*, museum shop attendant, sales associate, SA*
\$8.00-8.49	Admissions attendant, AA*, basic office worker, bindery ass't, circulation ass't, customer service, file clerk, FA*, lab tech., lead, LA*, mail room ass't, maintenance worker, museum shop attendant, office ass't, receptionist, stacks ass't, interlibrary loan assistant, photo assistant, short-order cook, SA*, telephone operator, transporter of mail & computers
\$8.50-8.99	AA*, admissions attendant, art handler, basic office worker, building ops ass't, FA*, LA*, library desk worker, mail clerk and mailing ass't, museum shop attendant, RA*, sales associate, SA*, stacks ass't, telephone operator
\$9.00-9.49	AA*, depository ass't, FA*, housing ass't, lead, LA*, library desk worker, library reference desk, maintenance worker, media tech., office ass't, osteology ass't, proctor, RA*, SA*, telephone operator
\$9.50-9.99	AA*, admissions ass't, basic office worker, data entry clerk, door checker, FA*, preservation ass't, receptionist, shuttle van driver
\$10.00-14.99	AA*, admissions/fin. aid ass't, alumni affairs ass't, ass't to building mgr, clerical ass't, computer clerk/ass't, computer lab support, conservation technician, cook, copier operator, desk clerk, dispatcher, door checker, editor, environmental health and safety intern, faculty club wait staff, fellowships ass't, file clerk, FA*, general food service, housing ass't, intermediate office support, intern, IT help desk, kitchen person, lab tech, lead, LA*, mail carrier, mail clerk, mail truck helper, maintenance worker, manuscript ass't, office ass't, office clerk, preservation ass't, project mgmt intern, radiation safety inspector, RA* I, RA* II, receptionist, registrar's office ass't, sales associate, SA* II, SA* III, SA* with rare language skills, shuttle bus driver, student services ass't, Technology Product Center staff, transcriber, user ass't in computer lab, webmaster
≥\$15.00	Accountant, activities coordinator (elderly housing), application reader, ass't archivist, book conservator, bookkeeper, computer ass't, computer ass't with specific technical skills, computer support, conservation technician, facilities ass't, fellow, fellowships ass't, FA*, food supervisor, head proctor, housing advisor, indexer, IT staff, leasing agent, LA*, library worker, maintenance worker, media tech, network specialist, network technician, preservation ass't, project coordinator, publications ass't, radiation protection worker, RA*, research nurse, smoke detector inspector, special project worker, SA* III, Sec. II, systems co-op, teaching fellow, technical ass't, telephone interviewer, user support, writer

*AA = accounting assistant, FA = financial assistant, LA = library assistant, RA = research assistant, SA = staff assistant

Schools and departments responding to May 1999 survey of casual employees: Faculty of Arts and Sciences (Central FAS, Division of Continuing Education, Harvard College Library, GSAS, OEB, Peabody Museum, Physics Department); Business School; Divinity School; Graduate School of Education; Kennedy School of Government; Law School; Medical School & School of Dental Medicine (totals only); School of Public Health; Alumni Affairs and Development; Art Museums; Financial Administration; Office of the General Counsel and HUPD; University Information Systems; University Library; VPA (Faculty Club, Dining Services, Harvard Planning and Real Estate, Office of Human Resources, University Operations Service

Appendix J
Sample Questionnaire for Survey of Casual Employees

Appendix K, Findings from Casual Survey (data from returns as of 12/08/99)

Total surveyed = 1096; total responding to survey = 441 (40.2%)

I. Reasons why casuals work at Harvard

A. Main income source supporting a family	103 (23.4%)
B. Primary job elsewhere or this supports my household income	120 (27.2%)
C. Retired	74 (16.8%)
D. To keep busy	31 (7.0%)
E. Student	102 (23.1%)
F. No answer	11 (2.5%)

II. Income ranges, and characteristics of those earning under \$10 per hour

Income range of all 441 respondents \$5.75 to \$70.00/hr

The Committee extrapolated from the survey responses the number of casuals who would fall into each of these categories by multiplying the response number by 2.5 (because there was a 40% return rate of the survey).

	number of responses	extrapolated number
How many earn less than \$10/hr?	131	327.5
How many earning < \$10/hr are students?	63	157.5
high school	13	32.5
full time college	32	80
part time college	5	12.5
full time grad school	3	7.5
part time grad school or other	10	25
How many earning < \$10/hr are retired?	17	42.5
How many earning < \$10/hr have a primary job elsewhere?	20	50
How many earning < \$10/hr are not students, not retired and don't have a primary job elsewhere?	31	77.5

