

MEMORANDUM

To: President Houston Davis

From: Dr. Tammy M. Rogers; Chair, Strategic Planning and Resource Council (SPARC)

Date: December 4, 2017

Re: Ranking of New Funding Proposals for FY 2019

The Strategic Budget Advisory Committee (SBAC) met on November 28, 2017 to review the fiscal year 2019 proposals submitted for review by the executive staff of the University and make recommendations about prioritization of the proposals. Executive Staff presented 16 proposals for additions or modifications to the University budget to SBAC on October 24, 2017. In addition, SBAC received the recommendations of the Staff Senate Compensation Committee and the Faculty Senate Salary Review Committee. The committee is forwarding these recommendations in full without additional consideration because SBAC determined in prior years that these should be funded as an ongoing part of operations of a healthy institution and not be debated as a strategic item each year. The recommendations of the representative body committees are included as attachments to this report.

Process

The committee members participated in two rounds categorization exercises prior to the November meeting. Voting members of the committee were asked to place each proposal into one of six categories with no more than four proposals in each category. The six categories are:

Category 1: Critical to Ongoing University Operations

Category 2: Required to meet regulatory requirements, legal requirements, or contractual requirements

Category 3: High Impact towards Mission/ Low Cost

Category 4: High Impact towards Mission/ High Cost

Category 5: Low Impact towards Mission/ Minimal Cost

Category 6: Low Impact towards Mission / High Cost

The results of the second round where 16 of 20 voting members participated in categorizing each proposal into one of six categories are included as an attachment as well.

The committee then met and reviewed the results and discussed the proposals further to develop their final recommendation.

Recommendations

The following proposals were identified as critical to ongoing operations and/or required to meet legal consideration:*

- Academic Affairs Proposal 1: Visiting, New, and Grant Funded Faculty Commitment
- Academic Affairs Proposal 3: New Faculty
- Finance & Administration Proposal 1: Capital Maintenance Funds
- University Relations Proposal 2: Online Employee Benefits Software

The following proposals were identified as having the highest potential impact on achieving the mission of the university and are given the highest priority by the committee:*

- Academic Affairs Proposal 2: Faculty Development, Support, and Recruitment
- Academic Affairs Proposal 4: Software, Licenses, Equipment, General Office Supplies
- Academic Affairs Proposal 6: Affiliate Faculty
- Academic Affairs Proposal 7: Student Recruitment and Program Expansion
- Advancement Proposal 1: Director of Planned Giving

The following proposals were identified as having a high potential impact on achieving the mission:*

- Academic Affairs Proposal 5: Staff Positions
- Student Services Proposal 1: Hispanic/Latino Outreach Initiatives Coordinator
- Student Services Proposal 4: Institutional Grant Program Expansion

The following group of proposals were other priorities recommended for consideration from the executive staff:*

- Advancement Proposal 2: Director of Development for Student Services
- Student Services Proposal 2: Engage Co-Curricular Learning Program
- Student Services Proposal 3: Program Coordinator for Alcohol and Drug Abuse Prevention
- University Relations Proposal 1: Expansion of the Arkansas Coding Academy

*Please note proposals are listed in alphabetical order by division and proposal number in each category. There is no further priority implied within the categories.

Attachment 1

Memo

UCA

To: Tammy Rogers
Chair, SBAC

From: David McCalman
Chair, Faculty Salary Review Committee

CC: SBAC

Date: October, 2017

Re: Committee Recommendations for Faculty Salaries 2018/19 and After

Comments:

The Faculty Salary Review Committee has determined two prioritized recommendations to report to SBAC. These recommendations are in addition to any Cost Of Living Adjustment (COLA) based on a generally accepted metric, such as the CPI. As COLAs are, according to sound ongoing operating business practices, regular and structural additions to compensation packages, the FSRC assumes their normal application in appropriate years. The Committee also believes that COLAs should regularly apply to part-time, adjunct and overload faculty.

