

Date: April 14, 2022

To: Faculty Senate

From: Pam Parry, Chair, Faculty Compensation Committee

Subject: 2021-2022 Annual Report of Faculty Compensation Committee

CC: David Yaskewich, Vice Chair; Belinda L. McMurry, Member; Monica Kearney, Member; James Newman, Member; Elizabeth Rudloff, Member

This past academic year the Senate Faculty Compensation Committee was active. In the fall semester, we were asked to be available to a couple of task force groups, such as the group that worked on faculty wellness, but we were not really called upon to help them. They had things well in hand. We were ready, willing, and able, but our services were not really needed, so we prepared for the spring semester.

In the spring semester, we met about seven times (four times with the Budget Review Committee, once on our own, and twice with the other staff compensation committees) to develop and propose what we thought should be the faculty compensation recommendation for the upcoming budget year. We were able to accomplish work through email to lessen the impact of having to meet more. On March 25, we submitted our formal recommendation prior to the deadline.

Here is what we recommended:

**Requesting Unit:** Faculty Senate Compensation Committee

**Title of Request:** Compensation Proposal for FY23

**Brief Description:** FY23: Completion of the Implementation of the Salary Equity Study and a base salary increase of 3.5% for all full-time and part-time faculty. Given the U.S. Department of Labor estimates an 8.3% cost of living increase in the upcoming year, and the university's financial situation, the committee decided to ask for just below half of CPI. Additionally, the Faculty Senate Compensation Committee fully supports the staff committee's recommendation to consider reinstituting a merit system for staff in the near future and to accelerate the plan to implement minimum wage for affected employees.

**Rationale:** The faculty recognize that the university is evolving through a challenging period considering the recent pandemic event and projected declining enrollment trends. It is further recognized that there are concerns related to the financial future of the university in a time of considerable financial instability, both in the form of unexpected costs and potential reductions in revenue. The COVID-19 pandemic has presented significant challenges to higher education

where faculty have had to adopt more flexible approaches to teaching. In addition, recent cuts in the number of faculty lines also have impacted the workload.

After the Budget Review Committee completed its work in spring 2021, the university received an unexpected state appropriation that improved the financial situation in the near term. During that summer, it was announced that faculty and staff would receive a 2% pay increase in the upcoming academic year.

In 2019-2020, the university funded a pay equity study with a proposed plan to implement pay adjustments over the next three fiscal years. According to Evergreen Solutions, the faculty market results showed a 15.7% average below market. Over the past decade plus, the university has prioritized spending in areas other than employee wages and benefits. This trend has seen employee benefits decline year after year, as employee costs for benefits have increased and wages have stagnated. During this period, employee compensation has not kept pace with these losses and costs of living increases. The following demonstrates a six-year period showing percentage of raises and cost of associated inflation:

FY 2017: 1.5% salary increase, 2.1% inflation;

FY 2018: 0% salary increase, 1.9% inflation;

FY 2019: 0% salary increase, 2.3% inflation;

FY 2020: 1.0% or \$700 salary increase, 1.3% inflation;

FY 2021: 1% midyear salary increase; 7.1% inflation;

FY 2022: 2% salary increase; 8.3% inflation.

In summary, the rate of inflation has consistently outpaced the growth rate in faculty salaries, which was true in each of the past six years. This gap was particularly noteworthy when the pace of inflation accelerated to 7% in 2021, which was the highest rate experienced since 1982. This is without considering the negative effects from market pay and the increasing cost of health care benefits, which are climbing significantly faster than inflation.

Therefore, the Faculty Senate Compensation Committee, with the unanimous support of the Faculty Senate, would like to request the following for consideration for FY23:

- Base salary increase of 3.5% for all full- or part-time faculty for FY23.
- Implementation of the completion of the three-year roll out of the pay equity market adjustments totaling \$709,056 (30% in FY23).
- Begin long-range planning for reinstituting a staff merit pay system.

- Continue implementation of minimum wage increase for affected employees.
- Development of a succession plan for recruitment and retention of all employee categories.
- Recognize the changes in the scope and responsibilities of the workload for all employees at the university.

**Budget Request:**

FY23 Request Estimated Cost 3.5% base-pay increase for all regular employees\* \$2,349,821

Completion of salary equity study	\$709,056
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Requested Total	\$3,058,877
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\*Due to the university practice of funding the post-professorial promotions, full- and part-time faculty would receive 3.0625% (87.5% of the 3.5%) if this recommendation is approved.