III. More information about those whose work at Harvard is their main source of income (Type A)

N for type A = 103

income range for Type A \$7.00 to \$45.00/hr

		number of responses	extrapolated number
of Type A, how many are male/female?	male	45	112.5
	female	57	142.5
	unknown	1	2.5
of Type A, which have dependents?	no dependents	63	157.5
	one	20	50
	two	9	22.5
	three	6	15
	four or more	1	2.5
	unknown	4	10

Appendix K, continued

Age of Type A respondents

Age	Number	Age	Number
18-25	24 (23.3%)	46-50	6 (5.8%)
26-30	21 (20.4%)	51-55	11 (10.7%)
31-35	15 (14.6%)	56-60	4 (3.9%)
36-40	9 (8.7%)	61-65	1 (0.97%)
41-45	9(8.7%)	66-70	1 (0.97%)
		no ans.	2 (1.9%)

	number of responses	extrapolated number
How many Type A's earn less than \$10 per hour?	28	70
<ul style="list-style-type: none"> How many are full-time students? (1 high school, 3 college) 	4	10
<ul style="list-style-type: none"> How many are part-time students (grad school or other)? 	4	10
<ul style="list-style-type: none"> How many have no health insurance 	14	35
<ul style="list-style-type: none"> How many without health insurance have no dependents? 	10	25
<ul style="list-style-type: none"> How many without health insurance have one dependent? 	4	10

IV. Health coverage

How many of the 441 respondents have health insurance?	number of responses	extrapolated number
total with health coverage	351	877.5
total without health coverage	88	220
unknown	2	5
% without health coverage		20.05%
How many Type A's have health insurance?		
no insurance	43	107.5
individual	10	25
group	39	97.5
COBRA	1	2.5
network	1	2.5
spouse	2	5
student plan	1	2.5
yes, no detail	6	15

Appendix L

CAPS Guidelines

Appendix M, Sample Confidential Survey of FY99 Service Contractors with Harvard University

Your company has been identified as an employer that recently provided services to Harvard University. Thank you in advance for providing the following information that will be helpful in our internal assessment of our contingent workforce. Harvard will not voluntarily release or publish any identifiable information you provide. It is our intention to use this information for internal review only.

- I. Our company provided services to Harvard University during the time period July 1998 through June 1999. _____yes _____no
- II. A. If the answer to question I is yes, how many employees worked at Harvard University on a regular basis, i.e., for more than three months, during the period July 1998 through June 1999? (If a person worked full time for you, but only part time at Harvard, count that person as full time for purposes of this survey.)

Full time _____ Part time _____

B. How many of these employees were paid less than \$10 per hour?

Full time _____ **Part time** _____

III. Name of company _____

IV. Name of person filling out this survey _____

Phone and/or e-mail to reach you if we have follow-up questions?

Signature _____ date _____

V. Additional comments?

Please return it in the enclosed stamped envelope by July 20, 1999, to
Polly Price
Harvard University
Office of Human Resources
Holyoke Center, 6th floor
1350 Massachusetts Avenue
Cambridge, Mass. 02138.

070899

Appendix N, Survey Data from 134 Service Companies with Harvard Contracts during FY99 (data as of 10/11/99)

Companies with employees based at Harvard for > 3 months in FY99	Number of employees working at Harvard for > 3 months in FY99	Number of full-time employees	Number of part-time employees	Total number of employees paid < \$10 per hour	Number of full-time employees @ < \$10 per hour	Number of part-time employees @ < \$10 per hour
110 of 134	1312	937	375	442	181	261
	100%	71.4%	28.6%	33.7%	13.8%	19.9%

The total number of companies surveyed was 269. There were a total of 134 usable responses from companies that were either surveyed by mail or by phone (or both).

The survey paid particular attention to companies employing workers making less than \$10 per hour. They were generally clustered in landscaping, custodial, dining service, and security firms, with a few in temporary services firms.

Of the total 1312 employees identified by the responding companies, 275 work for dining service or security companies; of this 275, 127 earn less than \$10 per hour. These 275 workers provide 100% of dining service and security business on campus that is outsourced.

323 employees work for landscaping or custodial companies; 237 of them are paid less than \$10 per hour. These employees work for companies that provide 97% of such business that is outsourced (on a contract dollar basis). To estimate the total landscaping or custodial employees, the actual responses were divided by .97.

