



THE EVERGREEN STATE COLLEGE

October 4, 2013

Mr. David Schumacher, Director
Office of Financial Management
Insurance Building
PO Box 43113
Olympia, WA 98504-3113

Subject: 2014 Supplemental Operating Budget Request Submittal

Dear Mr. Schumacher:

The Evergreen State College is submitting the College's 2014 Supplemental Operating Budget request in accordance with the guidelines published August 14, 2013. For the first time since 2007, the 2013-15 biennial budget provided Evergreen with a fully-funded maintenance level budget, an investment in state funding, and a commitment to reduce the financial burden for students and their families. The biennial budget increased the state share for Evergreen from 34.3% to 38.5%, allowing Evergreen to continue to serve Washingtonians in meeting the state's higher education goals. Evergreen's Board of Trustees has adopted a biennial spending plan to manage the College's resources within this framework.

Evergreen's supplemental budget request asks for two technical corrections to the biennial budget to provide for equity and consistency within the overall budget policy established in the state's 2013-15 operating budget. Evergreen seeks funding for the classified collective bargaining agreement negotiated in 2012 and approved by the Legislature in 2013. Although the biennial budget approved the agreement, the budget did not provide funding for the agreement. This is a departure from the state's past practice and does not appear to reflect the state's overall budget policy. Other state agencies, including some higher education institutions, received funding for the new Step M in the negotiated collective bargaining agreements. Evergreen requests a technical budget correction that would provide a state general fund appropriation for the cost of the new Step M.

Evergreen also requests a non-discretionary change to budgeted enrollment levels for the College in the 2013-15 biennium. The biennial budget increased Evergreen's budgeted enrollment levels

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from 4,213 to 4,335 for the biennium. This change was not discussed during the legislative session and appears to be driven by a formula that did not have the benefit of institutional consultation. Given the practical difficulties in adding enrollments on such short notice and the policy implications of demographic projections for the college-going student population, such a change would require more review and more lead time. Evergreen requests a technical budget correction that would restore the College's budgeted enrollment levels to 4,213 FTE.

The 2013-15 biennial budget served as a critical decision point for Washington higher education. Though we expect that state funding will be limited in the upcoming biennium, we believe that the 2014 supplemental budget must maintain the investments in higher education made in 2012 and 2013. Without maintaining the existing investment and providing the opportunity for additional investment Washington will continue to be at the cusp of negatively impacting, perhaps permanently, the state's ability to continue to rebuild our economy and create a well-prepared citizenry. Affordability, quality, and access are all still very much at risk in Washington. Any reductions to higher education in the supplemental session threaten to escalate this risk statewide.

With the state funding and policy context in mind and Evergreen's commitment to continue to serve Washingtonians in meeting the state's higher education goals, the College has developed a 2014 supplemental budget that meets the criteria identified by the Governor. The technical corrections in this request focus on providing consistency and equity across higher education and state government. In addition, this request provides the opportunity for the state to continue to partner with Evergreen around additional investments focused on improving student, staff and faculty retention and recruitment to further enable Evergreen to be a national and state leader in moving students through to their degree goals.

We look forward to working with you to support higher education's role in meeting the goals of the state and serving Washingtonians well. Please let us know if you have any questions regarding our submittal.

Sincerely,

Steve Trotter
Executive Director of Operational Planning and Budget
The Evergreen State College
2700 Evergreen Parkway NW
Olympia, Washington 98505

Celebrating 40 Years of Successful Pathways to Educational Opportunities

376 The Evergreen State College

Decision Package : PL-P4 Collectively Bargained Agreement

Budget Period: 2014 Supplemental Operating Budget Request

Budget Level: Policy Level

Agency Recommendation Summary Text:

The Evergreen State College is committed to providing the highest quality educational opportunities to students. In order to maintain this quality and remain an innovative public liberal arts college, it is imperative Evergreen is able to attract and retain a high quality faculty and staff. Equally important, is the process of building back morale after years of back-to-back budget cuts and sacrifice. Grossly underpaid in comparison to peer institutions, Evergreen is beginning to see and feel the negative effects of the past five years.

Evergreen, is requesting that a technical adjustment be implemented in the 2014 supplemental budget to consistency apply funding for classified collectively bargained agreements. It is important to note that Evergreen's negotiated contract parallels the changes approved for general government in that employees will receive an additional step M beginning on July 1, 2013 followed by a 1% general increase scheduled for July 1, 2014. However, the current 2013-15 operating budget inconsistently treated higher education differently than the rest of state government. In addition some institutions in higher education received funding and other did not. Funding of this request would make a uniform state-wide funding policy for these collectively bargained agreements, providing the resources necessary to pay for negotiated costs at Evergreen.

Increasingly Evergreen has experienced multiple failed searches for faculty and staff vacancies, with salary cited as a primary reason for declination. Further, top Evergreen faculty and staff are being recruited by other institutions, in large part based on higher compensation. Evergreen competes for faculty and staff in a national and emerging international market, and our ability to provide competitive compensation has reached a critical point.

This request is the result of a successful labor contract negotiation process that recognizes the difficult financial condition in our state budget in which a tentative agreement has been reached and ratified by labor and approved by the College Board of Trustees. This request would implement an additional step M to our salary grid and would continue the additional 1 day per year personal leave day beginning July 1, 2013. In addition this agreement would provide a 1% general salary increase on July 1, 2014 consistent with the overall approach used in general government contracts.

