


**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, October 15, 2014– 9:00 A.M.**

TO: Business Affairs Committee of the Board of Trustees
FROM: James P. Spiewak 
DATE: October 10, 2014
SUBJECT: **Committee Meeting**

A meeting of the Business Affairs Committee of the Board of Trustees will be held on **Wednesday, October 15, 2014 at 9:00 A.M.** in the College's **Isadore A. Shrager Board Room, M2-1.**

AGENDA – PUBLIC SESSION

(1) Security Consulting Firm RFP (Action Item):

An RFP process was recently completed to identify a firm to provide consulting services to the College relative to its security operations and emergency response planning. Attachment A provides a detailed description of the security RFP process and an analysis of the four firms that were determined to be finalists for the contract. Staff is continuing its due diligence and is conducting reference checks and will present a recommendation and a justification for awarding the contract at the meeting.

(2) 2014-15 Budget Update (Information Item):

Mr. Spiewak will provide an overview of the College's budget status for fiscal year 2014-15. Early projections for the 2014-15 budget results will be provided based upon enrollments and expenditure patterns in the first quarter of the year.

(3) 2014 Financial Performance Indicators (Information Item):

The annual financial performance indicators were developed in collaboration with the Board to provide a snapshot of the College's current financial operating characteristics. Staff will present the 2014 Financial Performance Indicators. (See Attachment B.) These indicators incorporate the financial results for the 2013-14 fiscal year and include preliminary projections for the current year.

(4) Next Meeting Date

The next meeting of the Committee is scheduled for Wednesday, November 19, 2014 at 9:00 A.M. in the Isadore A. Shrager Boardroom, M2-1.

JPS/lm

Attachments

c: Mr. Matthew Bergheiser
Dr. Donald Generals, Jr.
Dr. Samuel Hirsch
Mr. Todd Murphy
Mr. Anthony Simonetta (For Information Only)
Jill Garfinkle Weitz, Esq.

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ATTACHMENT A

SECURITY CONSULTING FIRM RFP PROCESS

RFP Process for Security Consulting Firm

Background Information

Dr. Generals had requested that the College seek expert assistance for emergency planning and response. His request was reinforced by recent events. Additionally, the College would seek a thorough review of its safety and security operations including: use of technology and mass communication strategy, staffing, policies and procedures, internal and external communications, and training and awareness campaigns. Mr. Spiewak, Interim VP for Finance and Facilities, led a team of staff members who identified consulting firms and created a Request for Proposal. The staff members on the team in addition to Mr. Spiewak were: Lynette Brown-Sow, VP for Marketing and Government Relations; Sam Hirsch, VP for Student Affairs, Jill Weitz, VP for Human Resources and General Counsel, Harry Moore, AVP for Facilities and Construction Planning, Charles Schaffner, Manager of Safety and Security, and Marsia Henley, Manager of Purchasing.

RFP Process

Invitations to bid on a security consulting project for Community College of Philadelphia were sent to ten security firms. Seven firms participated in a pre-bid teleconference. All firms were given the option to tour the College's facilities.

The RFP included the following in the scope of work:

1. Review current emergency response management plan and provide appropriate recommendations.
2. Review and become familiar with College buildings and sites.
3. Seek input from appropriate stakeholders to include, but not limited to, President, Cabinet members, Director of Safety & Security, AVP, Facilities Operations, IT staff, Security staff, Emergency Response Management Team.
4. Review current Safety and Security policies and procedures related to emergencies and provide appropriate recommendations.
5. Review the roles and responsibilities of decision makers, security staff, emergency response management team, and other relevant personnel involved in emergencies and provide appropriate recommendations.
6. Review and evaluate the organizational structure and staffing level of the Department of Safety & Security and provide appropriate recommendations.

7. Provide recommendations as to the creation, amending, and/or monitoring of policies, procedures and objectives relative to emergencies.
8. Evaluate current facilities and technology (security cameras, access control, mass notification systems) in order to provide recommendations for most effective use.
9. Evaluate compliance with local, state and federal guidelines and provide appropriate recommendations.
10. Develop acquisition cost and total cost of ownership estimates for recommended facilities and technology improvements.
11. Review communication plans for both external and internal communications and provide appropriate recommendations.
12. Provide plans for the training of students, faculty, and staff to identify and respond to potential threats.
13. Provide plans for strengthening the overall awareness of security issues and the College's emergency response plans of students, faculty, and staff.
14. Provide a summary document of findings and recommendations (written report).
15. Provide project management to track progress, provide interim documentation and solicit input from stakeholders as needed.