The remaining 714 employees work for a wide variety of different sorts of contractors. Approximately half of the companies in these categories responded to the survey. To estimate total numbers of other employees in the different categories, the actual responses were divided by .50.

Scaled up estimates of number of workers at Harvard employed by outside contractors

Category	Estimated total # of employees	Estimated total <\$10/hr	Estimated total # of full-timers paid < \$10/hr	Estimated total # of part-timers paid < \$10/hr
Dining/security	275	127	82	45
Custodial/landscape	333	296	83	213
All other	1428	56	38	18
TOTAL	2036	479	203	276
	100%	23.5%	10.0%	13.5%

Appendix O,

Proposed Guidelines for Service Contracts Dining, Custodial, Maintenance and Security Services. Draft of April 25, 2000

The Ad Hoc Committee on Employment Policies feels strongly that the University should have a common set of standards, followed by all schools and departments, to ensure that contracting practices are fair and appropriate, and that service contractors maintain employment practices consistent with Harvard's commitment to fairness for all workers.¹⁸

To that end, the Committee recommends that the University establish standards and create a policy to govern contracting for services. This policy should be consistent with, and modeled upon, the current CAPS policy for capital construction. Like the CAPS policy, it would acknowledge the importance of maintaining an appropriate balance between the autonomy of Harvard's schools and departments to determine how services are to be provided in support of the University's mission, and the University's obligation as a significant purchaser of services to support fairness and healthy business practices both internally and to the community at large.

The policy would apply to service contracts in the areas of dining services, maintenance, custodial and security services that have employees on campus, a contract period of nine months or more and a cost of \$50,000 or more. The principles underlying this policy are not new, but would memorialize implicit understandings of healthy business practices and standards of fairness that have long existed at the University. The elements of the policy are:

1. Each school and department is free to choose the most appropriate service provider for dining, custodial, maintenance and security services.
2. Agreements should include a formal scope of work for both internal and external providers, and all such arrangements will be based on a constructive business relationship.
3. When contracts are submitted for bid, a good faith effort will be made to obtain at least one bid from a unionized contractor.
4. When contracts are submitted for bid in an area where the University has an in-house service department, the University service department will be provided the opportunity to bid on the same basis as external providers.
5. Service contractors will be selected through a process that takes into account the providers' experience, reputation, qualification, cost and business capacity to perform the defined scope of work.

¹⁸ Although there was no evidence of illegal or unfair employment practices among Harvard's service contractors, the Committee is concerned that absent a common set of standards for contracting practices, problems could develop in the future. Therefore, the Committee recommends that the current operating assumptions about contracting practices and contractors' employment practices be codified in the form of University wide guidelines to provide future guidance to managers responsible for engaging service contractors on campus.

Appendix O, continued

6. All contracts must comply with all applicable laws and regulations, including statutory standards for employment, affirmative action, taxes, and health, safety and environmental compliance.
7. Schools and departments should not contract with a contractor covered by these guidelines which does not provide to its full and part time workers working 16 hours or more per week who are assigned to the Harvard campus subsidized health insurance comparable that is: (1) in unionized settings, consistent with industry-wide union benefits programs or (2) in non-unionized settings or in unionized setting where there exist no industry-wide benefit programs, equal to the health coverage provided for full time employees (or management employees, where all full time workers do not receive subsidized health coverage.)
8. Internal University service providers and outside contractors will be held to comparable performance standards, and will have the same accountability for performance, including termination of service contracts in the event of substandard performance.
9. The following factors will be considered in the decision to directly employ University staff or use outside contractors:
 - Quality of Service
 - Cost
 - Frequency of need and duration of the service
 - Workload
 - Degree of specialization required
 - Labor-management issues
 - Security considerations
 - Impact on the current workforce
10. All contractors will be required to complete a Certificate of Compliance and a Certificate of Disclosure as part of the bid proposal.
11. Contractors who do not provide basic literacy and English language training programs to entry-level employees who lack such skills, will be required to permit Harvard-based employees to participate in Harvard's Workplace Education Program, and provide paid release time to such employees who participate in the Program.
12. Where a bid is to be awarded to a contractor who will replace an in-house service department currently providing the service, the Labor and Employee Relations Department of the Office of Human Resources will be notified in advance.

