
Successful Pathways to Educational Opportunities at Evergreen

376 The Evergreen State College

Decision Package : PL – N2 Professional Staff Compensation

Budget Period: 2015-17

Budget Level: Policy Level

Agency Recommendation Summary Text

The Evergreen State College seeks funding to achieve and sustain average professional staff salaries at the 60th percentile of peers. Competitive salaries are necessary to recruit and retain a quality professional staff in order to maintain the College's commitment to provide the highest quality educational opportunities for students and to advance the Governor's educational agenda and the Washington Student Achievement Council's (WSAC) ten-year roadmap to increase educational attainment in Washington.

Based on the most recent College and University Professional Association for Human Resources (CUPAHR) survey, Evergreen's professional staff compensation levels lag 4% behind the median for comparable positions. The Economic Research Institute survey, which focused on the Olympia labor market, shows Evergreen's professional staff's average compensation levels are approximately 10% below the median for comparable positions. 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 the labor market.

Fiscal Detail:

Operating Expenditures	FY 2015-16	FY 2016-1	Total
001-1 State General Fund	\$477,810	\$974,732	\$1,452,542
149-6 Operating Fees	-0-	-0-	-0-
<i>Total Cost</i>	\$477,810	\$974,732	\$1,452,542
FTE's	0	0	0
A - Salaries	\$408,385	\$424,720	\$833,105
B - Employee Benefits	\$69,425	\$72,202	\$141,627
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>	\$477,810	\$974,732	\$1,452,542

Package Description

Background:

The recruitment and retention of professional staff challenges 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.

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Competitive compensation and professional staff retention play key roles in Evergreen's ability to continue to support quality academic programs and services to students necessary to maintain strong performance in time to degree and completion.

Based on the most recent College and University Professional Association for Human Resources survey, Evergreen's professional staff lag 4% behind the median for comparable positions. The Economic Research Institute survey, which focused on the Olympia labor market, shows Evergreen's professional staff's average compensation levels are approximately 10% below the median for comparable positions.

Compensation remains an important factor in professional staff retention. Increasingly professional staff are being recruited by other institutions, in part based on higher compensation. Evergreen competes for professional staff in a national 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:

Nearly one-third of the college's staff will be eligible to retire over the course of the next two to three years, challenging Evergreen's ability to recruit and retain high-quality professional staff and creating a critical need for investment in developing and centralizing labor relations within the College. In addition, staff are doing more with less as the College freezes hiring for vacant positions combined with a climate of uncertainty with regard to job security.

Furthermore, 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 College and University Professional Association for Human Resources survey, Evergreen's professional staff lag 4% behind the median for comparable positions. The Economic Research Institute survey, which focused on the Olympia labor market, shows Evergreen's professional staff's average compensation levels are approximately 10% below the median for comparable positions. 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 in 2015-17 and a commitment for additional support in future biennia to achieve and sustain parity with the labor market.

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

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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.

Proposed Solutions:

Competitive compensation and professional staff retention play key roles in Evergreen's ability to continue to support quality academic programs and services to students necessary to 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 professional staff salaries at the 60th 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 60th percentile of peers.

Evergreen has selected the several salary surveys to in order to benchmark professional staff compensation rates to the appropriate peer groups. The selection of these peer groups will guarantee accurate, readily available annual data with similar positions in the labor market.

Narrative Justification and Impact Statement

What specific performance outcomes does the college expect?

The recruitment and retention of professional staff challenges the ability of Evergreen to continue to provide a quality, accessible higher education for Washingtonians. Competitive compensation and professional staff retention play key roles in Evergreen's ability to continue to support quality academic programs and services to students necessary to maintain strong performance in time to degree and completion.

Performance Measure Detail

Peer group annual salary data will be available to evaluate and address the gap to the stated goal of the 60th percentile.

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

Yes, improving professional staff 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

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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:

Professional staff engagement is necessary to provide support to a quality educational experience for current and future students. Evergreen professional staff's focus on direct student engagement and service is a cornerstone of the College's mission and is necessary to maintain Evergreen's strong performance in time to degree and completion.

Impact on other state programs:

NA

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.

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

The funding required for competitive professional 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 labor market.

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

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Revenue Calculations and Assumptions:

Expenditure Calculations and Assumptions:

Cost of Professional Staff Salary Increase	2015-16	2016-17	2015-17
2014-15 Base	10,209,627	10,209,627	20,419,255
Percent Increase Year 1	4.0%	4.0%	
Salary Increase Amount	408,385.00	408,385	816,770
Associated Benefits	69,425	69,425	138,850
Total Cost of First Year Increase	477,810	477,810	955,620
Percent Increase Year 2		4.0%	
Salary Increase Amount		424,720	424,720
Associated Benefits		72,202	72,202
Total Cost of Second Year Increase		496,922	496,922
Grand Total Cost of Increase	477,810	974,732	1,452,542

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.
