**Attracting and Supporting High Quality Faculty and Staff**

**Applicable Vision Statement Elements**

[1] Stephen F. Austin State University (SFA) will have a distinct and stellar reputation based on the transformational learning experiences we provide for all our students in an exceptional setting. We will not use the term "transformational" lightly. We will be deeply committed to providing high impact, experiential learning for all SFA students.

[2] Our students will be engaged and empowered. They will know that we care about them and that we have high expectations for their performance and success. Our students will graduate with the marketable skills and qualities necessary to be leaders in their respective fields. Employers will seek out our students because of a demonstrated reputation of a solid work ethic. Their moral compass will be strong and true.

[4] We will achieve financial sustainability by meeting tough choices head-on and making smart decisions about the future of the university. We will diversify our revenue streams, allocate our resources strategically, increase our private funding, and achieve meaningful enrollment growth. We will invest in our people and achieve appropriate levels of compensation, reward, and recognition. Professional development for faculty and staff will be seen as an investment and not an expense because our people are the greatest asset we have.

##### [6] Our campus culture will be open, collaborative, and engaged. We will have an energetic and respectful workplace where civility, inclusivity, and accountability are guiding principles for everyone. We will become well known for the high quality of our faculty and staff. People will feel valued as employees of the university and work hard to sustain the sense of community that distinguishes us. Communication will be robust, transparent, and trusted.

**Strategy #1:** Provide salary support that reflects the importance of current faculty and staff and aids in the recruitment of new faculty and staff.

**Rationale:** A key component of attracting and retaining high quality faculty and staff is to ensure that they feel supported and valued through fair compensation that is in line with market (“equity pay”) and also rewards those employees who go above and beyond in their duties (“merit pay”). With respect to salaries, “market” will be used to describe salary comparison data obtained from the College of University Professional Association for Human Resources (CUPA).

**Action Step #1***:* Determine the resources necessary to bring faculty and staff salaries in line with the market.

Task #1: Aggregate median salary data by position for SFA employees and compare it to median salary data of the market to determine an estimate of the amount of funds necessary to bridge this equity gap.

Explanation: In order to determine how to develop the resources need to bring SFA employee salaries in line with those of the market, the amount of resources needed must be first determined.

Resources Needed: Median salary data by position for SFA employees and median salary data by position for faculty and staff of the market.

Immediate Targets: Determine approximate total amount necessary based upon current available data, which was completed in the Fall 2015 semester.

Long-Range Targets: 3 year initial long-term goal, and ongoing thereafter

Impacted Departments: N/A

Outcomes: We conducted this analysis by using median salary data from the College and University Professional Association for Human Resources (CUPA) surveys and found that for many positions, SFA pay was below the median. Based upon our analysis of this data, approximately $6.8m of additional funds will be necessary to fund this equity pay gap. These funds are necessary to fund an equity pay increase, and do not address the funding of merit pay.

Task #2: Calculate the funds necessary to fund the continuation of an annual minimum 2% merit pool to reward meritorious employees.

Explanation: While equity is an important issue, we believe that addressing only equity pay increases could have a strong negative effect on employee morale. This is because high-performing employees who are above the median pay level due to past merit increases may perceive it as unfair if other employees receive pay increases based upon equity while their pay stays the same, leading to the feeling that their high performance has not been rewarded. Thus, we believe that it is critical to campus culture and morale that while addressing the equity pay issue, SFA makes a resource commitment to fund a minimum 2% annual merit pool. This merit pool should be available to all meritorious employees and is in addition to any equity pay increases. Thus, a meritorious employee should be eligible to receive a pay increase from this merit pool regardless of whether or not the employee has received an equity pay increase.

Resources Needed: A budgetary analysis of the resources needed to fund a 2% annual merit pool.

Immediate Targets: Completed in the Fall 2015 semester.

Long-Range Targets: 3 year initial long-term goal, and ongoing thereafter

Impacted Departments: N/A

Outcomes: Based upon an analysis of the existing budget, the approximate funds necessary to fund a 2% merit pool over the next three years are:

1. $2,000,000 in fiscal 2017.
2. $2,040,000 in fiscal 2018.
3. $2,080,100 in fiscal 2019.

**Action Step #2**: Divide resources into categories and develop a suggested strategy for drawing from these categories to generate the resources needed to fund this strategy.

Task #1: Analyze the budget for broad categories of revenues or expenses from which SFA can draw to develop the resources necessary to fund equity and merit pay increases.

Explanation: Because SFA does not have limitless funds, the university financial situation must be analyzed to determine where either additional revenue can be brought in or where existing funds can be reallocated to fund proposed equity and merit pay increases.

