
COMPENSATION TALKING POINTS 2020

- The colleges desire to remain an important community asset but also to play an integral role in our state's workforce and economic strategies.
 - The colleges need to change the current course of funding reductions.
- Wages are not keeping pace with inflation nor are they competitive any longer.
- Hiring pools of qualified applicants are also shrinking.
- The colleges compete regionally and nationally for talent both in public and private, for-profit settings.
- The last meaningful state-funded pay plan for college employees was in FY09, at four percent, a year after a significant pay increase (FY08), when the state realized how far its compensation levels for employees had slipped.
- The pay increase from last year for all seven community colleges totaled only \$1,469,098, which will not be enough to cover the increasing health insurance premiums our employees face this year.
- The colleges are requesting \$7.5M for market adjustments.

Optional Responses

Provide copy of letter from community college presidents to the governor dated October 21, 2019.

What evidence do you have that wages are not competitive? The colleges use local, state and regional compensation benchmarks to set pay ranges and to place new hires within those ranges. Budget reductions have put further strain on existing employees including low state unemployment and inflation are [contributing factors].

Why aren't the colleges able to remain competitive? Being primarily a service-driven business, employment expenses are the largest expense category for the colleges and can be as much as 75%-80% of total costs. Even a small increase is difficult for the colleges to absorb. Benefits are currently competitive but base wages are not keeping pace with the market for a majority of positions. The colleges are struggling to protect benefits for employees as is evidenced by current health plan increases.

Is wage competitiveness an isolated issue with a few positions? No. The impacts are felt broadly [among employees].

What will the colleges do if the state cannot support wage increases this year? There will be a varied response. A couple of the colleges will attempt to mitigate the cost of new hires by a slight wage increase taken from college reserves to meet the short-term need yet fail to address wage compression effects. The rest of the colleges will continue the current course with no increases as budgets are already strained creating further inequities among college employees statewide.

On average, community college starting faculty salaries are \$5,500 below starting high school teachers based on aggregated statewide salary data.