Six vendors presented formal proposals. Four of the firms were invited to make presentations to College staff. The four finalists with their proposed costs are:

<u>Firm</u>	<u>Fee</u>	<u>Expenses</u>
FTI Consulting	\$139,200	\$ 5,800
Margolis Healy & Associates	96,000	none
Witt O'Brien's	178,980	19,063
Elert & Associates	91,850	11,888

Witt O'Brien's was dropped from consideration since their presentation was not received as positively by the team as the other three finalists and their cost was almost 40% higher than the next highest proposal.

Margolis Healy & Associates is a professional services firm specializing in campus safety, security, and regulatory compliance for higher education and K-12 schools. This firm of approximately 30 employees was formed in 2008 with the merger of Margolis & Associates and Strategic Security Consulting and is headquartered in Burlington, VT. In 2013, they were awarded a contract authorized by Congress to establish and operate the National Center for Campus

Public Safety. Recent clients listed as references include Tulsa Community College, Seattle University, and Rice University.

Margolis Healey & Associates presented a strong team for the project. The four individuals identified all have appropriate degrees and credentials. They have varied work experiences in higher education, in governmental planning, emergency management and training, and in law enforcement. The firm has worked with an extensive number of higher education entities. They clearly understand compliance issues in addition to security and emergency response concerns. Margolis Healey & Associates offered the lowest fee but also have allocated the lowest number of hours (480) to this engagement.

In regards to training efforts, Margolis Healey & Associates proposed to design and deliver an emergency exercise following NIMS standards; conduct a four-hour tabletop exercise; and to develop, in conjunction with staff, a curriculum for an emergency management orientation session for members of the College's executive staff, emergency response management team, essential employees and safety committee.

Elert & Associates is a security and technology consulting firm established in 1984. This firm has approximately 40 employees and is headquartered in Stillwater, MN with offices in five other states. Recent clients listed as references include City Colleges of Chicago, Front Range Community College in Colorado, and Connecticut State Colleges and Universities.

Elert & Associate's proposed team of five has solid credentials but limited work experiences in higher education. The two senior security consultants worked primarily in law enforcement; however, their presentation displayed that they have an excellent understanding of the risks facing an entity such as CCP. Although many of their higher education projects were primarily security technology-related, they were recently awarded a contract to conduct comprehensive security and vulnerability assessments for the Connecticut State Colleges & University system which includes 12 community college campuses. Elert & Associates offered the second lowest fee and allocated 548 hours to the project.

In regards to training, Elert & Associates presented six separate training programs.

FTI Consulting is a global business advisory firm that added a risk management practice in 2013 through the acquisition of Risk Solutions International. This firm is headquartered in New York, NY with offices in many major business centers throughout the world and has close to 3,900 employees worldwide. Recent clients listed as references include LaGuardia Community College, Teachers College and Central Connecticut State University.

FTI Consulting presented a strong team for the project. The four individuals identified all have unique work experiences that collectively, include higher education, risk management, and law enforcement. Of all the finalists, their client list was the most varied and included many Fortune 500 companies. They will use a minority consultant to perform the review of the College's security technology. Their proposed fee was the highest but they also allocated the most hours (746) to the project. In addition to their base fee, the firm quoted a fee of \$50,000 to develop and web-host an on-line, updatable version of the College's emergency response plan.

FTI proposed the most hours devoted to training and exercises. Their proposal included two separate classroom sessions (which the College could videotape) related to NIMS and Incident Command Systems as well as a four-hour tabletop exercise. They would also plan training for the various College departments including the College's executive staff, emergency response management team, essential employees, department heads and safety committee.

ATTACHMENT B

**2014 FINANCIAL PERFORMANCE REPORT
OCTOBER 15, 2014**

**2014 FINANCIAL PERFORMANCE REPORT
OCTOBER 15, 2014**

Current Evidence of Financial Viability

- Through successful operational efficiencies and cost containment strategies, the College has finished the fiscal year with slight operating budget surpluses in each of the last eleven fiscal years. Initially budgeted deficits in 2011, 2012, 2013 and 2014 were eliminated and small surpluses achieved.
- Strong liquidity. Average daily cash and investment balances in excess of \$40.5 million.
- Moody's bond rating (A1) was reassessed and reaffirmed in June 2012.
- Audits are consistently unqualified with no significant control weakness findings.
- Facility expansions and renewals are creating important enrollment growth opportunities.