Resources Needed: Information related to the university’s budget and financial position.

Immediate Targets: Determine broad categories of resources that can be utilized to fund the proposed strategy given current available data, which was completed in the Fall 2015 semester.

Long-Range Targets: 3 year initial long-term goal, and ongoing thereafter

Impacted Departments: N/A

Outcomes: Based upon our analysis of SFA’s current financial situation determined three broad resource categories that we recommend utilizing to address this goal: enrollment growth, tuition and fee increases, and budget reallocations. We recommend that these three categories be used flexibly with respect where the necessary funds may be drawn, but within each of these categories we developed the following recommended broad targets and strategies to guide decision making on how to utilize each category:

1. Enrollment growth – in order to fund 1/3 of our equity and merit pay goals from this resource category, SFA needs 2% annual enrollment growth (approximately 6,500 semester credit hours). This enrollment growth can be derived from new student enrollment as well as increased student retention.
2. Tuition and fee increases – we recommend a 2% increase in tuition and fees for FY 2017, with any future tuition increases to be in line with other state institutions and taking into account flexibility which may be obtained by gains in other resource categories.
3. Budget reallocations – while no specific targets or recommendations are made, the budget should be examined on a regular basis to try to free up resources to fund this goal, taking into account student needs, strategic goals, and institutional efficiencies that can be developed. These budget reallocations may include savings from operational efficiencies (for example, in a previous year energy savings from changes to operations were used to fund a pay increase) as well as efficiencies realized from rethinking programming and instructional needs at the department and/or college levels to best utilize resources.

**Action Step #3:** Develop specific goals and timelines for both the merit pay and equity pay funds.

Task #1: Utilizing all of the information derived from the analysis conducted in the first two action steps, develop a specific implementation plan with timelines and goals for this strategy.

Explanation: We realize that accomplishing this strategy will require significant funds and thus will require buy-in and effort from all stakeholders in our campus community in order to be successful. However, we believe it is important to health, strength, and growth of our institution to move expediently on this process in order to show constituents progress towards completing these goals. To measure progress towards accomplishing this strategy, we believe specific timelines and goals are critical.

Resources Needed: N/A

Immediate Targets: Completed in the Fall 2015 semester.

Long-Range Targets: 3 year initial long-term goal, and ongoing thereafter

Impacted Departments: N/A

Outcomes: We recommend that SFA engage a 3 year resource commitment to reach at least a 90% salary equity level as well as to fund an annual minimum 2% merit pool, utilizing the resource categories and targets outlined in Action Step # 2.

With respect to equity pay, we recommend that SFA engage a 3 year resource commitment to reach **at least** a 90% salary equity level, phased in over the three years as follows:

1. 80% equity in fiscal 2017.
2. 85% equity in fiscal 2018.
3. 90% equity in fiscal 2019.

With respect to merit pay, we recommend that SFA engage a 3 year resource commitment to fund an annual **minimum** 2% merit pool, as follows:

1. $2,000,000 in fiscal 2017.
2. $2,040,000 in fiscal 2018.
3. $2,080,100 in fiscal 2019.

We recognize that supporting high quality employees through equity and merit pay is an ongoing process. Thus, after this initial three year period for which we have recommended specific goals, SFA should commit to continuing to analyze resources and salaries on an ongoing basis to ensure that our high quality employees are supported and valued with fair compensation.

Strategy #2: Provide attractive quality of life support and incentives for current and new faculty and staff that reflect a professional environment.

**Rationale:** We believe that while pay is important, high quality employees do not work solely for a paycheck. We want all employees to feel that their work is meaningful, fulfilling, important, and valued and that the SFA community makes their life better beyond just providing a paycheck. Thus, SFA should strive be a great place to work. This involves SFA providing important quality of life support and incentives that are not directly tied to pay.

**Action Step #1:** Determine quality of life support and incentives that SFA can provide to employees that will enrich their workplace experience.

Task #1: TBD.

Explanation:

Resources Needed:

Immediate Targets: Spring 2016

Long-Range Targets: N/A

Impacted Departments: N/A

Outcomes: N/A

**Action Step #2:** Determine the resources necessary to provide this quality of life support to employees.

Task #1: TBD.

Explanation:

Resources Needed:

Immediate Targets: Spring 2016

Long-Range Targets: N/A

Impacted Departments: N/A

Outcomes: N/A

**Action Step #3:** Develop a plan for providing these quality of life support and incentives to relevant employees.

Task #1: TBD.

Explanation:

Resources Needed:

Immediate Targets: Spring 2016

Long-Range Targets: N/A

Impacted Departments: N/A

Outcomes: N/A