First, the FSRC continue to recommend adjustments to faculty salaries in order to reach median salaries by rank and discipline as reported by CUPA (College and University Professional Association). As of the latest available reporting from full-time continuing faculty in the Fall of 2016, the difference amounted to \$2.751 million annually, a disparity widened over the last two available reporting periods. FSRC recommends the phased elimination of this difference over a course of years, to be accomplished primarily via equity pool and merit allocations. We recommend that the Torreyson Library faculty be included in this initiative. Institutional Research estimates that at current levels, all faculty can be raised to at least 85% of CUPA median by allocation of \$393,102 in the first year of a phased raise.

Second, the FSRC recommends a phased raise for part-time, adjunct and overload course instructors. The increase would be \$246 to get to \$2900 per 3-credit hour course for the 2018-2019 year, followed by an increase of \$200 per course in each of years 2019-2020 and 2020-2021, to reach \$3300 per 3-credit hour course. In any case, the committee recommends that this category be included in any COLA, as it was in the last year for the first time since at least FY 2000.

Attachment 2

STAFF SENATE COMPENSATION COMMITTEE PROPOSAL

The Staff Senate Compensation Committee presents this salary proposal to the Strategic Budget Advisory Committee on behalf of classified and non-classified staff at the University of Central Arkansas. This proposal is a continuation of the previous five-year plan, which was initially put forth in the 2012 fiscal year.

2017-2018 COMPENSATION COMMITTEE MEMBERS

Jenna Davidson, Co-Chair
Lesley Graybeal, Co-Chair
Tachia Awbrey
Lori Hudspeth
Karen Pruneda
Marie Smallwood

PURPOSE

The committee's charge is to assess the past year salary proposal and measure results, along with developing a future five-year salary plan. For 2016-2017, the committee recommended a 3% Cost of Living Adjustment (COLA) (See Appendix A for Key Terminology) for both classified and non-classified staff.

CONSIDERATIONS

In May 2017, the university began a study of non-classified staff salary and equity. A survey was sent to division heads and disseminated to supervisors of non-classified staff to include information on equivalent positions at Arkansas institutions and College and University Professional Association (CUPA) data. Institutional Research located average salaries based on the information provided in the surveys. The goal of the survey is to provide an estimate of the funding required to adjust non-classified staff salaries to market levels. The results will then be presented to the Board of Trustees by December 2017.

Classified staff were not included in the salary equity study at this time because they were under the Office of Personnel Management at the time the study was initiated. Since that time, classified staff have been moved to the Arkansas Department of Higher Education, but are still governed under the old state pay plan. Once the Arkansas Department of Higher Education develops a new pay plan for university employees, the university will conduct a separate salary equity survey for classified staff.

PAST UCA SALARY HISTORY

The committee would like to reflect on UCA's recent history of salary increases for each classification of employee.

FISCAL YEAR	CLASSIFIED	NON-CLASSIFIED
2008-09	2%	0%
2009-10	OPM Pay Plan	0% (\$300 bonus 12/2009)

2010-11	88 employees moved to Base Level 7/1/10 2% for remaining classified from 1/1/11	2% for those employed beginning 4/1/10 thru 9/30/10 2.25%
2011-12	0%	0%
2012-13	0% (\$1,000 bonus 9/30/12)	0% (\$1,000 bonus 9/30/12)
2013-14	3% (1-3% Merit Bonus)	3%
2014-15	2% (1-3% Merit Bonus)	2% (2% bonus)
2015-16	1%	1%
2016-17	0% (1.5-4.5% Merit Bonus)	2% (\$500 bonus)
2017-2018	3%*	1.5% planned for 1/1/18

*2% COLA for classified staff was awarded in July 2017 from 2016-2017 funds which were reserved for this purpose. An additional 1% is planned for January 2018.

PROPOSAL

The Staff Senate Compensation Committee proposes the following salary increases over the next five fiscal years:

FISCAL YEAR	UNIVERSITY STAFF	ESTIMATED FUNDS**
2018-2019	3% COLA, 1% Merit/Equity/Recruitment Pool	\$1,630,964
2019-2020	3% COLA, 1% Merit/Equity/Recruitment Pool	\$1,679,893
2020-2021	3% COLA, 1% Merit/Equity/Recruitment Pool	\$1,730,290
2021-2022	3% COLA, 1% Merit/Equity/Recruitment Pool	\$1,782,199
2022-2023	3% COLA, 1% Merit/Equity/Recruitment Pool	\$1,835,665

**Estimated funds were calculated based on total staff salaries of \$31,125,270 for 2017-2018, which includes the 1% COLA for classified staff and 1.5% COLA for non-classified staff planned for January 2018.