Appendix O, continued

Harvard University Service Contractor Certificate of Disclosure

To be completed by service contractors for _____.
(School/Department)

- | | | | |
|----|---|-----|----|
| 1. | Do you provide or make available health care benefits to your employees?
If yes, please describe benefits and categories of employees eligible to participate: | YES | NO |
| 2. | Do you have a written health and safety program? If yes, please attach. | YES | NO |
| 3. | Do you provide training, apprenticeship or formal educational programs for your employees? If yes, please describe: | YES | NO |
| 4. | Do you have an Affirmative Action Plan? If yes, please attach a copy. | YES | NO |
| 5. | Are the employees who will be performing services covered by the scope of this contract covered by a collective bargaining agreement? If yes, please describe categories of workers covered and name and local number of collective bargaining agent: | YES | NO |
| 6. | Are you currently involved in a labor dispute (e.g., work stoppage, unfair labor practice decision by NLRB, contested union organizing drive) involving employees who will be assigned to the Harvard work site? If there are such disputes, please list the union and provide a brief explanation. | YES | NO |
| 7. | Please list the job classifications and rates of pay applicable to your firm on an attached sheet. (Limited to those employees who will be performing services directly under the service contract). | YES | NO |

Firm or Contractor Name:

Name:

Signature:

_____ Date: _____

Appendix O, continued

Harvard University Certificate of Compliance
For Service Contractors

Service Contract Reference:

School/Department _____

Contract Start/End Dates _____

Nature of Service:

The undersigned hereby certifies as follows:

1. That it presently holds, and during the course of the above-reference(d) projects for Harvard University will maintain, all required licenses for the work being performed.
2. That it is presently in compliance with, and during the course of the above-referenced service contract will remain in compliance with, all applicable federal, state and local laws and regulations, including, but not limited to, the following:
 - a) Workers compensation;
 - b) Federal, state, and local tax laws, including laws requiring the withholding and payment of income taxes;
 - c) Social Security laws;
 - d) Regulations of the Occupational Safety and Health Administration;
 - e) Regulations of the Immigration and Naturalization Service of the U.S. Department of Justice;
 - f) Regulations of the Wage and Hour Division of the U.S. Department of Labor;
 - g) Regulations of the Equal Employment Opportunity Commission and the Massachusetts Commission against Discrimination.

Contractor Name and Address: _____

Name of Authorized Representative:

Signature:

Date

Appendix P, Cost and Value of Benefits and Perquisites for Part Time Workers

The attached tables describe the variety of improvements and perks proposed for a new category of casual employee, called "Extended Part Time." To qualify for EPT status, a casual employee must work for the University during at least 36 weeks in the previous fiscal year. All of this work does not need to be in the same department. Qualification for this status is calculated at the end of each fiscal year, after which the person receives an EPT ID card that is good for one year, or until the person terminates his or her casual employment at the University.

In FY99 928 casual employees received 26 or more paychecks, and 479 received 36 or more paychecks. For purposes of estimating the cost of the creation of EPTs, we assumed there would be 500 who qualify.

The EPT ID card would carry with it certain privileges including eligibility for paid time off, which may be used for sick or personal days, but cannot be cashed out at the end of employment, eligibility for annual salary increases, access to education and training programs and a large number of employment perks.

The tables that follow outline the cost to the University for these improvements and perks, and also indicate, in financial terms, the benefit to the individual.

Summary: The most significant costs to the University are for the paid time off and annual wage increases, access to training and education programs, and the T-pass subsidy. The incremental cost of most perks could be absorbed into ongoing expenses, unless there were significant surges in usage. Each employee will value these benefits differently; financially the greatest benefit is in eligibility for the Tuition Assistance Plan.

<i>Improvement or perk</i>	Elements of cost	Harvard's cost per person	Cost for all EPTs ~(500)	Increased wage for the individual
1. Paid time off and increased wages				
paid time off	average salary rate for long-term casuals = ~\$11.65; proposal is 40 hours/yr. of paid time off	~\$466 paid by department	\$233,000 1 st year cost to Univ.	\$466
annual wage increases	average salary rate for long-term casuals = ~\$11.65; assume 10 hrs/wk * 40 wks; assume 4% increase	~\$200 first yr; escalates as wages grow, paid by department	\$100,000 1 st year cost to the Univ.	\$186
sub total for 1			\$333,000 or \$0.60 per person hour	\$652 per year

2. Use of Harvard facilities	Elements of cost	Harvard's cost per person	Cost for all EPTs	Cost to the person to buy this perk
library admission	staff account for 3-5% of total borrowing; if numbers are small enough no add'l cost	no cost increase	no cost increase	alumni borrowing and stack privileges = \$100/year
museum admission	could include adjunct staff in program that is currently available to regular staff; no increase in cost	no cost increase	no cost increase	\$25/year
sub total for 2		no add'l cost	no add'l cost	\$535/yr