Current Financial Challenges

- Levels of financial support from City and State.
- Large dependence on student tuition and fee revenues and associated federal aid to sustain College budgets.
- Growing vulnerability to shifts in Federal Financial Aid (Pell) policies.
- Many successive years of responding to tight budget scenarios has greatly limited degrees of freedom to respond to future revenue shortfalls.
- Slight decrease in credit enrollments.

CCP FINANCIAL PERFORMANCE MEASURES

OCTOBER 2014

FIGURE I

Average Monthly Operating Fund Cash and Investment Assets as a Percentage of Final Operating Budget Expense

	Average Monthly Amount of Operating Cash and Liquid Investments	% of Annual Expense
2005-06	\$28,909,469	30.4%
2006-07	\$33,923,655	34.6%
2007-08	\$40,065,045	39.1%
2008-09	\$42,902,426	40.1%
2009-10	\$45,390,373	40.4%
2010-11	\$48,696,232	40.6%
2011-12	\$42,258,724	35.3%
2012-13	\$43,316,313	36.1%
2013-14	\$40,687,625	33.1%

Comment: An upward trend is indicative of improved liquidity and the ability to withstand short-term fluctuations in revenue receipts.

Target: 25% (coverage for 3 months of operations) or higher.

Current Status: The purchase of the 15th and Hamilton Street property in the amount of \$5.8 million using College cash resources in the second half of the 2010-11 fiscal year reduced the College's liquidity. Recent tightening of federal cash-draw-down procedures for federal student financial aid dollars has delayed College access to these funds and also reduced average monthly liquidity. Current projections are that the College's liquidity position for 2014-15 will be similar to levels for 2013-14.

FIGURE II-A

**Unrestricted (Carry-Over) Fund Balances Including Quasi Endowment Funds
as Percent of Operating Budget Excluding the
Impact of the Post-Employment Health Benefit (GASB 45) Accrual**

Fiscal Year	Unrestricted (Carry-Over) Funds Prior to Recording Post-Employment Benefit Accrual	Operating Budget	Unrestricted Carry-Over Funds as a Percent of Budget
2004-05	\$9,692,958	\$94,728,456	10.23%
2005-06	\$11,682,218	\$95,054,502	12.29%
2006-07	\$17,051,787	\$98,088,111	17.38%
2007-08	\$22,349,410*	\$102,513,725	21.80%*
2008-09	\$24,578,300*	\$106,942,052	22.99%*
2009-10	\$31,164,140*	\$112,444,701	27.72%*
2010-11	\$31,967,219*	\$120,084,822	26.62%*
2011-12	\$32,240,063*	\$119,272,435	27.03%*
2012-13	\$32,317,599*	\$119,945,027	26.94%*
2013-14	\$32,490,145*	\$122,839,164	26.45%*

*Prior to recording GASB 45 accrual.

Comment: In fiscal 2008, the College was required to implement a new accounting reporting standard (GASB 45) which results in the College recording the estimated value of post-employment benefits for current and retired staff. This accrual for future expenses is being phased in over 30 years. The above chart shows the value of the College's unrestricted carry-over funds without the impact of reporting the GASB 45 post-employment health benefit accrual. Growth of unrestricted (carry-over) funds provides a resource to ensure stability in College operations in years of underfunding, as well as provides potential resources for one-time needs not fundable out of current-year budget resources. The GASB 45 post-employment health benefit accrual reduces the amount reported for unrestricted funds but has no impact on the College's cash position. [See Figure II-B]

Target: At the end of fiscal 2006, the Board set a target to maintain unrestricted funds at a level equal to 15% of the operating budget (prior to the impact of GASB 45).

Current Status: The 2014-15 fiscal year is currently projected to end with a small deficit. The ratio will remain essentially flat.

