

# FACULTY SALARY & BUDGET COMMITTEE

## ANNUAL REPORT

2013-2014 EDITION

### MEMBERS

Marty Abramson  
Aaron Baxter  
DeMario Bell  
Pat Bravender  
Larry Burns  
Gregg Dimkoff  
Tracy Fleming  
Gretchen Galbraith  
Steve Glass  
Joe Godwin (ex officio)  
Kathy Gulembo (guest)  
Bob Hollister (chair)  
Lori Houghton-Rahrig  
Brian Johnson  
Zack Kurmas  
Nancy Mack  
Julia Mason  
Jon Rose  
Parvez Sopariwala  
Paul Stephenson  
Patrick Thorpe  
Mike Yuhas

### MAJOR RESPONSIBILITIES

- ✓ Analyze faculty salaries
- ✓ Review health benefits
- ✓ Evaluate budgetary impacts of proposed programs

### MEETING TIMES

Fridays, Noon to 1:30pm

### ACKNOWLEDGMENTS

Many thanks to the administration, especially Gayle Davis, Jim Bachmeier, Joe Godwin, & Dave Smith for meeting with us throughout the year and Lisa Surman Haight for assistance.

### MAIN POINTS

- FSBC is an advocate for faculty on issues related to budgets
- Self Study reports will require a Resource Analysis section
- As healthcare costs rise our deductible is likely to rise
- Faculty salaries at GVSU have fallen relative to peers

### RESPONSIBILITIES OF THE COMMITTEE

The Faculty Salary and Budget Committee (FSBC), as charged by the University Academic Senate (UAS), works to provide an informed understanding of the financial health of the university. The FSBC continues to advocate for the faculty on all matters with significant budgetary implications while focusing attention on new programs, salaries and healthcare benefits.

In August 2013, ECS/UAS charged FSBC to do the following:

1. Compare faculty salaries and benefits with other MI public institutions.
2. Evaluate Instructional Costs: work with University Assessment Committee to incorporate instructional costs in 6 year reviews, work with graduate council to estimate the costs of graduate programs, and provide an update on achievements from the smart growth initiative.
3. Part-time faculty: make recommendation for counting part-time faculty workload and examine scenarios for sabbaticals.
4. Graduate Assistants: work with Graduate Council to examine the pros and cons of awarding stipends to Graduate Programs.
5. Proactive Suggestions.

We have addressed or begun to address all these items; details can be seen in the minutes of each meeting posted on the faculty governance webpage. Much of the work is in progress, but will likely include a modest increase in faculty overload pay and accommodation for part-time and 12 month faculty in the sabbatical process.

In March a new charge was added to address funding for sabbaticals. FSBC supports the recent changes to the faculty handbook, developed by the Research and Development Committee, that will help ensure that all funded sabbaticals are a good use of limited resources. However, there is some concern that the review process may become a competition; FSBC will continue to advocate that *all* worthy sabbaticals be funded.

## UPDATE ON EFFORTS TO MAXIMIZE EFFICIENCY (SMART-GROWTH)

Recognizing that the university needs to be increasingly vigilant with its allocation of resources, the FSBC has been working with the Provost's Office to develop methods to evaluate the efficiency of existing programs. Our discussions built upon strategies and metrics articulated in the "Smart Growth" materials aimed at increasing instructional productivity. As presented by David Attis, "Smart Growth" focuses on the following four basic resources: (1) Classrooms (building optimal class schedules), (2) Instructors (matching section offerings with student demand), (3) Curriculum (helping students progress to degree completion), and (4) Pedagogy (adopting models that supply quality instruction at the required scale). A list of a number of solutions and associated trade-offs regarding these four resources are provided on the Provost Office website at <http://gvsu.edu/provost/smart-growth-68.htm> in the Smart Growth Booklet on pages xx and xxi (in a section entitled "Forty Approaches to Maximizing Instructional Productivity"). Given the diversity of units, missions, instructional needs, and priorities across the university, we acknowledge that no single strategy or metric can be uniformly applied when making budget allocation decisions. That being said, the FSBC identified the following measures that will help units or programs clarify the primary sources of instructional costs:

- Student Credit Hours (SCH) taught
- Number of Faculty of each type
- SCH taught by each type of faculty
- Organized Class (OC) sections taught by each type of faculty
- Average teaching/workload (comparisons with University and College mean)
- Average class size: Lower and upper division and graduate separately.
- Cost per SCH trend

Units will be asked to comment on the 6-10 year trend in these numbers as part of their Self Study Report. These measures are also used by the Provost's and Dean's Offices to inform equitable allocation of resources and future resource investments. We believe monitoring these metrics will better inform faculty of the costs of curricular decisions at the unit level and will stimulate faculty involvement and innovation which will ultimately strengthen the University.

