

State Board for Community and Technical Colleges

Compensation Study Task Force Report

July 31, 2008

Following the 2007 legislative session, the State Board for Community and Technical Colleges established a constituent-based task force to study faculty and exempt employee compensation issues. Membership included state board members, trustees, presidents, labor representatives (including full-time and part-time faculty from both WEA and AFT-Washington), and state board staff. ([Attachment A – Task Force Membership](#)) The Task Force held its initial meeting in October with five additional meetings occurring in the winter, spring and early summer of 2008. ([Attachment B – Meeting Dates/Primary Agenda Items](#))

The group was tasked with developing objective information and making recommendations that address full- and part-time faculty and exempt staff compensation funding, allocation and structure with the intent of establishing and maintaining market competitiveness, internal equity and flexibility to meet the particular needs of colleges. ([Attachment C – Problem Statement](#))

This report summarizes the data collection efforts upon which recommendations are based. The detailed reports are included as attachments. A listing and discussion of the policy recommendation appears at the end of this report.

DATA REVIEW

The process of collecting and reviewing the data evolved into a focus on information internal and external to the Community and Technical College (CTC) system.

The first phase, collection and review of Washington State data, was completed by State Board staff. This included information on salary trends and governance primarily for the K-12 and CTC systems. Issues related to governance, funding, and historical demographic and salary information was shared and discussed. ([Attachment D – Governance and Data](#); [Attachment E – K-12 Teacher and Administrator Salaries](#)) Through a survey, information was collected and shared related to faculty and exempt employee recruitment and retention difficulties. ([Attachment F - Recruitment and Retention Survey](#))

The second phase, consisting primarily of gathering and analyzing data from other states, was completed by MGT of America, a consulting firm. MGT identified four comparative groups: national, regional, Global Challenge States, and a custom MGT generated list of states. For each of these groups, salary data, governing rules, taxing authority, and related information

was generated and a comparison made to Washington data. ([Attachment G – Final Report, Faculty and Administrator Salary Study](#))

FINDINGS

While national and peer state data was being collected, the Task Force developed a preliminary list of data findings. Additional findings, based on the comparative work completed by MGT, were subsequently discussed by the committee and added to the list.

These findings were designed to bring focus to the issues and became the basis for the policy options and recommendations. They were grouped under the following headings: Demographics, Governance and Authority, Compensation/Benefits in Washington, Recruitment/Retention; Comparative Salary Data. ([Attachment H - Findings](#))

RECOMMENDED POLICY OPTIONS

During its last three meetings, the Task Force developed and discussed a set of policy options that would address the data findings. Consensus was reached on items related to the System's 2009-11 operating budget request. ([Attachment I – Compensation Study Task Force Draft Recommendations for the 2009-11 Operating Budget](#)) The policies supporting the fund request are summarized immediately below.

Cost of Living Adjustments

Statute, based on a citizen initiative (I-732), provides COLAs to faculty and technical college classified staff based on the King County Consumer Price Index. Since 2005, general salary increases for exempt employees have been linked to the increases determined by civil service employee collective bargaining. This difference has created equity and salary compression/inversion issues within the CTC system. The Task Force recommends that exempt staff receive COLA adjustments on the same basis as faculty and technical college classified staff, with respect to the annual percentage increase and the timing of those increases. To do this on a permanent basis, a statutory change will be required.

Adjust to peer average

In addition to COLAs provided under I-732, the Task Force is recommending that annual increases be provided to faculty and exempt staff to catch up to the average salaries in the seven Global Challenge States (GCS) identified in the Washington Learns Final Report.

As noted above, the consultant identified four comparative groups (regional, national, GCS, and custom). For faculty and exempt, each group had a higher average salary, adjusted for regional cost differences, than Washington. Remaining consistent with recent policy directions established by the Governor and the Legislature, the GCS benchmark was selected as it represents the most comprehensive group of states

against which Washington competes in the global economy. That is, Washington's economic competitiveness can most appropriately be measured against the GCS.

Average faculty salaries are 12.7% behind the GCS average. Exempt staff salaries are 14.2% behind the GCS average. Recognizing the difficulty with bridging this gap in one biennium, the Task Force is recommending that a 2.12% annual premium be added to the I-732 COLA amount each of the next six years for faculty. Exempt employees should receive a 2.37% annual premium per year for six years. Regular analyses and surveys should be conducted to measure the progress being made and to make annual adjustments as necessary.