FIGURE II-B
Reported Value of Unrestricted (Carry-Over) Fund Balances
Including Quasi Endowment Funds
with the Impact of the Post-Employment Health Benefit (GASB 45) Accrual

Fiscal Year	Cumulative Value of GASB 45 Annual Accrual	Reported Value of Unrestricted Carry-Over Funds Including Quasi- Endowment Funds With GASB 45 Accrual
2004-05	0	\$9,692,958
2005-06	0	\$11,682,218
2006-07	0	\$17,051,787
2007-08	\$5,194,673	\$17,154,757
2008-09	\$10,367,219	\$14,553,315
2009-10	\$16,575,690	\$14,588,450
2010-11	\$22,614,325	\$9,352,894
2011-12	\$30,225,327	\$2,014,736
2012-13	\$38,755,360	(\$6,437,761)
2013-14	\$47,396,561	(\$14,906,416)

Comment: In fiscal 2008, the College was required to implement a new accounting reporting standard (GASB 45) which requires the College to record the estimated value of post-employment health benefits for current and retired staff. This accrual for future expenses is being phased in over 30 years. The GASB 45 post-employment health benefit accrual reduces the amount reported for unrestricted funds but has no impact on the College's cash position. The above data shows the cumulative value of the accrual which reduces both the value reported for unrestricted net assets and the College's reported net position.

Current Status An additional accrual for the post-employment healthcare benefit will occur in 2014-15.

FIGURE III

Fiscal Year End Current Asset to Current Liability Ratio

	As Reported in Financial Statements	Including the Value of Liquid Long-Term Investments
2004-05	1.22	1.22
2005-06	1.29	1.29
2006-07	1.57	1.57
2007-08	1.47	1.65
2008-09	1.54	1.70
2009-10	1.50	1.65
2010-11	1.11*	1.66
2011-12	1.08*	1.61
2012-13	1.02*	1.52
2013-14	1.10*	1.65

* Current assets reduced by movement of some operating cash to long-term investments.

Comment: A positive trend in this ratio is indicative of a growing capacity to handle current debt obligations. Beginning in 2011, the nominal value for the current ratios was reduced by the movement of some core cash into liquid long-term investments. Long-term liquid investments in 2014 totaled \$16.1 million. Including these funds, the College's current ratio is 1.65. Because the longer-term fixed-income investments can be liquidated without penalty, the longer-term investment strategy did not create any significant operational risk for the College. The above chart shows the current ratio without and with the inclusion of liquid long-term investments.

Target: Ratio: 1.2 or higher

Current Status: No major change in this ratio is expected to occur during the 2014-15 year.

FIGURE IV

**Total Debt Payments Made Using City Dollars
as a Percentage of Unrestricted Operating Revenue**

	Total Debt Payments Made from City Dollars	Debt Payments Made from City Dollars as Percent of Total Operating Revenue
2004-05	\$3,378,206	3.56%
2005-06	\$3,378,259	3.46%
2006-07	\$3,469,762	3.37%
2007-08	\$3,848,690	3.57%
2008-09	\$6,819,821	6.25%
2009-10	\$6,183,563	5.20%
2010-11	\$6,471,559	5.32%
2011-12	\$6,576,665	5.49%
2012-13	\$6,822,960	5.64%
2013-14	\$6,785,455	5.43%

Comment: The portion of the College debt paid by the State is funded separately by the State and, as a result, growth in State-funded debt payments does not impact on the College's operating revenues. However, debt payments made using City revenues directly impact on dollars which are available for College operating purposes. Act 484 requires that local sponsor revenues be used to fund the local sponsor share of capital costs prior to applying funds to operating expenditures. A decline in the percentage of operating revenues required for debt payments is a positive indication of financial flexibility.

Target: The accepted standard for private colleges and universities is to keep this ratio below 7%.

Current Status: In fiscal year 2014-15 the debt service payment associated with the 2008 bond decreases by \$1.26 million. Debt payments will remain relatively constant in the near future.

FIGURE V
Revenue Dispersion - Operating Budget Revenues by Source

Operating Revenue by Source	FY 11-12	% of Total	FY 12-13	% of Total	FY 13-14	% of Total
State Appropriation	\$28,036,906		\$28,036,906		\$28,036,906	
State Lease Appropriation	192,403		202,918		142,404	
TOTAL STATE	28,229,309	23.39%	28,239,824	23.32%	28,179,310	22.53%
City Operating Appropriation	17,652,221	14.73%	18,063,705	14.92%	18,346,138	14.67%
Student Tuition & Course-related Fees	70,832,589		72,014,866		75,490,544	
Student Regulatory Fees	808,692		1,190,926		1,195,462	
TOTAL STUDENT	71,641,281	59.09%	73,205,792	60.47%	76,686,006	61.31%
Other	2,350,126	1.96%	1,547,115	1.28%	1,865,665	1.49%
Total	\$119,872,937		\$121,056,437		\$125,077,119	

Comment: No change was made in the State operating appropriation for fiscal years 2012 through 2014. The City operating appropriation represents dollars remaining from the total City allocation after all City capital obligations are met. Other income includes investment income, Federal Perkins operating budget support for career programs, and other miscellaneous income. Revenue dispersion, lack of overdependence on one revenue source, is viewed as an important indicator of financial stability. The growth in College dependence on student revenues, and indirectly on State and Federal Student aid programs (see Figure VI), is a concern.

