
Celebrating 40 Years of Successful Pathways to Educational Opportunities

376 The Evergreen State College
Decision Package : PL – N1 Faculty Compensation

Budget Period: 2015-17

Budget Level: Policy Level

Agency Recommendation Summary Text

The Evergreen State College seeks funding to achieve and sustain average faculty salaries at the 75th percentile of peers. Competitive salaries are necessary to recruit and retain a quality faculty to advance the Governor's educational agenda, the Washington Student Achievement Council's (WSAC) ten-year roadmap to increase educational attainment in Washington, and deliver Evergreen's interdisciplinary curriculum.

Based on the most recent Integrated Postsecondary Education Data System (IPEDS) of peer institution compensation levels, Evergreen's faculty will lag 5.5% behind in 2015-16 and 7% behind in 2016-17. Recognizing the limits of the state budget and the critical need for compensation Evergreen seeks to close the gap with a multi-biennia funding partnership with the Legislature. Evergreen requests funds to support a 4% per year compensation in 2015-17 and a commitment for additional support in future biennia to achieve and sustain parity with peers.

Fiscal Detail:

Operating Expenditures	FY 2015-16	FY 2016-1	Total
001-1 State General Fund	\$638,198	\$1,301,923	\$1,940,121
149-6 Operating Fees	-0-	-0-	-0-
<i>Total Cost</i>	\$638,198	\$1,301,923	\$1,940,121
FTE's	0	0	0
A – Salaries	545,468	1,112,754	1,658,222
B - Employee Benefits	92,730	189,169	281,899
C - Contracts	0	0	0
E - Goods & Services	0	0	0
G - Travel	0	0	0
J - Equipment	0	-0-	0
<i>Total Objects</i>	\$638,198	\$1,301,923	\$1,940,121

Package Description

Background:

The recruitment, retention and development of faculty challenge the ability of Evergreen to continue to provide a quality, accessible higher education for Washingtonians. Evergreen's compensation levels continue to lag the market place and a larger portion of health benefit coverage is paid by employees. Competitive compensation and faculty retention play key roles in Evergreen's ability to continue to offer

Celebrating 40 Years of Successful Pathways to Educational Opportunities

quality academic programs to students and maintain strong performance in time to degree and completion.

Comparative data with Global Challenge State institutions rank Evergreen in the 15th percentile of that funding comparison group. The American Association of University Professors' annual survey of the IPEDS data places Evergreen faculty compensation 17% below the average of other public baccalaureate institutions in Washington.

Compensation remains an important factor in faculty retention. Increasingly top faculty are being recruited by other institutions, in part based on higher compensation. Evergreen competes for faculty in a national and emerging international market. Though the national and state unemployment rates hover around 5-6%, the unemployment rate for employees we are seeking (often a minimum of a baccalaureate degree and often with advanced degrees) hovers around 3-3.5% (U.S. Bureau of Labor Statistics shows an unemployment rate for baccalaureate degrees or higher for August 2014 of 3.2% seasonally adjusted and 3.6 not seasonally adjusted).

Current Situation:

Evergreen faculty are retiring at nearly five percent each year, challenging Evergreen's ability to recruit and retain high-quality faculty and creating a critical need for investment in developing and centralizing labor relations within the College.

In addition, each public institution of higher education is now responsible to collect and present meaningful peer salary data to local collective bargaining units and the Legislature to determine the funding needed to achieve a competitive salary goal (typically expressed as reaching a desired percentile of a peer group) and a strategy to achieve that goal.

Based on the most recent IPEDS analysis of peer institution compensation levels, Evergreen's faculty will lag 5.5% behind in 2015-16 and 7% behind in 2016-17. Recognizing the limits of the state budget and the critical need for compensation Evergreen seeks to close the gap with a multi-biennia funding partnership with the Legislature. Evergreen requests funds to support a 4% per year compensation in 2015-17 and a commitment for additional support in future biennia to achieve and sustain parity with peers.

Finally, a funding partnership with the state to close the compensation gap for Evergreen is critical. Students and families have increasingly bore the burden of financing their college education. Tuition cannot fund the College's compensation needs alone. Washington has experienced the second steepest tuition increase in the nation since the recession as a result of reductions to higher education during this same time to balance the budget. According to the Washington Budget & Policy Center Washington has cut funding for higher education by 27.8% (\$2,498 decrease per student) since 2008 after adjusting for inflation. To mediate the loss of funding, tuition and fees were allowed to rise by 60.7 percent (\$4,085 for the typical student). Evergreen students and families experienced a nearly 70% increase in tuition during this period, at a time when the College was serving a higher percentage of low-income students.