## HEALTHCARE

Most faculty utilize the High Deductible Healthcare Plan. An analysis of the plan shows that costs are at or below projections. Switching to the High Deductible Healthcare Plan has benefited the University and faculty have become better consumers of healthcare. However, despite containing costs (especially relative to projections under the former plan), healthcare costs for the Nation and the University continue to rise at approximately double inflation. Given the fixed cost structure inherent in the current plan design, this means each year the plan will need to be changed in order to meet the State of Michigan cost sharing target of 80:20 (20 percent of costs covered by employees). For next year (2015), the GVSU contribution to an individual's HSA will be eliminated. After next year the deductible is expected to increase annually. Other options being explored for the future include changes in plan design or the addition of a premium. FSBC will continue to advocate for means to contain costs and make sure that plan design changes (especially those involving changes to the deductible) are announced well in advance so that faculty can plan accordingly.

## CONCERN FOR FACULTY SALARIES

Salary increases for faculty have not met the expectation of CPI + 1.5% and have been below the national average over most of the past decade (**Table 1**). FSBC has continued to advocate that faculty raises be at a minimum of 1.5% + CPI because this rate approximately maintains the status quo (given that older faculty retire and are replaced by younger faculty at a lower pay rate). Any raise below this amount is a reallocation from faculty salaries toward some other budget category. Faculty Salaries at GVSU have fallen relative to our peers over the past 15 years (**Figure 1, Table 2**). Furthermore the inconsistency in raises between years is problematic with the existing merit system which is based on the pool of money available for raises in a given year. As FSBC we are aware of budget realities and uncertainties, and are sympathetic to the fact that the administration has had to make difficult budgetary choices. We ask the Faculty salaries become a priority. The well-being of the University is directly related to the quality and passion of the faculty. If we do not invest in faculty then we will not maintain our reputation for excellence.

