

# **DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

## **FY 2013 Budget Development Proposed Pay Adjustments**

**DCCCD Board of Trustees**

**June 5, 2012**

# Proposed Pay Adjustments – Contingent on Local Funding Decisions

- Cost of Living Adjustment, up to \$11.37 million
  - 2 options for consideration
  - faculty, staff, administrators
  - full-time, part-time
- Competitive Market Adjustments-  
Faculty \$1.0 million

Note: these are only the top priority pay adjustments. As Board disposition on local funding is determined, proposals for remaining pay issues will be advanced. If necessary, pay issues will be presented for resolution in successive budget years.

# Proposed COLA catch-up Rate

• 7.54% increase*	\$13.35 million
less “caveat provision”	<u>(\$1.98 million)</u>
Adjusted Catch-Up Cost	\$11.37 million or 6.4%

\*7.54% = change in CPI, Feb. 2008 to Feb. 2012

note: each 1% of salary increase = \$1.77 million

# Caveat – COLA “Catch-Up” Effort

- In Nov. 2009, FT & LFT employees were granted a \$300/year increase to offset increased cost of health insurance premiums. Cost was \$963,300. In a year when CPI change was near -0-, this would likely have been the only pay adjustment.
- In Sept. 2011, FT & LFT employees were granted a \$625/year increase to offset increased cost of health insurance premiums (for prior year and current year). Cost was \$1,981,250
- Had COLA increases been granted in these most recent years, the COLA would have likely eclipsed the adjustments for increased dependent health premiums; perhaps only COLA would have been granted.
- The \$1.98 million should be a deduction from the amount of any COLA catch-up increase.

# COLA Proposal #1

- Apply uniform 6.4% “adjusted catch-up” rate to all employees
- Faculty, Staff, Administrators
- Full-time & Part-time
- Estimated cost: \$11.37 million

# COLA Proposal #2

- Stratify percent-of-increase based on annual base pay levels (all FT and PT employees)
  - Up to \$100K 6.4%
  - More than \$100K, less than \$200K 5.75%
  - More than \$200K 5.0%
- Estimated cost: \$11.32 million

# Proposed Competitive Market Adjustments: Full-time Faculty Minimum

- Current Minimum Base Pay:
  - Tarrant \$47,800
  - Collin \$42,024
  - Dallas \$40,000
- Adjust minimum base pay by 6.4% COLA percentage \$2,560
- Additional adjustment to base pay \$1,250
  - this additional amount would also go to current FT faculty in addition to COLA

# Proposed Competitive Market Adjustments: Full-time Faculty Minimum

Regional minimums AFTER adjustments:

– Tarrant	\$47,800
– Dallas	<b>\$43,810</b>
– Collin	\$42,024



# Proposed Competitive Market Adjustments: Full-time Faculty

- Minimums for all four DCCCD faculty ranges would be adjusted in same manner: 6.4% plus \$1,250
- DCCCD faculty range maximums would be adjusted up on a proportionate basis
- Current FT faculty would receive pay increase of 6.4% of current pay, after which \$1,250 will be added
- Estimated cost for \$1,250 adjs:        \$1 million

# Proposed Competitive Market Adjustments: Part-time Faculty

- Current pay for 3-credit hour course:
  - Collin \$2,085
  - Tarrant \$2,015
  - Dallas \$1,969
- Adjust adjunct pay by 6.4% COLA percentage
- Proposed pay for 3-credit hour course: **\$2,095**
- Cost of increase already in total for proposed COLA pay increases (\$11.37 million or \$11.32 million)

# End Notes

- These proposals represent the highest priority pay adjustment needs.
- These proposals would require increase in tuition rate or tax revenues or both.
- Further study and further budgetary commitment are required to fully develop long-range competitive compensation plan for faculty, professional support staff and administrators.
- These proposals represent a “good start”.
- Collin and Tarrant faculty pay data are from TCCTA 2012 Survey.

# Impact of Tuition and Tax Increments

Additional Revenue Generated by Tuition Increase In \$1 increments		Additional Cost to FT Student each Semester (15 hrs)	
\$	Amount	\$	% increase
\$1	1,700,000	\$15	2.22%
\$2	\$3,400,000	\$30	4.44%
\$3	\$5,100,000	\$45	6.67%
\$4	\$6,800,000	\$60	8.89%
\$5	\$8,500,000	\$75	11.11%
\$6	\$10,200,000	\$90	13.33%
\$7	\$11,900,000	\$105	15.56%
\$8	\$13,600,000	\$120	17.78%
\$9	\$15,300,000	\$135	20.00%
\$10	\$17,000,000	\$150	22.22%
\$11	\$18,700,000	\$165	24.44%
\$12	\$20,400,000	\$180	26.67%
\$13	\$22,100,000	\$195	28.89%
\$14	\$23,800,000	\$210	31.11%
\$15	\$25,500,000	\$225	33.33%

\*\*\*\*\*based on current enrollment levels\*\*\*\*\*

note: 15 credit hours currently cost \$675

Additional Revenue Generated by M&O tax increase in \$0.001/\$100 increments		Additional Cost to Homeowner of a \$131,780 home	
\$	Amount	\$	% increase
\$0.001	\$1,600,000	\$1.05	1.27%
\$0.002	\$3,200,000	\$2.11	2.54%
\$0.003	\$4,800,000	\$3.16	3.80%
\$0.004	\$6,400,000	\$4.22	5.07%
\$0.005	\$8,000,000	\$5.27	6.34%
\$0.006	\$9,600,000	\$6.33	7.61%
\$0.007	\$11,200,000	\$7.38	8.87%
\$0.008	\$12,800,000	\$8.43	10.14%
\$0.009	\$14,400,000	\$9.49	11.41%
\$0.010	\$16,000,000	\$10.54	12.68%
\$0.011	\$17,600,000	\$11.60	13.94%
\$0.012	\$19,200,000	\$12.65	15.21%
\$0.013	\$20,800,000	\$13.71	16.48%
\$0.014	\$22,400,000	\$14.76	17.75%
\$0.015	\$24,000,000	\$15.81	19.01%

\*\*\*\*\*based of current taxable assessed valuation\*\*\*\*\*

note: current M&O taxes for \$131,780 home, net of homestead exemption is \$83.17

# Needs Not Yet Met – annual amounts

• Compensation:			
– COLA “Catch Up”, for everyone (7.54% - FY12 adj.)			Fully used in 6/5/12 proposal
– Faculty Pay Issues, amount TBD.... up to		\$ 2.5 million	
– PSS & Administrative issues, amount TBD		\$ 0.8 million	
• Facilities Projects			
– \$86 million spread over 5 yrs (less \$5.5 million former MTN pmts)		\$11.7 million	
• Enhance Technology “Edge” Provision		\$ 2.0 million	
• Fully fund cost of facilities operations @ \$7.50/sq ft		\$ 4.5 million	
• Restore full funding to Visiting Scholar program		\$ 1.0 million	
• Provision for internal “Momentum Points”		\$ 2.0 million	
• Provision for instructional equipment upgrades		\$ 1.5 million	
• Retrofit closets, IP telephony upgrades, (5 years)		\$ 2.4 million	
• Provision for new program development		<u>\$ 1.0 million</u>	
	<b>Total</b>	<b>\$40.8 million</b>	

Use of balance TBD – further study required

\$11.4 million

\$1 million in 6/5/12 proposal

Note: Items above are listed in priority order