



LARAMIE COUNTY
COMMUNITY COLLEGE
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OFFICE OF THE PRESIDENT
Dr. Joe Schaffer

September 12, 2018

The Honorable Matthew H. Mead
Governor of Wyoming
Idelman Mansion
2323 Carey Ave.
Cheyenne, WY 82002-0010

RE: Employee Compensation Plan

Dear Governor Mead:

On behalf of the presidents of Wyoming's seven community colleges, it is my pleasure to submit this letter to you providing our perspective on the significant need for an employee compensation plan that will help the colleges mitigate growing issues with recruitment and retention.

We realize you are well aware of the crossroads at which Wyoming now finds itself – with the challenges for economic diversification and holding onto our current, let alone growing future populations of engaged citizens for the betterment of our communities. Your efforts with the ENDOW initiative are to be applauded. Within the State's 20-year plan for economic diversification, the heavy reliance on the work of the community colleges to help achieve our shared aspirations is clear.

Yet, at a time when the State is expecting more from us, we are operating under considerable strain. The pressures on our resources and employees are already significant, as they likely are across most educational entities and State agencies. We are all still feeling the impacts of the budget reductions and loss of employees from the FY17/FY18 biennium. In addition, our employees are having to contribute more of their paycheck for increases in retirement contributions and to pay for raising health insurance premiums.

The last State-funded pay plan for our employees was nearly four years ago, and at just two percent, was not even enough to cover the increases to basic costs of living. The last meaningful pay plan was arguably 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. Although small incremental increases were given between FY09 and the last increase in FY15, these have not been enough for compensation to remain competitive or at the least to off-set inflationary pressures.

As a result, with reduced budgets already upon us, the colleges have had to reallocate existing resources to make cost of living adjustments (COLA) and market adjustments to address increasing employee retention and recruitment issues. This means we have had to further reduce our precious resources to just sustain our educational offerings and services, leaving little for new initiatives. This has further hampered our ability to respond to State expectations for increasing educational attainment and the aggressive agenda set forth in the ENDOW 20-year plan.

Let me share with you some specific data points that illustrate the challenges we are facing.

- Wyoming's unemployment rate has recently hit 10 year lows¹: May 2018 - 3.7%; June 2018 - 3.7%; July 2018 - 3.7%. This is occurring while at the same time the Wyoming labor force is decreasing, as a result of out-migration. Both are having an impact on the number of quality candidates in our candidate pools and the retention of key employees.
- We continue to see affordable housing shortages in many of our communities. Wyoming's single family home prices far exceed the U.S. average, and the cost has escalated more than 18% between 2010 and 2017².
- Inflationary pressures have outpaced any adjustments in compensation our employees have received. For example, between 2010 and the end of 2017, Wyoming witnessed more than 14% inflation³.

These pressures are having real impacts on our colleges' ability to recruit and retain a high-quality workforce. Here are just a few examples.

- **Casper College:** Our employees have not received a pay increase since July 1, 2015 unless it was for an educational movement for the achievement of an advanced degree. Over the past fiscal year, Casper College has had 39 resignations from permanent, benefitted positions and 31% of those resignations were for people who cited one of their main reasons for leaving was a better opportunity with more pay. More recently Casper College has failed two different searches because of compensation levels and we have had seven different searches that have yielded five or fewer qualified candidates. Casper College also finds itself drastically lagging with market based salary comparisons for specific positions due to the inability to stay up with the market without annual incremental increases.
- **Central Wyoming College:** Over the past year at CWC we have had 19 resignations, 11% of our workforce. Of those, the majority have left to pursue advanced opportunities at higher wages. During this same time, we have had 4 failed searches, with specific difficulty in hiring for Nursing Faculty and professional IT positions. Among the top reasons for the failed searches and resignations is the compensation level for these positions. Specific to our faculty, we have difficulty in competing with local K-12 school districts as they have seen rising and competitive wages for their instructional staff. For our CTE instructors (nursing, welding, etc.), we struggle in competing with industry rates to recruit a retain top talent.
- **Eastern Wyoming College:** We last received a salary schedule update in December 2011. For the last three years, we have had failed searches for seven positions (1x Administrative, 3x Faculty, 2x Professional Staff, 1 x Classified Staff) which were directly attributable to

¹ United States Bureau of Labor Statistics available at <https://data.bls.gov/timeseries/LASST5600000000000003>.

