

2017-19 Biennium Budget Decision Package

Agency: 376 The Evergreen State College

Decision Package Code/Title: N2 Compensation - Exempt

Budget Period: 2017-19

Budget Level: PL - Performance Level

Agency Recommendation Summary Text: This request seeks the funding necessary to provide a 4% increase in professional exempt salaries and associated costs of benefits each year of the 2017–19 biennium. Competitive salaries are necessary to recruit and retain a quality professional staff that can advance the goals set forth in Results Washington to achieve a World Class Education and the Washington Student Achievement Council's (WSAC) ten-year roadmap to increase educational attainment in Washington set forth in Roadmap 2015.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
General Fund State 001-1	573,048	1,169,018	1,169,018	1,169,018
Total Cost	573,048	1,169,018	1,169,018	1,169,018
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0.0	0.0	0.0	0.0
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
A-Salaries and wages	489,785	999,161	999,161	999,161
B-Employee benefits	83,263	169,857	169,857	169,857

Package Description

- **Background:** The Evergreen State College (Evergreen) is committed to providing the highest quality educational opportunities to students, to maintaining an innovative public liberal arts college, and to the goals set forth in Results Washington to achieve a World Class Education and the Washington Student Achievement Council's (WSAC) ten-year roadmap to increase educational attainment in Washington set forth in Roadmap 2015.

Compensation remains an important factor in staff retention. Increasingly, our professional staff in critical areas such as enrollment and student support services, are being recruited by other institutions, in part based on higher compensation. The Evergreen State College (Evergreen) competes for staff in national and emerging international labor markets. In June 2016, the state unemployment rate was 5.8 percent (seasonally adjusted) and the national unemployment rate was 5.1 percent (not seasonally adjusted) according to the U.S. Bureau of Labor Statistics (BLS). In March 2015 (the most recent year available), BLS reported that the unemployment rate for employees with a baccalaureate degree was 2.8 percent in 2015. The

unemployment rates for employees with master's degrees and doctoral degrees were 2.4 and 1.5 percent respectively. As a result, Evergreen is faced with trying to recruit highly qualified professional staff and faculty in a very tight labor market.

- **Current situation:** Evergreen has dedicated significant local resources to compensation for exempt staff in an effort to bring salaries close to the 50th percentile of our peers based on 2014 and 2015 surveys of the College and University Professional Association for Human Resources (CUPA-HR). Across-the-board pay increases will be necessary to prevent erosion of these salaries from this benchmark.
- **Proposed solution:** In order to sustain the improvements to salaries that were funded by the state and local funds at Evergreen during the 2015–17 biennium and ensure that the progress that we have made to date is not eroded, Evergreen requests state funds to support salary increases of 4% and the associated costs of benefits for each year of the 2017–19 biennium. Funding this request will allow Evergreen to deliver salary increases for exempt employees that are necessary to providing compensation that is competitive with our peers and the global labor market.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information).

In FY 2017, Evergreen will spend an estimated \$12,244,616 for salaries and \$ 4,201,089 for associated employee benefits in operating funds for 183.8 FTEs.

Decision Package expenditure, FTE and revenue assumptions, calculations and details: Agencies must clearly articulate the workload or policy assumptions used in calculating expenditure and revenue changes proposed.

- This request seeks to increase exempt salaries by 4% in each year of the 2017–19 biennium. The request does not anticipate any increases to the number of exempt FTEs or any increases in the cost of associated employee benefits that are not linked to the cost of salaries.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

The ability to recruit and retain professional exempt staff has a direct influence on the ability of Evergreen to continue to provide a high quality, accessible higher education to our students. Professional staff provide essential support to the delivery of quality academic programs and services that foster student success and maintain strong performance in time to degree completion. We would be able to maintain our current level of competitiveness with other employers who are competing for qualified staff in a highly competitive labor market.

Performance Measure detail:

Fully describe and quantify expected impacts on state residents and specific populations served. What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	Yes	Identify: This request seeks funding to provide a 4% increase in exempt salaries for each year of the biennium.
Does request require a change to a collective bargaining agreement?	Yes	Identify: While most exempt employees are not represented, there is a group of exempt staff at Evergreen who are represented by a union.
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

What alternatives were explored by the agency and why was this option chosen?

Current resources are inadequate to provide locally-funded, across-the-board pay increases to exempt staff. Due to current statutory constraints, Evergreen is prohibited from increasing tuition by more than 2.1%, which is insufficient to cover the costs associated with maintaining competitive salaries. Some of our exempt staff are represented by a union, and we will need to provide any pay increases that are negotiated in the collective bargaining agreement (CBA).

What are the consequences of not funding this request?

New restrictions that limit increases in tuition levels for resident undergraduate students coupled with the requirements of the collective bargaining agreements for represented faculty and staff would result in significant financial hardship or risk the loss of critical personnel for Evergreen, if funds are not provided for salary increases. Our ability to recruit and retain professional staff will be severely hindered. Likewise, we will be required to meet the terms of the CBA that covers a portion of our exempt staff. The consequences could be critical if key staff leave, and we are unable to recruit replacement staff at current salary levels.


How has or can the agency address the issue or need in its current appropriation level?

The only way to increase professional salaries within the current budget would be to reduce the number of professional staff positions. Such reductions would result in the loss of programmatic support and services to students, an outcome that is counter-productive to the overarching goals of the College and the state of Washington that are focused on student success and degree completion. Such reductions could potentially impact student retention and time to degree completion resulting in fewer graduates as well as increased costs to students and families.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

N/A

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

☒ No 

☐ Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)