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Proposed Solutions:

Competitive compensation and faculty retention play key roles in Evergreen's ability to continue to offer quality academic programs to students and maintain strong performance in time to degree and completion. The Evergreen State College seeks a long-term funding partnership with the state to achieve and sustain average faculty salaries at the 75th percentile of peers. The College requests a 4% increase per year in the 2015-17 biennium and a commitment to partner for additional support in the future to reach the goal of 75th percentile of peers.

Evergreen has selected the Council of Public Liberal Arts and Colleges (COPLAC) complemented with the three Washington state regionals universities (Western, Central and Eastern Universities) as the most meaningful peer group. The selection of this smaller peer group will guarantee accurate, readily available annual data with institutions with similar missions and scale.

COPLAC is a consortium of 29 public colleges and universities in 26 states and one Canadian province. Established in 1987, COPLAC advances the aims of its member institutions and drives awareness of the value of public liberal arts education in a student-centered, residential environment.

COPLAC serves both external and internal constituencies. It communicates to state and federal policy makers the vital importance and benefits of providing students with comprehensive public higher education in the liberal arts and sciences. It collaborates with major national higher education organizations like the Association of American Colleges and Universities to advance the aims of liberal learning in a global society. And it partners with the Council on Undergraduate Research to advance student learning through a recognized high impact practice.

COPLAC campuses are small-to-medium sized (800-7000 students) and the focus is primarily on undergraduate education. As public institutions, COPLAC colleges and universities combine an egalitarian concern for access with academic rigor. Member institutions work to provide a transformative liberal arts education commensurate with that offered by North America's finest private colleges. Essential to this goal is a commitment to an extensive, integrated arts and sciences core curricula.

Narrative Justification and Impact Statement

What specific performance outcomes does the college expect?

The recruitment, retention and development of faculty challenge the ability of Evergreen to continue to provide a quality, accessible higher education for Washingtonians. Competitive compensation and faculty retention play key roles in Evergreen's ability to continue to offer quality academic programs to students and maintain strong performance in the goals of time to degree and completion, increasing participation and preparedness required to meet Washington's growing economy.

Performance Measure Detail

Peer group annual salary data will be available to evaluate and address the gap to the stated goal of the 75th percentile.

Celebrating 40 Years of Successful Pathways to Educational Opportunities

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

Yes, improving faculty compensation to achieve competitive salary levels is a very high priority in the college's strategic plan.

Reason for Change

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

This package is aligned with Governor Inslee's proclamation to provide a world-class education and, generally, a commitment to "the continuous improvement of services, outcomes, and performance of state government, to realize a safe, beautiful and healthy place to live and work". In addition this package is aligned with the Governor's commitment in Results Washington to create an economic climate where good-paying jobs can thrive and provide great livings and communities for generations of Washingtonians.

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

This package will promote the Washington Student Achievement Council's Roadmap Washington 2013 goal to foster excellence in educational attainment.

Impact on Clients and Services:

Faculty engagement is necessary to provide a quality educational experience for current and future students. Evergreen faculty's focus on direct student engagement is a cornerstone of the College's academic mission and exceeds that of our peers.

Impact on other state programs:

N/A

What alternatives were explored and why was this alternative chosen?

A funding partnership with the state to close the compensation gap for Evergreen is critical. Students and families have increasingly bore the burden of financing their college education. Tuition cannot fund the College's compensation needs alone. Washington has experienced the second steepest tuition increase in the nation since the recession as a result of reductions to higher education during this same time to balance the budget. According to the Washington Budget & Policy Center Washington has cut funding for higher education by 27.8% (\$2,498 decrease per student) since 2008 after adjusting for inflation. To mediate the loss of funding, tuition and fees were allowed to rise by 60.7 percent (\$4,085 for the typical student). Evergreen students and families experienced a nearly 70% increase in tuition during this period, at a time when the College was serving a higher percentage of low-income students. Evergreen requires a long-term strategy and partnership with the Legislature.

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What are the consequences of adopting or not adopting this package?

The funding required for competitive faculty salaries cannot be passed on to students after a decade of tuition increases that have more than doubled the cost of attendance. Failure to provide legislative support for competitive salaries will put Evergreen increasingly behind the college's peers.

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

Expenditure and Revenue Calculations and Assumptions

Revenue Calculations and Assumptions:

Expenditure Calculations and Assumptions:

Cost of Faculty Salary Increase	2015-16	2016-17	2015-17
2014-15 Base	13,636,690	13,636,690	27,273,380
Percent Increase Year 1	4.0%	4.0%	
Salary Increase Amount	545,468.00	545,468	1,090,936
Associated Benefits	92,730	92,730	185,460
Total Cost of First Year Increase	638,198	638,198	1,276,396
Percent Increase Year 2		4.0%	
Salary Increase Amount		567,286	567,286
Associated Benefits		96,439	96,439
Total Cost of Second Year Increase		663,725	663,725
Grand Total Cost of Increase	638,198	1,301,923	1,940,121

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

All costs associated with compensation increases are on-going.