RECOMMENDATIONS

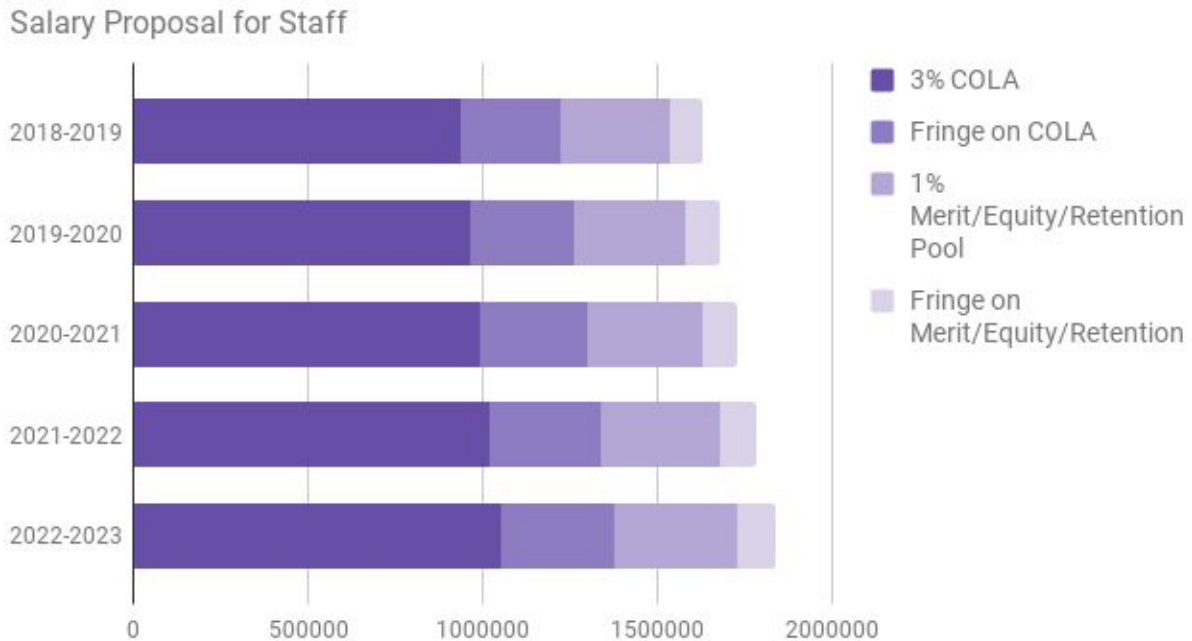
The committee recommends:

- Awarding a 3% COLA for classified and non-classified staff for the next five fiscal years
- Establishing a \$435,000*** merit/equity/recruitment pool for awarding salary increases based on performance evaluations, market salaries, and supervisor recommendations
- Adjusting non-classified staff salaries to market value based on the salary equity study, beginning with employees found to be furthest from the median
- Conducting a salary equity study for classified staff at the earliest opportunity

- Until such time as a new pay plan is available for classified staff, the committee continues to encourage supervisors to pursue reclassification of classified employees as the best avenue for increasing classified staff salaries.

***\$432,951 is the five-year average from 2018-2023 to create a merit/equity/recruitment pool representing 1% of total staff salaries, assuming a 3% COLA beginning in 2018-2019.

FUNDING



The graph above represents the total funds required for our proposals.

CONCLUSION

The 2018 Fiscal Year presents challenges and opportunities related to staff salaries. We appreciate the university's efforts to examine salary equity for staff and present data-driven recommendations to the Board of Trustees for raising staff salaries. While we would like to be able to offer more concrete recommendations regarding equity increases for non-classified staff at this time, we hope that the survey results will provide an opportunity for actionable steps in the near future. Similar efforts are needed to raise salaries for classified staff, who have been excluded from salary increases in the past and continue to be restricted by the old state pay plan. We are also hopeful that the relocation of classified staff under the Arkansas Department of Higher Education will offer more flexibility and new opportunities to raise classified staff salaries to market values. If a new pay plan for classified staff is not available for several years, the committee will continue to advocate for supervisors to pursue reclassification of classified employees to higher-paid positions, following the statewide position cycles, as the best avenue for pay increases for classified staff.

