



District Administration Services

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TO: Members of the House Appropriations and Senate Ways & Means Committees
Brad Hendrickson, Secretary of the Senate
Bernard Dean, Chief Clerk of the House of Representatives
David Schumacher, Director of OFM
Caroline Kirk, OFM State Human Resources
Marcus Ehrlander, Budget Assistant to the Governor, Office of Financial Management

SUBJECT: Community Colleges of Spokane Voluntary Separation Incentive Program Closing Report

In anticipation of significant declines in student tuition and fee revenue resulting from the pandemic's impact on FY2020-21 enrollment, the Community Colleges of Spokane (CCS) applied for and received authorization to offer a classified employee Voluntary Separation Incentive plan.

CCS allocated one-time funding of \$450,000 toward its plan. The incentive was offered to eligible classified employees and each of our units (Spokane Community College, Spokane Falls Community College, and our centralized District office) was allocated a specific number of incentives based upon a pro-rata calculation of total classified staff. An "all-employee" email was issued alerting employees of the incentive plan.

An incentive of up to \$25,000 was offered to those eligible employees who agreed to voluntarily separate from employment by not later than close of business December 31, 2020. The final incentive was based upon years of continuous CCS service, as follows:

Years of Continuous Service	Incentive
Less than 3 years	Not eligible
3+ years	\$1,000 per each continuous completed year of CCS service, up to maximum of \$25,000

The application period opened at 8 a.m. on July 13, 2020, and applicants were required to provide notice of their intent to separate by email. The date/time of that email became the "official" notice. Those employees who met eligibility were notified in chronological order of received official notice and given 21-calendar days to review and execute the necessary voluntary separation incentive agreement. If not completed within that timeframe the incentive reverted to the next eligible employee and the current employee went to the bottom of the chronological notice list.

The term "eligible employee" applied only to employees in departments/divisions identified by the appointing authority as eligible to participate. Each unit's list of eligible departments was emailed in advance to all classified employees. Additionally, to be eligible the employee was required to be a



current permanent-status employee of CCS with at least 3 years of credited State of Washington service as of close of business on June 30, 2020. Employees were also advised that:

- A separation incentive generally disqualified the employee from unemployment compensation.
- Separation incentive payments qualified as a lump sum payment subject to income tax and social security tax.
- Participation in the program was strictly voluntary.

The following conditions also applied:

- Each college/unit appointing authority had to agree to permanently eliminate either the vacancy created as the result of a voluntary separation or another funded classified vacancy.
- The college/unit had to accept eligible applications on a first come/first serve basis up to the total number of separations to be funded.
- No additional funding could be added to the established incentive amount.

As noted, the application period opened at 8 a.m. on July 13, 2020. Between that date and the program's close of December 31, 2020, twenty (20) eligible classified employees applied and were accepted for incentive. The total incentive expenditure was \$429,000. Either the created vacancy or, if that vacancy was considered operationally critical, another vacancy was eliminated for each incentive awarded. The annual savings accrued in salary/benefits was estimated at \$1,339,754. We anticipate the two-year savings to potentially reach \$2,700,000. CCS submitted the required OFM quarterly activity reports during FY20-21 and our program was closed effective January 1, 2021.

We appreciated the incentive program being made available by the legislature, so we could incorporate it into our FY20-21 budget planning "toolbox." With it, we were able to avoid layoffs and/or additional furloughs of our classified staff, and we minimized service disruptions to our students.

If you have any questions about our program or our experience, please do not hesitate to let me know.

Respectfully,

Greg Stevens
Chief Strategy and Administration Officer
Community Colleges of Spokane