Target: To reduce operating budget dependence on student revenues over time.

Current Status: State operating funding for FY 2015 increased by \$462,000 from FY 2014 and the City appropriation increased by \$500,000. The current realities of City and State revenue receipts are likely to result in funding at or near current levels. The College will need to seek alternative revenue streams in order to lessen the dependence on continuing tuition and fee increases.

FIGURE VI
Trends in Student Revenue Dependency, Percent of Tuition and Fees Paid by Grant Aid, and Operating Budget Dependency on Student Financial Aid Programs

Year	Annual Tuition and Fee Revenues (in \$000)	Percent of Operating Revenues Dependent Upon Student Tuition and Fees	Percent of Student Revenues Paid by Federal and State Aid Grants	Percent of Operating Budget Dependent on Federal and State Aid Programs
2004-05	\$45,811	48.4%	45.3%	21.9%
2005-06	\$45,330	47.6%	45.0%	21.4%
2006-07	\$48,944	49.8%	47.3%	23.6%
2007-08	\$54,020	49.6%	47.3%	23.5%
2008-09	\$56,844	52.3%	46.5%	24.3%
2009-10	\$65,308	55.0%	56.2%	30.9%
2010-11	\$69,701	57.3%	61.1%	34.9%
2011-12	\$71,641	59.8%	60.0%	35.9%
2012 -13	\$73,206	60.5%	58.3%	35.3%
2013-14	\$76,686	61.3%	56.6%*	35.3%*

*Estimate

Comment: Over the last two decades, the College has become increasingly dependent on student-generated revenues as the largest source of operating revenues for the College. In fiscal 2014, 61.3 percent of revenues were generated by students. Of these student revenues, a growing percentage is being paid *via* federal financial aid (Pell). In FY 2014, 35.3 percent of College operating revenues came from federal and State (primarily Pell) aid awards. Levels of funding and eligibility standards for Pell awards are subject to a political environment in Washington which is frequently less supportive of higher education funding. The College is increasingly dependent on a revenue stream with growing unpredictability.

Target: To reduce dependency on student-generated revenues as the largest single source of operating funds and reduce the College's exposure to the funding uncertainties associated with federal financial aid programs.

Current Status: The distribution of operating revenues by source is not expected to change significantly for the 2014-15 year.

FIGURE VII

Tuition and Fee Changes

	<u>2008-09⁽³⁾</u>	<u>2009-10⁽³⁾</u>	<u>2010-11⁽³⁾</u>	<u>2011-12⁽³⁾</u>	<u>2012-13³</u>	<u>2013-14⁽³⁾</u>	<u>2014-15⁽³⁾</u>
Tuition ⁽¹⁾	\$115 per cr. hr.	\$122 per cr. hr.	\$128 per. cr. hr.	\$138 per cr. hr.	\$148 per cr. hr.	\$153 per cr. hr.	\$153 per cr. hr.
General College Fee	\$4.00 per cr. hr.	\$4.00 per cr. hr.	\$4.00 per. cr. hr.	\$4.00 per cr. hr.	\$4.00 per cr. hr.	\$4.00 per cr. hr.	\$4.00 per cr. hr.
Technology Fee	\$28.00 per cr. hr.	\$28.00 per cr. hr.	\$28.00 per. cr. hr.	\$28.00 per cr. hr.	\$28.00 per cr. hr.	\$28.00 per cr. hr.	\$28.00 per cr. hr.
Average Course Fee	\$6.53 per cr. hr.	\$6.39 per cr. hr.	\$6.31 per. cr. hr.	\$7.15 per. cr. hr.	\$7.66 per cr. hr.	\$7.68 per. cr. hr.	\$7.66 per cr. hr.
Average Total Annual Costs for Full-time Study ⁽²⁾	\$3,685	\$3,849	\$3,991	\$4,263	\$4,504	\$4,624	\$4,624

Source: The College.

- (1) Per credit hour for Philadelphia residents. Other Pennsylvania residents pay double tuition and out-of-state students pay triple tuition.
- (2) Assumes full-time enrollment (12 credits in fall and spring terms). Amount includes: tuition, student activity fee, technology fee, and average course fees.
- (3) The College charges course fees in high cost course areas such as allied health and laboratory sciences. Course fees range from \$75 to \$300 per course.