APPENDIX A: KEY TERMINOLOGY

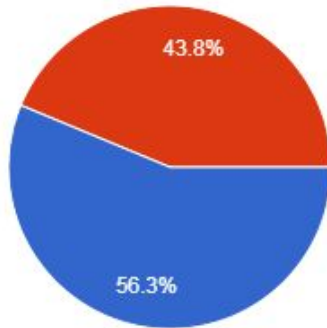
- Cost of Living Adjustment (COLA) – a pay increase of equal percentage for all employees. The purpose of the COLA is to ensure that the purchasing power of an employee’s salary is not eroded by inflation.
- Equity Pay - an increase in pay to address situations where employees with similar roles within the institution are compensated at different levels. This is meant to ensure equal pay for equal work.
- Equity Pool - a “pool” of funds set aside specifically for Equity Pay increases.
- Merit Pay - an increase in pay based on the performance of the employee. These types of increases should be based on a set of criteria established and reviewed during the employee's Annual Evaluation.
- Merit Pool - a “pool” of funds set aside specifically for Merit Pay increases.
- Recruitment Pool - a “pool” to attract and retain qualified employees.

Attachment 3

Second Round of SBAC Categorization Results

Academic Affairs 1 - Visiting, New, and Grant Funded Faculty Commitment

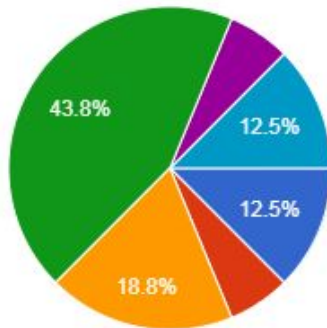
16 responses



- Category 1 - Critical to Ongoing University Operations
- Category 2: Legal or Contractual Obligation
- Category 3: High Impact towards Mission and Low Cost
- Category 4: High Impact towards Mission and High Cost
- Category 5: Low Impact towards Mi...
- Category 6: Low Impact towards Mi...

Academic Affairs 2 - Faculty Development, Support, and Recruitment

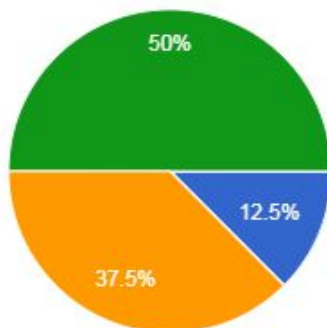
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Academic Affairs 3 - New Faculty

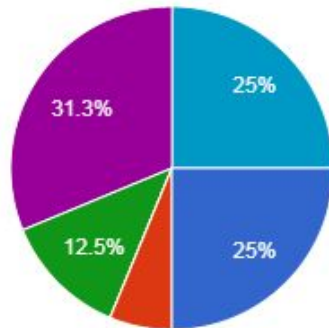
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Academic Affairs 4 - Software, Licenses, Equipment, General Office Supplies

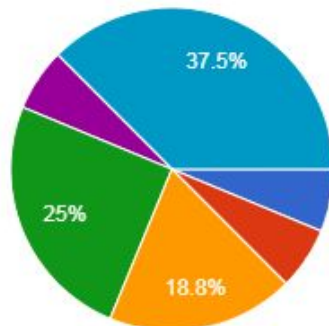
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Academic Affairs 5 - Staff Positions

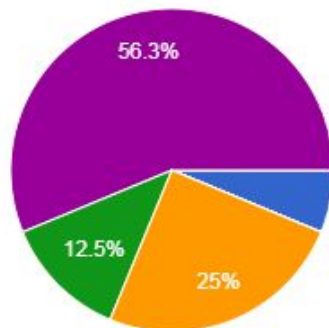
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Academic Affairs 6 - Affiliate Faculty