**Table 1. Average annual increases in faculty salaries at GVSU relative to the Nation.**

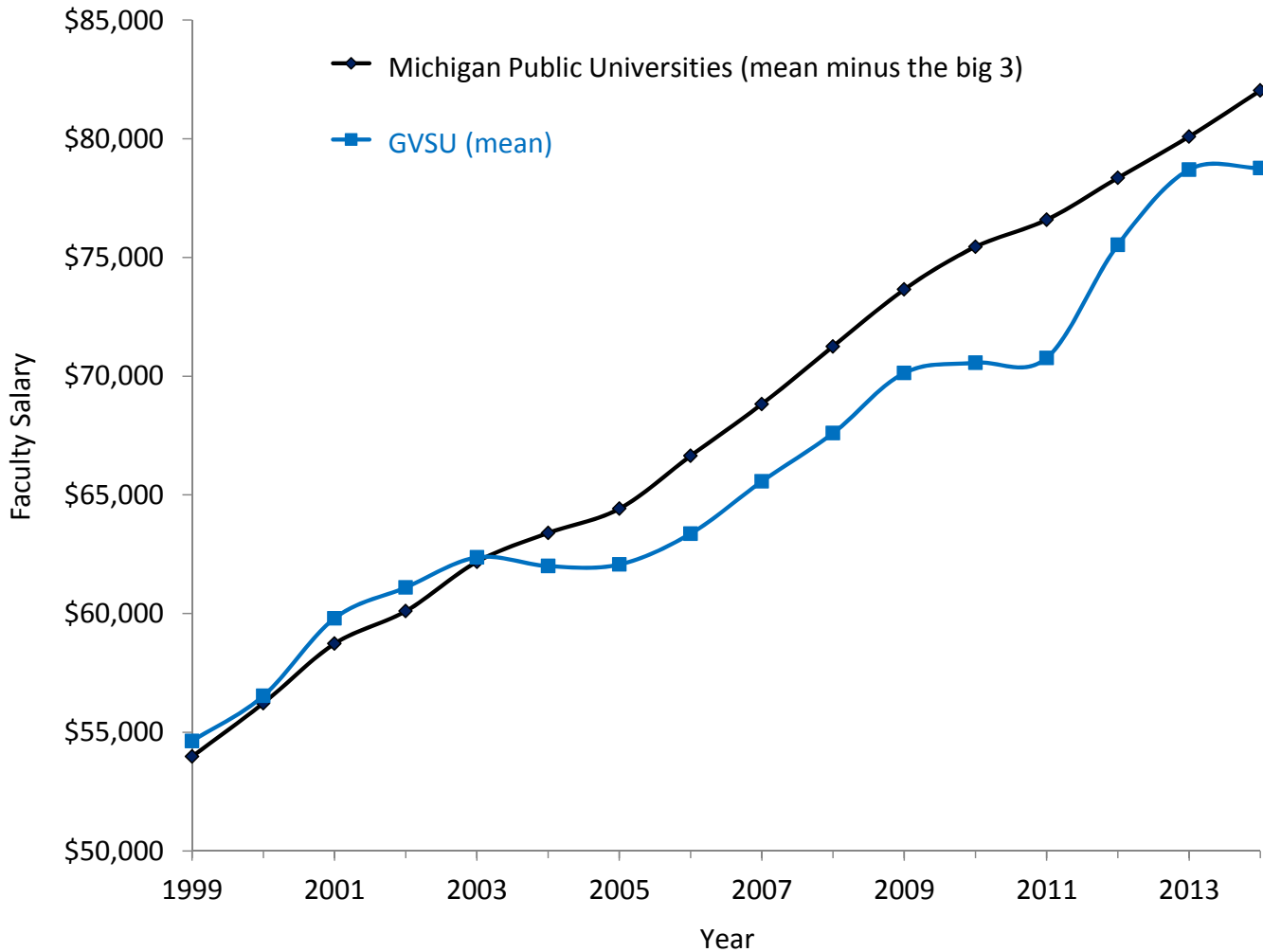
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	5-year Average	10-year Average
GVSU faculty raises <sup>^</sup>	2.9	2.3	1.8	3.0	5.2	5.4	3.6	0.0	2.4	3.5	2.0	3.15	2.92
Proposed minimum (CPI+1.5%)	3.4	3.9	4.7	4.2	5.2	1.2	4.5	3.3	4.3	3.3	2.5	3.47	3.68
Midwest CPI (Dec to Dec) <sup>+</sup>	1.9	2.4	3.2	2.7	3.7	(0.3)	3.0	1.8	2.8	1.8	1.0	1.97	2.18
National raises <sup>#</sup>	3.1	4.5	4.4	5.0	5.1	4.9	1.8	2.5	2.9	3.2	3.4	3.40	3.71
National CPI (Dec to Dec) <sup>#</sup>	1.9	3.3	3.4	2.5	4.1	0.1	2.7	1.5	3.0	1.7	1.5	2.09	2.34
GVSU vs Proposed minimum	(0.5)	(1.6)	(2.9)	(1.2)	0.0	4.2	(0.9)	(3.3)	(1.9)	0.2	(0.5)	(0.31)	(0.76)
GVSU vs National (unadjusted)	(0.2)	(2.2)	(2.6)	(2.0)	0.1	0.5	1.8	(2.5)	(0.5)	0.3	(1.4)	(0.25)	(0.79)
GVSU vs National (CPI adjusted)	(0.2)	(1.3)	(2.4)	(2.2)	0.5	0.9	1.5	(2.8)	(0.3)	0.2	(0.9)	(0.13)	(0.64)

() Indicate negative numbers

<sup>^</sup> Values after 2010 do not include promotional increments, merit raises, compression or other special salary adjustments

<sup>+</sup> Values from the Bureau of Labor Statistics

<sup>#</sup> Values from the AAUP (American Association of University Professors) Annual Report on the Economic Status of the Profession



**Figure 1. Mean faculty salary at Michigan Public Universities & GVSU over the past 15 years.**

The mean salary was calculated as the average of the three salaries posted by rank (Full, Associate, and Assistant) by AAUP (the big 3 include University of Michigan –Ann Arbor, Wayne State University, and Michigan State University). The graph is intended to show the trend and is not actually the salary of the average faculty member.