² Federal Housing Finance Agency Data prepared by the Wyoming Economic Analysis Division available at http://eadiv.state.wy.us/housing/house_index.pdf.

³ Wyoming Economic Analysis Division cost of living data available at <http://eadiv.state.wy.us/wcli/inflation.pdf>.

low compensation or unqualified candidates. Additionally, 25 benefitted employees have departed their EWC job for another position that paid higher wages in the last three years. The costs of interviewing and bringing qualified people to campus ranges from \$1,000 to \$2,000; with concerns about whether they will stay in a position that is not competitive with other community colleges.

- ***Laramie County Community College:*** Over the past year, LCCC has failed nine different searches, as we have been unable to hire preferred candidates because of compensation levels. More recently, we have had six different searches that have yielded five or fewer qualified candidates. Last year, LCCC had 40 resignations from permanent, benefitted positions, the vast majority leaving for opportunities that provided higher wages. Our struggles in recruiting and retaining employees are especially acute in high demand industries such as healthcare and technical occupations.
- ***Northwest College:*** Northwest College monitors compensation levels through a variety of sources such as CUPA, PACE, Mountain States, and the State of Wyoming. Over the past few years we have continued to note a steady erosion of competitive compensation levels for all employees on campus. The results of this decline started to strongly affect the College in fiscal 2018 with 11 failed searches, some failing multiple times, due to a lack of viable candidates using current compensation levels. For the first time in over 10 years, we had double digit turnover (20%) and several positions are paid at levels more than 10% below market. In last year's campus employee survey (PACE), over 49% of our employees were either dissatisfied or very dissatisfied with their compensation levels. With the higher education industry experiencing large numbers of retirements and a strong economy for job prospects, retaining experienced, knowledgeable, and committed employees is more critical than ever.
- ***Northern Wyoming Community College District:*** As a result of our inability to offer competitive salaries, NWCCD Sheridan and Gillette Colleges are losing key staff to competing employers in both communities. In the case of faculty our entry level salaries are in some cases 80% of what our school districts are paying. The problem is becoming particularly acute in the areas of our applied, technical and health care faculty. These programs are a contributing factor in the strength of our local economies but we won't be able to keep this up if we continue to lose faculty and are unable to replace them. Just in the past year we lost two welding faculty due to low compensation. One of the positions has been posted for over a month now with zero applicants. These faculty are typically very hard to find and the low pay just adds to the challenge. In our advanced and precision machining programs we have lost faculty in the past year due to low compensation and in the process of hiring a replacement lost the best candidate due to salary. We tried to hire a program graduate (2017) but even he was already making \$20K more in the field than we could offer.
- ***Western Wyoming Community College:*** Over the last year, 40 full-time/benefitted employees have resigned from Western. Of those, 40% left to pursue higher wages and advanced opportunities. We have had two failed searches for Registrar (vacant for over a year) and Instructional Designer with applicants for both positions citing pay as a major issue. We now have an upcoming vacancy in the vice president of administration. The previous vice president left for significantly higher pay. In the faculty ranks, we are challenged to hire technology and industry faculty at current compensation rates and with the competition for industry positions.

Like Wyoming's bootstrap tenacity, we too are prepared to dig in, do the work requested and required of us, and find ways to help the State succeed in attaining its goals and those of the community colleges. But we have to have a quality and sustained workforce in place, and as you can see from the examples above, we are facing significant challenges.

In summary, we believe that an employee pay plan is essential at this time, if we are to retain and recruit the best and the brightest. These are the individuals that will help us realize the aspirations and future set forth in the ENDOW 20-year plan. As the economic picture of Wyoming has improved slightly and provided some relief in State revenues, now is the time to make these investments in our State employees. Based on these evidence, we would ask that you incorporate such a plan in your FY20 supplemental budget.

Governor Mead, we sincerely thank you for your time and consideration in this matter and for your unwavering and continued support of Wyoming's seven community colleges. If I can provide any additional information or clarification, please do not hesitate to have your staff reach out. We value your partnership and look forward to continuing the legacy of work you have orchestrated during your time leading as Governor of the Great State of Wyoming.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Joe Schaffer', with a stylized flourish at the end.

Joe Schaffer, Ed.D.
President

c: Dr. Sandy Caldwell, Executive Director, WCCC
Saundra Meyer, Chair, WCCC
Ernie Over, President, WACCT
Community College Presidents Council