

IOWA STATE UNIVERSITY

Professional and Scientific Council

2022 Compensation and Benefits Report

Introduction

Iowa is one of the few states that came through the pandemic in 2021 with a significant budget surplus, a reported \$1.24 Billion. Schools remained open, including Iowa State, and the University mission continued. Along with this, ISU Extension & Outreach continued to serve Iowans across the state, adopting new ways to educate and deliver programming. With the uncertainty of state revenue, Professional and Scientific (P&S) employees did their part, with little expectation that an increase in compensation would follow. This report demonstrates the expanded efforts of P&S employees over the last 5 years and the desperate need for improvement in employee compensation.

Acknowledgment

Using the ISU Fact Book information available at the time of this report, we chose to analyze the last 4 years of available data, mirroring a traditional undergraduate student experience. At first glance, it would appear that 186 P&S positions have been added from 2017-2020, with relatively steady to declining student enrollment. However, over that time frame, many P&S employees have taken on student instruction/teaching/guest lecturing responsibilities to help complete the university mission. Faculty FTEs fell by 89 in that 4-year period, as did pre-post docs by 62 and Graduate Assistants by 229. (*See Table 1.*) While there has been expanded effort from P&S Staff to offer high-quality student education, compensation has not followed nor rewarded our willingness to tackle additional job duties. The cost savings to the University by asking P&S employees to assume the role of faculty is substantial, only to be somewhat offset by the loss of graduate student labor. This trend increased dramatically in 2021 since 61 additional faculty accepted the Retirement Incentive Option (RIO). No doubt some of that role has fallen on the shoulders of P&S Staff. To our credit, student retention and subsequent enrollment has held much stronger than anticipated.

Though we are unable to decipher the exact number from the ISU Fact Book, it is well-known that several state-funded positions have been converted from Merit Staff to P&S. The trends support this, as state supported Merit positions have fallen, state supported P&S positions have risen, but the percentage of P&S FTEs that are state supported has remained constant at 56%. It is also unclear if the new class & compensation structure impacted these numbers.

Table 1.	Employee and FTE					
	Year	2017	2018	2019	2020	
	Faculty	1823	1794	1775	1734	
	State Supported	1726	1703	1688		
	Other Fund Sources	98	91	86		
	P&S	3026	3039	3182	3212	
	State Supported	1706	1710	1808		
	Other Fund Sources	1320	1329	1374		
	Merit	1279	1283	1351	1318	
	State Supported	655	635	611		
	Other Fund Sources	623	648	740		
	Contract	95	98	98	94	
	State Supported	3	3	2		
	Other Fund Sources	92	95	96		
	Pre/Post Docs	329	326	269	267	
	Graduate Assistants	1380	1331	1267	1151	
	All Employees	9754	9642	9385	8916	
	State Supported	5438	5307	5170		
	Other Fund Sources	4283	4299	4267		
	Enrollment	35,993	34,992	33,391	33,304	

Mental Health

There is little argument that the need for mental health care has increased dramatically in the state of Iowa, but the financial support from the legislature has not followed the same trend. All employees at the Iowa Concern Hotline are P&S Staff, part of the Extension & Outreach mission. They have dramatically increased their role in serving Iowans mental health and safety; in 2020, they fielded 31,836 calls, a 109% increase over the previous year. On campus, 6 positions have been added at Student Counseling (a mix of psychologists and social workers); 2.4 FTEs at Thielen Health Center (2 psychiatric mid-levels and 1 RN); as well as 4 Wellness positions, including the creation of a new Student Wellness office. The Department of Public Safety (DPS) added 2 positions as well. Even a therapy dog named “Zosia” has joined the team! It is crucial that these resources continue to be available to students and Iowa residents alike. Iowa State has invested heavily in mental health support for all Iowans, and the University has footed the bill in the process. There is no doubt these efforts have saved lives, and the need continues. The state legislature should consider taking this effort as seriously as P&S Staff have over the last 2 years. When Iowans needed mental health resources the most, ISU P&S Staff stepped up to provide them.

Fiscal Responsibility

We applaud the University for remaining financially sound during very challenging budgetary circumstances since 2017. Despite stagnant state and federal appropriations, the commitment to staff Salary, Wages, & Benefits has remained constant at 54% of total expenditures. (*See Table 2.*) We do not place the responsibility of increasing salaries solely on University Administration; however, the recent release of the proposed 2022 Professional & Scientific compensation plan suggests that a 6% increase in the salary matrix is warranted, even though the Aon Consulting

report acknowledged in October of 2019 that salaries were not competitive:

“...it was confirmed that the current classification and compensation system is not properly accounting for the hierarchy of jobs to support the University’s mission, it is not market competitive, does not value jobs based upon the University’s mission, and does not adequately facilitate career pathways.”

After the original proposal was approved by the Board of Regents in April 2020, P&S Staff received a 0% raise the following June. More importantly, the current plan from Senior Leadership does NOT include a proposed salary increase for all existing P&S employees, only that a 6% increase is necessary to hire new talent. The message this sends to P&S staff that have stuck with ISU through all of the challenges over the last 2 years is downright insulting. In some cases, new hires are starting with higher salaries than those P&S employees with 5+ years of experience in the same position. Nevertheless, this report is aimed at illustrating the expanded responsibilities of P&S employees and the competitive compensation necessary to not only Senior Leaders, but also the Board of Regents, State Legislators, and Governor Reynolds.