**Table 2. Average faculty salaries by rank of Michigan Public Universities in select years.**

1998-1999		2003-2004		2013-2014	
Professor					
UNIVERSITY OF MICHIGAN-ANN ARBOR	\$96,700	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$117,800	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$156,900
WAYNE STATE UNIVERSITY	\$82,100	MICHIGAN STATE UNIVERSITY	\$98,300	MICHIGAN STATE UNIVERSITY	\$135,100
MICHIGAN STATE UNIVERSITY	\$77,500	WAYNE STATE UNIVERSITY	\$95,200	WAYNE STATE UNIVERSITY	\$121,300
MICHIGAN TECH. UNIVERSITY	\$76,100	WESTERN MICHIGAN UNIVERSITY	\$84,100	MICHIGAN TECH. UNIVERSITY	\$111,200
OAKLAND UNIVERSITY	\$72,200	MICHIGAN TECH. UNIVERSITY	\$81,300	UNIVERSITY OF MICHIGAN-DEARBORN	\$110,100
WESTERN MICHIGAN UNIVERSITY	\$69,700	OAKLAND UNIVERSITY	\$80,800	OAKLAND UNIVERSITY	\$103,800
CENTRAL MICHIGAN UNIVERSITY	\$67,200	UNIVERSITY OF MICHIGAN-DEARBORN	\$79,600	CENTRAL MICHIGAN UNIVERSITY	\$102,000
GRAND VALLEY STATE UNIVERSITY	\$67,000	CENTRAL MICHIGAN UNIVERSITY	\$78,800	UNIVERSITY OF MICHIGAN-FLINT	\$102,000
NORTHERN MICHIGAN UNIVERSITY	\$66,500	GRAND VALLEY STATE UNIVERSITY	\$78,100	WESTERN MICHIGAN UNIVERSITY	\$101,700
UNIVERSITY OF MICHIGAN-DEARBORN	\$65,900	UNIVERSITY OF MICHIGAN-FLINT	\$71,500	GRAND VALLEY STATE UNIVERSITY	\$96,800
EASTERN MICHIGAN UNIVERSITY	\$63,700	NORTHERN MICHIGAN UNIVERSITY	\$70,500	FERRIS STATE UNIVERSITY	\$96,100
UNIVERSITY OF MICHIGAN-FLINT	\$62,400	FERRIS STATE UNIVERSITY	\$69,600	EASTERN MICHIGAN UNIVERSITY	\$96,000
FERRIS STATE UNIVERSITY	\$59,000	EASTERN MICHIGAN UNIVERSITY	N.R.	NORTHERN MICHIGAN UNIVERSITY	\$87,200
LAKE SUPERIOR STATE UNIVERSITY	\$59,000	LAKE SUPERIOR STATE UNIVERSITY	N.R.	LAKE SUPERIOR STATE UNIVERSITY	N.R.
SAGINAW VALLEY STATE UNIVERSITY	\$58,200	SAGINAW VALLEY STATE UNIVERSITY	N.R.	SAGINAW VALLEY STATE UNIVERSITY	N.R.
Associate					
UNIVERSITY OF MICHIGAN-ANN ARBOR	\$68,200	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$80,900	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$103,900
WAYNE STATE UNIVERSITY	\$62,600	WAYNE STATE UNIVERSITY	\$72,500	MICHIGAN STATE UNIVERSITY	\$92,800
MICHIGAN STATE UNIVERSITY	\$58,000	MICHIGAN STATE UNIVERSITY	\$72,400	WAYNE STATE UNIVERSITY	\$90,300
OAKLAND UNIVERSITY	\$57,500	UNIVERSITY OF MICHIGAN-DEARBORN	\$64,000	MICHIGAN TECH. UNIVERSITY	\$87,400
MICHIGAN TECH. UNIVERSITY	\$55,600	MICHIGAN TECH. UNIVERSITY	\$63,400	UNIVERSITY OF MICHIGAN-DEARBORN	\$87,000
WESTERN MICHIGAN UNIVERSITY	\$55,500	WESTERN MICHIGAN UNIVERSITY	\$63,300	CENTRAL MICHIGAN UNIVERSITY	\$78,700
UNIVERSITY OF MICHIGAN-DEARBORN	\$54,400	OAKLAND UNIVERSITY	\$63,200	UNIVERSITY OF MICHIGAN-FLINT	\$78,200