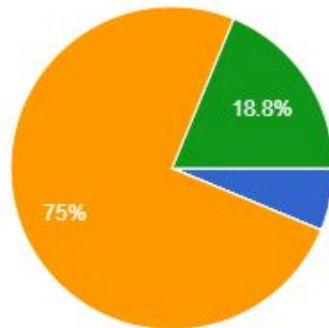
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Academic Affairs 7 - Student Recruitment and Program Expansion

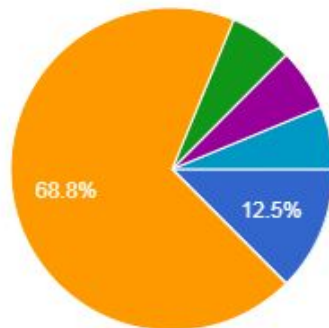
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Advancement 1 - Director of Planned Giving

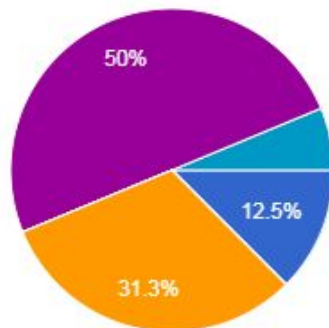
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Advancement 2 - Director of Development for Student Services

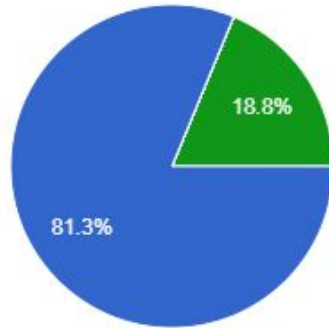
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Finance & Administration 1 - Capital Maintenance Funds

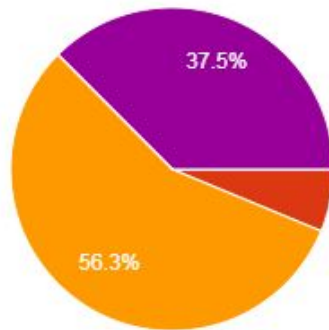
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Student Services 1 - Hispanic/Latino Outreach Initiatives Coordinator

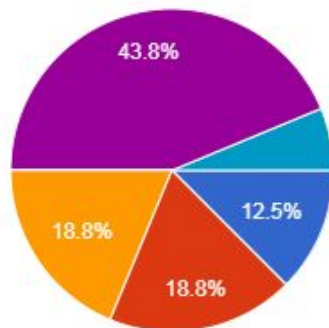
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Student Services 2 - Engage Co-Curricular Learning Program (OrgSync expansion)

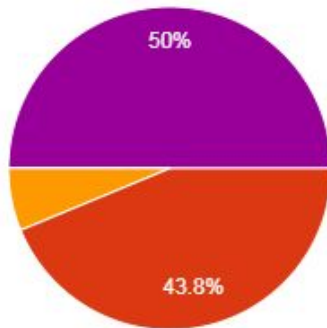
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Student Services 3 - Program Coordinator for Alcohol and Drug Abuse Prevention

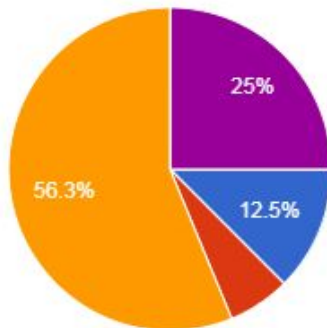
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Student Services 4 - Institutional Diversity Grant Program Expansion

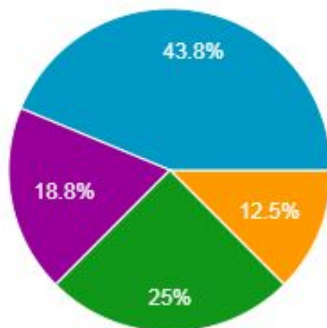
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University Relations 1 - Expansion of Arkansas Coding Academy

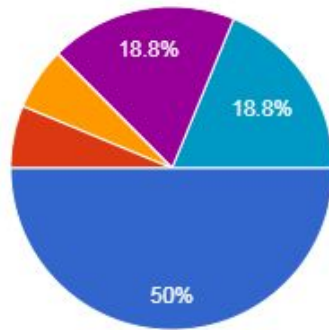
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University Relations 2 - Online Employee Benefits Software

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