Comment: Course fees are charged in disciplines where instructional delivery costs are above average based upon factors such as class size constraints, faculty workloads, and instructional materials costs. As a result, full-time student charges vary by program of study. The lowest possible charge for a full-time student in the 2014-15 fiscal year is \$4,440.

Target: To keep tuition and fee increases per year at the lowest feasible level.

Current Status: Tuition and fee charges for the 2015-16 year cannot currently be predicted pending more information on probable levels of City and State support.

FIGURE VIII**Total Credit Enrollments and Operating Cost Per FTE Credit Student**

	Total Credit FTEs	Percent Increase/ Decrease in Enrollment	Total Operating Cost Per FTE Credit Student ⁽¹⁾	Percent Increase/ Decrease in Cost Per FTE	Change in Philadelphia All Urban CPI Increase
2005-06	13,629		\$6,668		
2006-07	13,569	-4%	\$7,020	5.3%	3.9%
2007-08 ⁽¹⁾	13,942	2.8%	\$7,113	1.3%	2.4%
2008-09 ⁽¹⁾	14,208	1.9%	\$7,198	1.2%	3.2%
2009-10 ⁽¹⁾	15,808	11.3%	\$6,779	-5.5%	-0.2%
2010-11 ⁽¹⁾	16,091	1.8%	\$7,166	5.4%	1.9%
2011-12 ⁽¹⁾	15,796	-1.8%	\$7,355	2.6%	2.8%
2012-13 ⁽¹⁾	15,115	-4.3%	\$7,707	4.8%	1.8%
2013-14 ⁽¹⁾	15,051	- .4%	\$7,931*	2.9%*	1.3%

(1) Excludes the impact of GASB 45 post-retirement expense accrual.

*Estimated

Comment: This chart reports total institutional operating cost per full-time equivalent (FTE) credit students. Because many of the College's costs are relatively fixed, a significant increase or decrease in enrollments will have a major impact on costs per FTE student. The drop in cost per FTE in 2009-10 is explained by the large enrollment increase. Similarly the relatively large increase in cost per FTE for 2012-13 reflects the drop in credit enrollments which occurred for the year. The costs per FTE shown in this chart do not include the future expense accrual for post-employment benefit (GASB 45) expenses. The value of this accrual for 2013-14 was \$8.6 million or \$572 per credit FTE.

Target: Over time to keep the average annual increase in cost per credit FTE at or below the Philadelphia Consumer Price Index increase.

Current Status: The currently projected slight decrease in enrollments, coupled with the increase in College expenditures, will result in a modest increase in cost per FTE for the 2014-15 year.

FIGURE IX

**Average Annual Salary and
Annual Percentage Increase in Average Salary**

	<u>Fall 2010</u>	<u>Fall 2011</u>	<u>Fall 2012</u>	<u>Fall 2013</u>	<u>Fall 2014</u>
Faculty and Lab Aides					
Average Salary	\$67,266	\$66,236	\$66,137	\$66,862	\$66,878
Percent Increase	+2.9%	-1.5%	0%	+1.1%	0%
Administrators					
Average Salary	\$74,652	\$75,744	\$75,731	\$74,804	\$75,630
Percent Increase	+3.8%	+1.5%	0%	-1.2%	+1.1%
Classified and Confidential					
Average Salary	\$41,307	\$40,944	\$40,609	\$41,322	\$41,312
Percent Increase	+4.4%	-0.9%	-0.8%	+1.8%	0%

Comment: Data for each year are points-in-time values as of the middle of the fall term based upon all full-time filled positions as of that date. Vacant position salaries are not included in the computation.

Target: All faculty and classified employees' salaries are set by collective bargaining agreements. The most recent five year employee contracts began on September 1, 2013. The five year contract provided no salary increases in 2011-12 and 1.5% increases in 2012-13. A mid-year increase of 3% occurred in 2013-14 and will also occur in 2014-15. However, through the opportunities provided by employee turnover and retirement, the goal is to keep overall average salary increases below the percentage increases granted to continuing employees over the five year contract period.

Current Status: The mid-year salary increase for 2014-15 will result in the salaries of continuing employees being approximately 3% higher in fall, 2015. However, employee turnover due to resignations and retirements are expected to result in a fall, 2015 average salary increase of less than 3% over the fall, 2014 salaries.