GRAND VALLEY STATE UNIVERSITY	\$54,400	CENTRAL MICHIGAN UNIVERSITY	\$61,200	FERRIS STATE UNIVERSITY	\$78,200
CENTRAL MICHIGAN UNIVERSITY	\$53,400	UNIVERSITY OF MICHIGAN-FLINT	\$61,100	OAKLAND UNIVERSITY	\$77,700
UNIVERSITY OF MICHIGAN-FLINT	\$52,400	GRAND VALLEY STATE UNIVERSITY	\$60,400	EASTERN MICHIGAN UNIVERSITY	\$76,700
NORTHERN MICHIGAN UNIVERSITY	\$51,600	FERRIS STATE UNIVERSITY	\$59,500	GRAND VALLEY STATE UNIVERSITY	\$76,500
FERRIS STATE UNIVERSITY	\$50,900	NORTHERN MICHIGAN UNIVERSITY	\$55,500	WESTERN MICHIGAN UNIVERSITY	\$75,500
LAKE SUPERIOR STATE UNIVERSITY	\$50,100	EASTERN MICHIGAN UNIVERSITY	N.R.	NORTHERN MICHIGAN UNIVERSITY	\$69,000
EASTERN MICHIGAN UNIVERSITY	\$49,500	LAKE SUPERIOR STATE UNIVERSITY	N.R.	LAKE SUPERIOR STATE UNIVERSITY	N.R.
SAGINAW VALLEY STATE UNIVERSITY	\$46,800	SAGINAW VALLEY STATE UNIVERSITY	N.R.	SAGINAW VALLEY STATE UNIVERSITY	N.R.
Assistant					
UNIVERSITY OF MICHIGAN-ANN ARBOR	\$54,500	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$66,700	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$89,600
WAYNE STATE UNIVERSITY	\$48,900	MICHIGAN STATE UNIVERSITY	\$58,900	WAYNE STATE UNIVERSITY	\$77,100
MICHIGAN TECH. UNIVERSITY	\$48,500	WAYNE STATE UNIVERSITY	\$58,700	MICHIGAN TECH. UNIVERSITY	\$77,000
UNIVERSITY OF MICHIGAN-DEARBORN	\$47,900	UNIVERSITY OF MICHIGAN-DEARBORN	\$58,500	UNIVERSITY OF MICHIGAN-DEARBORN	\$72,200
MICHIGAN STATE UNIVERSITY	\$47,500	MICHIGAN TECH. UNIVERSITY	\$57,200	MICHIGAN STATE UNIVERSITY	\$72,000
OAKLAND UNIVERSITY	\$46,300	OAKLAND UNIVERSITY	\$55,200	EASTERN MICHIGAN UNIVERSITY	\$69,000
WESTERN MICHIGAN UNIVERSITY	\$45,300	CENTRAL MICHIGAN UNIVERSITY	\$51,800	CENTRAL MICHIGAN UNIVERSITY	\$68,500
FERRIS STATE UNIVERSITY	\$44,900	FERRIS STATE UNIVERSITY	\$50,700	UNIVERSITY OF MICHIGAN-FLINT	\$68,200
CENTRAL MICHIGAN UNIVERSITY	\$44,100	UNIVERSITY OF MICHIGAN-FLINT	\$50,500	FERRIS STATE UNIVERSITY	\$66,900
UNIVERSITY OF MICHIGAN-FLINT	\$43,700	WESTERN MICHIGAN UNIVERSITY	\$49,400	OAKLAND UNIVERSITY	\$66,100
GRAND VALLEY STATE UNIVERSITY	\$42,500	GRAND VALLEY STATE UNIVERSITY	\$47,500	WESTERN MICHIGAN UNIVERSITY	\$64,500
EASTERN MICHIGAN UNIVERSITY	\$41,900	NORTHERN MICHIGAN UNIVERSITY	\$45,000	GRAND VALLEY STATE UNIVERSITY	\$63,000
SAGINAW VALLEY STATE UNIVERSITY	\$40,400	EASTERN MICHIGAN UNIVERSITY	N.R.	NORTHERN MICHIGAN UNIVERSITY	\$58,700
LAKE SUPERIOR STATE UNIVERSITY	\$40,200	LAKE SUPERIOR STATE UNIVERSITY	N.R.	LAKE SUPERIOR STATE UNIVERSITY	N.R.
NORTHERN MICHIGAN UNIVERSITY	\$39,500	SAGINAW VALLEY STATE UNIVERSITY	N.R.	SAGINAW VALLEY STATE UNIVERSITY	N.R.

N.R. Not Reported in the AAUP (American Association of University Professors) Annual Report on the Economic Status of the Profession