

FACULTY SALARY & BUDGET COMMITTEE

2008-2009 ANNUAL REPORT

MEMBERS

Ed Aboufadel
Princewill Anyalebechi
Theresa Bacon-Baguley
Aaron Baxter
Larry Burns
Doug Busman
Marinus DeBruine
Lynell DeWind
Gregg Dimkoff
Milt Ford
Joe Godwin (ex officio)
Paul Johnson
Fran Kelleher
Donijo Robbins (Chair)
Paul Stephenson
Patrick Thorpe
Elaine Van Doren
Xandra Xu

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, Joe Godwin, Jeff Musser, Dave Smith, and Lindsey Des Armo for meeting with us throughout the year and providing the necessary information to composed this report. Our sincerest gratitude to Lisa Surman Haight who assists us throughout the year.

INTRODUCTION

This year, like any other, the committee affirms its commitment to the faculty to provide an informed understanding of the financial health of the university. The work of the committee, as charged by the University Academic Senate, attempts to gain an informed and realistic view of the University's overall financial situation, while focusing attention on particular areas—salaries, health benefits, and prospectuses and final plans. While we thoroughly appreciate the current financial situation, we continue to advocate on behalf of the faculty that the Administration and Board of Trustees continue their commitment to attain appropriate competitive salaries at GVSU. Such a commitment is important to retain, recruit, and hire excellent faculty, thus preserving the quality of the university and achieving our goals as an institution.

This 2008-2009 annual report combines the traditional annual report with the salary newsletter. The first portion discusses FSBC's 2008-2009 charge and accomplishments and the second part presents the salary and benefit comparison summary data.

RESPONSIBILITIES

In August 2008, ECS/UAS charged the FSBC with the following responsibilities:

1. Faculty Salaries. FSBC should seek, in concert with the administration, to provide the necessary support to continue the improvements in GVSU faculty salaries — with a goal of moving median faculty salaries (at all ranks) and promotional increments to at, or above, the median value of each of these values among the 14 other Michigan public universities.
2. Health Benefits. Continue to monitor the ever-complex area of medical benefits, including considering expanding treatment options. FSBC should obtain an understanding of the current health benefits cost structure; including items such as possible cross-subsidization between and within the current plan offerings, rate ratios compared to national and regional norms as available, and a clear and consistent definition of what constitutes a 90/10 split (e.g., why co-pays, deductibles, and other out-of-pocket costs are not included in the calculation of total cost apportioning). FSBC should also determine what impact the recent changes in health care benefits has had on the value of compensation packages of faculty and make appropriate recommendations as to the allocation of any resulting economies.
3. Prospectuses/Final Plan Budgets. Please work with UCC and the Task Force on Prospectus and Final Plans to develop and transition to the use of standardized electronic processes (e.g., Excel spreadsheet format with specific required information) for all submitted proposals. If feasible please consider retroactive application of same for all programs approved in the past two years. Please evaluate the effectiveness of this approach for 2 & 4 year program reviews.

ACTIVITIES AND POSITIONS

FSBC accepted and fulfilled the charges delegated by UAS. Throughout the 2008-09 academic year, the committee evaluated numerous compensation issues such as overload pay, the per diem reimbursement rate and reassign time and subsequently developed the annual salary adjustment model. In addition, we reviewed the health benefits, particularly the health and wellness initiative, “Know Your Numbers, GVSU.” Finally, we reviewed fourteen prospectuses and five final plans. The following provides a brief synopsis of our findings and reviews.

Overload pay. FSBC evaluated the current policy on overload pay and suggested that the \$600 per credit hour be increased to \$1000 per credit hour. This was subsequently approved by ECS and UAS and is being considered by the Provost.

Per Diem Rates. In the fall 2008, FSBC requested that the administration evaluate current per diem rates such that the additional rates be added for high cost cities. Beginning July 1, 2009, per diem rates will increase and have three tiers. The table below presents these rates. Some high cost cities include, but not limited to, Los Angeles, San Francisco, the District of Columbia, Chicago, Boston, Minneapolis, Las Vegas, New York, Philadelphia, and Seattle.

Per Diem Rates (Effective July 1, 2009)				
	Breakfast	Lunch	Dinner	Full Day
Standard	\$8	\$12	\$19	\$39
High Cost Cities	\$9	\$14	\$25	\$48
High Cost Countries	\$12	\$18	\$30	\$60

Annual Salary Adjustment. In September 2008, FSBC recommended a salary adjustment for the next fiscal year based on the December-to-December change in the Midwest CPI plus 1.5 percent. From December 2007 to December 2008, the Midwest CPI decreased by 0.3 percent. As a result, a 1.2 percent raise $[1.5 + (-0.3)]$ will preserve GVSU’s commitment to improving faculty salaries as they relate to inflation and national averages.