Appendix P, continued

3. Educational opportunities	elements of cost	Harvard's cost per person	cost for all EPTs	cost to the person to buy one course
TAP, for Harvard courses only	approx. 25% of total regular population takes one course; \$1200 avg. cost per course	fringe rate pays half of cost (avg. \$600); offering school subsidizes other half (\$600)	\$75,000 to fringe rate; \$75,000 to schools offering courses	avg. cost of course = \$1200; cost through TAP = \$40
Ctr. for Training & Development courses	Assume 8% of population take one CTD course	\$175 per person	\$7,000	approx. \$175 per course
computer training	\$200 per person per course; approx. 25% of employees take one computer course	\$200 per person	\$25,000	\$200
workplace education program	\$410,000 per year, of which \$250,000 is incremental; for 110 employees per year (according to original 12/99 proposal)	\$2,275 incremental per person	\$250,000	\$2,500
subtotal for 3			\$182,000 (not including Workplace Education Programs), or \$0.91 per person per hour	\$1,535 for one of each (not including Workplace Education Programs)

It is unlikely that any individual would take advantage of all of these offerings. The Bridge Program is designed to provide basic skills education for entry level employees, so it would probably not be used by EPTs who typically hold clerical or technical positions.

Appendix P, continued

4. Other perks	Elements of cost	Harvard's cost per person	Cost for all EPTs (~500)	Cost to the person to buy this perk
Faculty and Staff Assistance Prog.	FY99 1028 cases; total expenses \$250,550; unlikely to be increased costs	no add'l cost	no add'l cost	\$250
Office of Work and Family	FY99 fringe charge = \$279,132; unlikely to be increased costs	no add'l cost	no add'l cost	\$100
Dental School Faculty Practice	There is a 5% courtesy discount on services for uninsured faculty and staff which is currently already available to casuals.	no add'l cost	no add'l cost	HDS said it is impossible to estimate the cost of a normal visit.
travel insurance	Approx. \$20,000/yr charged to fringe for death and disability; no additional cost to add casuals	no add'l cost	no add'l cost	hard for individuals to purchase
Housing Office	(Access to listings only; access to affiliated housing is reserved for full-time employees	no add'l cost	no add'l cost	save broker's fees
favorable home mortgages	No cost to University	no add'l cost	no add'l cost	varies
reduced rate insurance	No cost to University	no add'l cost	no add'l cost	\$100
Outings and Innings	Operates as a service center; increased costs would be covered by charges	no add'l cost	no add'l cost	\$300
Use of Harvard Travel Center	The Travel Center is a for profit operation, HU incurs no cost.	no add'l cost	no add'l cost	
Use of Technology Products Center	Operates as a service center; increased costs would be covered by charges	no add'l cost	no add'l cost	varies
Coop membership		no cost to Univ.		
Subsidized T-passes	FY00 projected cost = \$294,000 This cost would increase incrementally.	\$23.25pp	\$11,625	\$120-\$320 per year
bicycle services		minimal cost	minimal cost	
shuttle service	FY99 cost to fringe = \$400,000 Costs for the operation would probably not change, but would be spread over a larger group of people.	small incremental cost	small incremental cost	not available outside the University
HUECU membership	HUECU board voted to endorse this	No cost to the University	no add'l cost	
sub total for 4			\$11,625 or \$0.058 per person hour	difficult to calculate

Appendix P, continued

5. Access to publications	elements of cost	Harvard's cost per person	cost for all EPTs ~500	cost to the person to buy this perk
HU Press	Operates as a service center; increased costs would be covered by charges	no add'l cost	no add'l cost	varies
subsidized subscriptions to HMS newsletters	50% subsidy of publications by HMS	unlikely to be additional cost	unlikely to be additional cost	Of the 5 publications, 2 are \$24/yr, 2 are \$28/yr and one is \$60/yr.
<i>Resource</i> subscription	provided free to all regular employees	unlikely to be additional cost	unlikely to be additional cost	\$25
sub total for 5		\$0.00	\$0.00	less than \$100 per yr

6. Additional improvement	elements of cost	Harvard's cost per person	cost for all EPTs ~500	cost to the person to buy this perk
TDA participation in 403b Tax-Deferred Annuity Plan for all casuals	Administrative costs will be small if participation is low. no contributory cost to University	Anticipate minimal marginal costs unless participation exceeds 100	small add'l cost	Possibility of 20% salary deferral
sub total for 6		\$0.00	\$0.00	