Table 2.	Revenues	2017	2018	2019	2020
	State Appropriations	\$ 244,458	\$ 234,396	\$ 237,884	\$ 240,526
	Federal Appropriations	\$ 17,255	\$ 16,158	\$ 12,972	\$ 12,694
	Tuition & Fees	\$ 480,293	\$ 503,619	\$ 520,006	\$ 517,257
	Contracts & Grants	\$ 275,261	\$ 282,266	\$ 284,080	\$ 277,630
	Auxiliary Enterprises	\$ 277,892	\$ 233,870	\$ 234,846	\$ 227,374
	Independent Operations	\$ 44,315	\$ 44,335	\$ 46,139	\$ 45,999
	Other	\$ 104,559	\$ 110,270	\$ 125,959	\$ 111,100
	TOTAL	\$ 1,394,003	\$ 1,424,914	\$ 1,461,886	\$ 1,432,580
	Expenditures				
	Salaries & Wages	\$ 578,049	\$ 579,886	\$ 590,372	\$ 602,803
	Benefits	\$ 171,513	\$ 174,260	\$ 171,278	\$ 169,458
	General	\$ 350,126	\$ 360,879	\$ 374,490	\$ 340,669
	Scholarships	\$ 158,591	\$ 170,941	\$ 177,815	\$ 199,854
	Capital	\$ 34,696	\$ 22,788	\$ 23,236	\$ -
	Mandatory Transfers	\$ 48,330	\$ 52,677	\$ 47,446	\$ 45,109
	Non-Mand Transfers	\$ 37,088	\$ 63,971	\$ 65,872	\$ 70,271
	Total	\$ 1,378,393	\$ 1,425,402	\$ 1,405,509	\$ 1,428,164

A Look Back

We were understanding in FY 2020 & 2021 given the pandemic, economic uncertainty, and University budget constraints. We were surprised and appreciative of the 2.1% increase given in the summer of 2021 as budgets, revenue, and enrollment became clearer. Unfortunately, an analysis of the 4 years previous to that paints a rather disheartening picture. Most importantly, there has been no indication that state appropriations, nor University budgets, will realign salaries of current P&S employees to market-competitive levels. The steady attrition of high-quality employees will continue in this environment.

Table 3.		2017-2018	2018-2019	2019-2020	2020-2021	
	Annual % Increases					Cumulative
	Faculty	0.0%	1.0%	2.0%	0.0%	3.0%
	P&S	0.0%	1.0%	2.0%	0.0%	3.0%
	Merit	1.0%	1.0%	2.5%	2.1%	6.6%
	Inflation	2.10%	1.90%	2.30%	1.40%	7.70%

Annual increases have lagged behind inflation, most notably for both faculty and P&S employees. (See Table 3.) As an example, a P&S employee earning \$50,000 in 2017 is only earning \$52,592 in 2021, assuming satisfactory job performance over that time period. An employee receiving inflationary raises during this same time period would garner \$53,961. Of course, the elephant in the room heading into 2022 is the 7% inflation we have been enduring. That rate alone would raise the same employee to \$57,738 for 2022-2023. All said, the cumulative inflation since 2017 is 14.7%. For perspective, an increase in the State Appropriations line item of 14.7% of the \$240.5 million is \$35.35 million, a miniscule 2.85% of the budget surplus the State of Iowa realized in FY2021...in the midst of unprecedented financial uncertainty.

Benefits

The benefits package provided to P&S employees is very attractive when compared to other industries. To many, it is becoming the one thing holding them in their current position with Iowa State. In 2021, P&S Staff received notice of a 5% increase in our contribution towards insurance premiums. We applaud the efforts the University Benefits Committee (UBC) and upper administration for holding rates constant for 7 years. However, at a time when meaningful raises weren't trending with inflation, this was a pay cut. While this change was not a large sum of money out-of-pocket, it sent a message to all P&S Staff that even our benefits were no longer safe from budget cuts. In an extremely competitive job market, this cut pushed some very talented, experienced P&S Staff to leave the University for other career opportunities. More recently, P&S Staff were notified of an increase to their annual parking pass fee on campus; with no accompanying raise to offset this additional expense, it's another pay cut when P&S Staff can least afford it.

The Path Forward

The sacrifices and dedication of Professional & Scientific employees are well-documented. However, another challenge awaits us. The Retirement Incentive Option (RIO) was taken by 109 P&S employees. Given the responsibilities of P&S staff described in the report, those positions need to be backfilled. The University system lost countless years of experience and institutional knowledge; we also lost the ability to allow those employees to train their replacements due to the health restrictions in place at the time. The current labor market in Iowa is extremely competitive. A salary range on a job posting that's based on job market data from 2017-2019 is simply not competitive for the education level, talent, and experience Iowa State expects in 2022. As a result, candidate pools are filling with underqualified and/or inexperienced applicants, often resulting in failed searches. The rehiring process then becomes an ongoing time commitment for other P&S Staff, either from extended time needed to interview new candidate pools or to train underqualified personnel hired out of necessity. Frustration and fatigue are increasing. The best

recruiting tool for any business are the employees already on staff. If a prospective employee asks a current staff member about compensation, their answer could be as simple as, “This is a great place to work, but we haven’t had a significant raise in 5 years, and our benefits were cut last year.”

If inflation continues, the problems and financial challenges facing P&S Staff only worsen. We’re not alone, according to LinkedIn’s Workforce Confidence research, 56% of job seekers cited a desire for better pay when asked why they were considering or actively pursuing a job in a new industry. Results were even higher for those polled in the education field (63%). Competitive pay is crucial to recruiting new talent to P&S positions. The solution is simple, if Senior Leadership, the Board of Regents, and our elected officials are willing to address it. The State Appropriations line item needs to more accurately reflect our expanded importance to the mental health, well-being, and success of Iowa taxpayers and their families.