

**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
COLA SUBCOMMITTEE MEETING
MAY 14, 2010
DRAFT MINUTES**

Mr. Dyke called the meeting to order at 1:05 p.m. Council members present: Gil Minor, Jim Dyke, Susan Magill. Jake Lutz participated by phone from Richmond.

Staff present: Jim Alessio, Dan Hix, Dan LaVista, Lee Ann Rung, Yan Zheng

Other attendees present at the meeting:

Elliot Susseles, Segal/Sibson
Heather Kazemi, Segal/Sibson
Morrie Scherrens, GMU Senior VP
Peter Stearns, GMU Provost
Peter Pober, GMU Faculty Senate Representative
Lane Kneedler, ReedSmith
Betty Jolly, GMU State Government Relations Director
Rick Hurley, UMW Executive VP
Jay Harper, UMW Provost
Donna VanCleave, VCCS Vice Chancellor
Yan Zheng, Tony Maggio,
Jim Duffy, ODU

Other attendees by phone in Richmond:

Laura Fornash, Deputy Secretary of Education
Elizabeth Hooper, Legislative Liaison, Virginia Tech
April Kees, Senate Finance Committee staff
Kirsten Nelson, Director of Communications & Government Relations, SCHEV

Other attendees by phone in Lexington:

Kim Parker, Governmental Relations Director, VMI
Bob Spore, Director of Human Resources, VMI
John Putney, Legislative Liaison, JMU

Mr. Hurley, President of UMW was introduced and provided a brief overview of the University of Mary Washington and welcomed the group.

Dr. LaVista opened the meeting by reviewing the materials that were distributed and stated the requirements for holding a public meeting in which there is telephonic communications. A roll call was taken of the phone participants and it was mentioned that Mr. Minor was originally scheduled to phone in from Lexington, but instead attended in person.

Chronology

Mr. Hix spoke from the document that was distributed and reviewed the highlights from 1985 to 2010. Mr. Lutz asked if comments were received from the March 2010 Finance Advisory Committee

(FAC) meeting in which this proposal was discussed. Mr. Hix said staff had not received any feedback.

Presentation

Mr. Scherrens thanked the members and staff for arranging the meeting and stressed that no issue is of greater concern with the faculty at Mason than addressing this issue. He reported that when the information was shared with the Chief State School Business Officers (CSSBO) in March two comments were received that were subsequently incorporated in the study. First was that faculty salaries can be affected by more than just cost of living. Another suggestion from FAC was to define what is and is not included in the geographic regions.

Peter Stearns, Provost at GMU spoke about the cost of living issues experienced by the university when finalizing recruitment efforts with faculty. Peter Pober, Chair of GMU's faculty senate, also spoke about four search committees he was part of recently in which cost of living was an issue.

Mr. Scherrens reported that in addition to GMU, other institutions participating in the work group included Longwood University, Old Dominion University, University of Mary Washington, James Madison University, as well as Northern Virginia Community College, Germanna Community College, and the Virginia Community College System office. The Department of Human Resource Management (DHRM) also assisted in defining geographic areas.

Ms. Kazemi from Segal/Sibson gave a brief overview of the firm and explained that the purpose of the study was to quantify the effects of the cost of living differences on the market competitiveness of faculty salaries. All institutions were invited to participate.

Mr. Susseles reviewed the charts in the presentation and provided an explanation of the methodology used in the calculations. The study attempts to compare spending patterns and levels of taxation in different areas to determine the cost to live in one area compared to another. Georgia and West VA were chosen in the study because they are peers of institutions in Virginia.

Mr. Scherrens wanted to acknowledge that while some institutions do not appear favorably in the study, GMU has no interest in recommending any action that would be harmful to other institutions.

Mr. Hurley explained that UMW is experiencing the same recruitment issues as GMU. He indicated that applicants often go online to learn the buying power of the area before accepting a position. Mr. Minor inquired about the number of recent searches that have been conducted and asked how many of those searches involved a cost of living issue. It was reported that of the approximately 15 recent searches in which Mr. Hurley was aware, cost of living was an issue in approximately 4-5 of them. Mr. Minor mentioned that while this may be a concern, there were still a majority of searches in which cost of living was not an issue.

There was some discussion about the 60th percentile for faculty salaries and it was agreed that efforts should continue to reach this goal in Virginia.

Mr. Lutz asked if this was being considered in a vacuum without looking at other criteria in the peer groups. Mr. Dyke indicated that there would be no change in the peer groups. Rather, the goal is to establish a guiding principle for SCHEV as it goes forward.

Mr. Alessio indicated that many of the factors that need to be addressed are covered in the peer group process and Mr. Hix reviewed the list of items considered when determining peer groups. Mr.

Alessio mentioned that it would be to the institution's advantage to include schools in a lower cost of living area. Therefore, it could affect the peer group process.

Mr. Dyke asked for staff input on the resolution proposed by GMU. Mr. Hix said staff is not arguing that there shouldn't be an adjustment; in fact, there is one already in place. He mentioned that the General Assembly did not request an update of COLA. He also spoke about possible unintended consequences to other institutions in a lower cost of living area. Mr. Hix also indicated that fringe benefits range from 22 to 33% of faculty salaries within the SREB states and should be taken into consideration.

Dr. LaVista suggested that as the Council considers action on this item that serious consideration be given to receiving input from presidents at an upcoming GPAC meeting.

Ms. Magill expressed her appreciation to GMU. She indicated that she would like to get more input from the institutions.

It was decided that GMU would work with SCHEV staff and Mr. Dyke on putting together the message that goes out to institutions prior to the May 25 GPAC meeting. Mr. Lutz stressed that it needs to be understood that Virginia's 60th percentile is not how faculty salaries are handled in all states.

Mr. Dyke asked for the feeling of the subcommittee members on taking the draft resolution with the suggested amendment for consideration at the July Council meeting with the understanding that in the interim an effort will be made to reach out to presidents for input before discussing the matter in the July Council meeting. Mr. Lutz said there is an inference in the proposal that a further COL adjustment is needed. Mr. Dyke said the proposal does not commit to an increase but requests that it be a consideration in the future.

A roll call vote was taken on the following revised resolution (underlined words were added) with the understanding that the matter would be brought to the Council for discussion in July after receiving input from the presidents in the May GPAC meeting. The resolution passed with a vote of 3-2. Mr. Minor and Mr. Lutz abstained:

WHEREAS, the State Council of Higher Education for Virginia seeks to maintain market competitive faculty salaries for all Virginia public institutions, and

WHEREAS, market competitive faculty salaries are affected by several factors, including both the peer selection and geographic cost of living differences, now therefore be it

RESOLVED that SCHEV's methodology for determining the percentile position of faculty salaries should take into consideration geographic differences in the cost of living between the Virginia institution and its peer institutions.

The meeting was adjourned 3:15 p.m.

Lee Ann Rung
Manager, Executive & Council Affairs