Faculty Increments

Faculty increments should be provided at no less than 0.8% of the full- and part-time faculty salary base. This is consistent with the System's direction during the last three years. Developing faculty, attracting new faculty, and ensuring continuous learning on behalf of students, requires predictable and stable step increases. Increment funds should be provided in the maintenance level of the state budget.

Part-time Faculty Equity

Following more than ten years of targeted funds to bring part-time faculty salaries more in line with full-time salaries, progress has been made. However, funds provided from the legislature are consistently lower than amounts requested by the system and there is still progress to be made. The Task Force is recommending a renewed commitment to this effort. \$22.5 million continues the multi-year effort to ensure equal pay for equal work.

Part-time to full-time faculty conversions

The taskforce recommends that the System continue to pursue funds to convert part-time positions to full-time. In its last meeting, the Task Force agreed that the System should pursue funding for 102 conversions, resulting in each college receiving sufficient funds to convert three part-time positions to full-time. Given the unique needs at each college, particular disciplines should not be identified by the Legislature or State Board, but should be addressed locally.

POLICY OPTIONS THAT FAILED TO ACHIEVE CONSENSUS

Three major policy issues failed to gain Task Force consensus. These items are subject to future conversations but are not included in the recommendations at this time:

Differential pay for in-demand disciplines

Data indicates that there are some disciplines where the pool of candidates are small or shrinking, suggesting that there is a "market" challenge in attracting people to teach in these areas. These "in-demand" disciplines may vary between institutions and regions. Examples, based on small candidate pools, include nursing, electrician, welding, allied

health, computer information systems, automotive technology, engineering and biosciences. The Task Force shared concerns that the data is not definitive and that market driven increases create inequities. Because the discipline areas may vary between colleges and over time, concern was also expressed on the possibility that the identification of disciplines on a state-wide basis would not be effective and may encroach on local collective bargaining. While there was no consensus on this option, it was recognized that the actual identification of in-demand disciplines should be made by local decision makers.

Eliminate restrictions on the use of state and local funds for salary improvements

Data provided by the consultant (MGT) suggests a correlation between salary levels in other states and the ability to access local funds. The Task Force discussed this option without much detail on the various implementation options. However, there was some discussion about expanding faculty collective bargaining to include negotiations covering salary increases funded by the college employer through use of any available state or locally generated operating funds. That is, local bargaining on faculty salaries would include the amount of the college's budget available to supplement salary increase funds provided by the Legislature.

Concerns were raised that some local funds would not provide the stability needed to sustain the long-term commitment that salary increases represent. Concerns were also expressed on:

- The potential for increased pressure to raise tuition to pay salary increases.
- The use of local funds, if available, could cause the Legislature to rely more heavily on these sources, shifting a greater portion of the salary cost to the colleges.
- Reliance on local funds for salaries could increase disparity between colleges, as there are significant differences between the colleges' ability to generate revenue (in terms of student mix, tuition yields, grants/contracts, entrepreneurial efforts, etc.). (Universities in Washington currently have this authority, though salary increases provided under this authority are not permitted to be included for purposes of calculating future COLAs.)

Capture local tax dollars for college operations

Several states are funded in-part by local tax dollars (primarily property taxes but also some sales and use taxes). States relying on local tax dollars to fund college operations generally have one of two distinct characteristics:

- The members of the local college board are elected officials; or,
- The college is connected to or a function of a government entity that has an elected board or council (county government, city government, or local school district).

Several Task Force members voiced concerns that pursuing local tax options would represent a substantial policy shift and could be coupled with a move to elected boards. Concern was also expressed about the need to campaign and the resulting competition between colleges and K-12 school districts for local levy funds. Finally, several members cited concerns related to the potential for the Legislature to shift funding support for colleges from the state to local funding sources, resulting in further disparities between colleges as some levies pass while others fail.

NEXT STEPS

The State Board has adopted, in general terms, its 2009-2011 Budget Request. The Budget Request includes salary percentage or dollar increases consistent with the Task Force recommendations described above. The State Board also stated an interest in increasing the number of part-time faculty position conversions from 72 to 102 full-time positions, should the Task Force make that recommendation. The Task Force agreed to this increase during its July 2, 2008 meeting.

Some Task Force members expressed an interest in continuing to meet and dialogue on salary issues in general and on the issues not in consensus. It was agreed that the Task Force representatives would discuss with their various constituencies the possibility of having an on-going dialogue at the system level.