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Fiscal Detail:

| Operating Expenditures | FY 2013-14 | FY 2013-15 | Total |
|-------------------------------|-------------------|-------------------|--------------|
| 001-1 State General Fund | \$254,535 | \$354,121 | \$608,656 |
| 149-6 Operating Fees | -0- | -0- | -0- |
| <i>Total Cost</i> | \$254,535 | \$354,121 | \$608,656 |
| FTE's | | | |
| A - Salaries | 211,646 | 294,416 | 507,048 |
| B - Employee Benefits | 42,889 | 59,705 | 101,608 |
| <i>Total Objects</i> | \$254,535 | \$354,121 | \$608,656 |

Package Description:

This request would provide the funding for Evergreen's 2013-15 collective bargained agreement with the Washington Federation of State Employees. The agreement would provide an additional step M to our compensation grid and would continue the Personal Leave Day each year of the ensuing biennium. In addition, this request would provide a general 1% salary increase to all Evergreen classified staff beginning July 1, 2014.

What specific performance outcomes does the college expect?

This request is a first-step in a multi-biennial effort to improve Evergreen's ability to recruit and retain high-quality faculty and staff while improving staff morale and productivity. The recruitment and retention of faculty directly impacts students in the classroom. The recruitment and retention of staff directly impacts students outside of the classroom. Without the ability to attract highly qualified staff and faculty the ability for the College to ensure a quality and continuous curriculum for students to achieve their degree goals is at risk. As a result this places at risk Evergreen's current high performance with regard to degree completion and time to degree.

Is this decision package essential to implement a strategy identified in the college's strategic plan?

The funding to improve faculty and staff recruitment and retention will allow the college to continue to make progress on strategic goals while operating in an ever increasingly complex changing labor and management environment. Specifically these funds would be used to enhance Evergreen's tradition as an experimental public liberal arts college devoted to scholarship, teaching, and learning, and strengthening its commitment to our original principles remains intact, while adapting to growth, new students, and a new generation of faculty. Evergreen would

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achieve this by implementing the strategy to deepen the teaching and learning experience at Evergreen by focusing on student success and the recruitment, retention, and revitalization of faculty and staff.

Does this decision package provide essential support to one of the Governor's priorities?

This package directly contributes to the goals identified in the Governor's Washington Results frame work for higher education that focus on strategies to increase the percentage of the population attending higher education and to increase certificates and degrees completions that are important to Washington's future.

Faculty and staff are critical in Evergreen's current success in degree completion and time to degree. Already, the recruitment and retention of high-quality staff and faculty assists the College in meeting priorities as follows:

- Maintaining and expanding the more than 354 articulation agreements Evergreen has with over 25 Washington community colleges.
- Ranking in the top-third of the nation, per capita, for sending students on to receive research doctorates.
- Igniting innovation through entrepreneurial activities. Twelve percent of alumni have started a business or are self-employed.
- Receiving over 30 National Science Foundation grants in the past decade alone.
- Ranking as high-performing for level of academic challenge in the National Survey of Student Engagement.
- 51% of our students are female
- 47% meet the federal definition of low-income
- 26% of our high-demand Science students are first generation college students
- 39% are age 24 or older
- Fall-to-fall retention rate for high-demand science students is 80%
- Of the 2011 graduates who had focused their studies in high-demand sciences and applied for graduate school, 92% were offered admission.
- Within one year of graduation, 23% of 2011 graduates who had focused in high-demand science had enrolled in graduate or professional programs
- Three years after graduation, 25% of the employed alumni of the class of 2008 were working in high demand science occupations.
- Among alumni who had focused in high-demand sciences, 59% were employed in high-demand science occupations.

Does the decision package make key contributions to statewide results?

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Improving the recruitment and retention of high-quality and faculty directly impacts statewide results for degree completion, time to degree, and credit efficiency for higher education in Washington. Evergreen leads Washington's public baccalaureates in time to degree and credit efficiency. Evergreen ranks second in four-year graduation rates among Washington's public baccalaureate institutions. Finally Evergreen is serving key student populations identified as priority groups by the state including low-income students, first generation, and students of color. Eighty-one percent of all baccalaureate degrees awarded to Evergreen's Class of 2011 were earned by students who identify as traditionally underserved. Nearly 50% of all baccalaureate degrees awarded in the 2010-11 academic year were awarded to Pell Grant recipients.

What are the other important connections or impacts related to this proposal?

There is a direct relationship to the level of K-12 and Community College graduates who are expecting access to academic programming at Washington's public baccalaureate institutions. This is especially true with the first graduating class of eligible College Bound students from K-12.

In addition the ability for Evergreen to move students successfully and in a timely manner to degree completion directly impacts efforts by the state to reduce unemployment levels and to educate Washingtonians for Washington careers. According to the most recent Evergreen alumni survey (2010) within one year of earning a baccalaureate degree 71% of alumni were employed.

What alternatives were explored and why was this alternative chosen?

Evergreen did explore continuing a partnership with the Washington Labor Relations Office with regard to bargaining. However given the unique nature of the bargaining units on campus, their complexity, and their growing number the College believes that taking this role on internally is both cost effective and critical to the improvement of faculty and staff recruitment and retention in the long-term.

What are the consequences of not funding this package?

Without additional funding to support efforts to improve faculty and staff recruitment and retention Evergreen's current performance in meeting the state's goals for higher education is at risk. The recruitment and retention of faculty and staff play key roles in the College's ability to continue to offer quality academic programs to Evergreen's students and maintain strong performance in time to degree and degree production.

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What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Which costs and functions are one-time? Which are ongoing? What are the impacts in future biennia?

All costs reflected in this package would be on-going.