Health Benefits. FSBC met twice this year with Dave Smith, Director of Benefit Services, and Lindsey Des Armo, Health and Wellness Coordinator to discuss the new health and wellness program, “Know Your Numbers, GVSU.” FSBC expressed concerns about the security and tracking of this information as well as the sharing of the cost savings. We will continue to work with human resources on these issues.

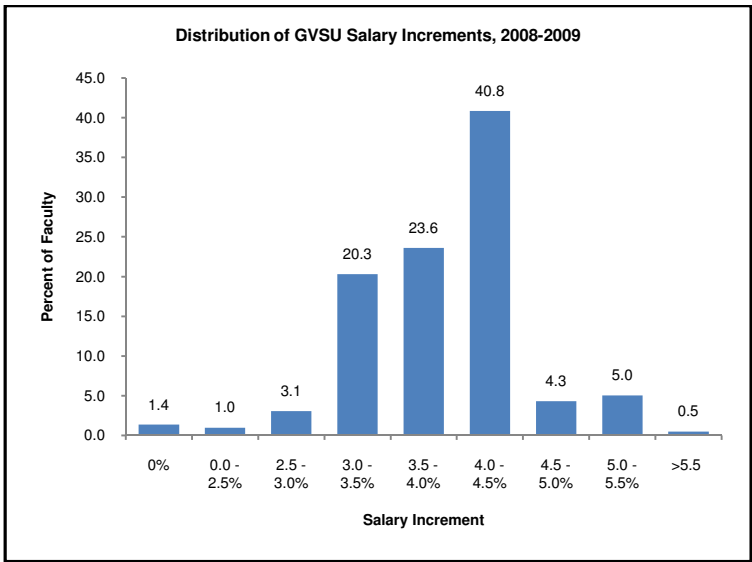
Budgets. This year, FSBC has reviewed and evaluated a number of new program prospectuses and final plans. A number of issues (e.g., time of submission, lack of budget information, and budget items) emerged, leading the committee to develop a review policy of new programs. We believe, no matter what the economic conditions, that all proposers must provide substantial evidence to support their program, not limited to budget implications. In addition, we believe that governance committees and the administration carefully assess each program before moving to approve. The committee believes there are always new costs associated with a new program, no matter how minor. When GVSU was growing rapidly, resource availability never seemed to be an issue and empirical evidence never demanded and as a result, new program proposals moved through the process with little understanding of or regard for their fiscal impact. The same is true today except GVSU’s growth has slowed significantly. Therefore, FSBC argues that all prospectuses and final plans should be subject to more scrutiny by all faculty governance committees and the Administration, particularly in this time of fiscal austerity. Specifically, we must move toward a justification process where the use of current (and/or additional) university resources is consistent with the university’s mission and strategic plan, both of which are a result of what we aspire to become. The Chair of FSBC will continue to work with the Task Force on Procedures for Establishing New Academic Units and Programs to develop standardized budget models.

Reassign time. Most of the prospectuses and final plans reviewed this year have built-in reassign time for coordinators or assistant chairs that begins at inception. Although FSBC believes reassign time is warranted in certain instances, FSBC is concerned with the amount and budgetary impacts of reassign time and that its allocation is at best arbitrary. For example, 861 credit hours of reassign time have been allocated in the 2008-09 academic year for a variety of activities, including coordinating minor and major programs, assisting department chairs, directing theses and/or independent studies, mentoring first year faculty, contractual agreements, and the like. This translates into over \$500,000 in adjunct or overload pay to cover these credits (assuming \$600 per credit). FSBC requests that the current approach to reassign time be evaluated and if deemed necessary, a formal policy developed.

SALARY & BENEFITS

This section highlights faculty compensation in salary and benefits. Specifically, we highlight changes in salary increments for 2008-09 and compare these increments to inflation and national averages. In addition, we compare promotional increments and total compensation to the other Michigan public universities.

Each year FSBC recommends to ECS/UAS a salary adjustment model, based on changes in inflation and national average salary increments, for the coming fiscal year. ECS/UAS, in turn, discusses the proposal and, if approved, forwards the adjustment rationale to the Provost. Last year, FSBC recommended a 2008-09 salary adjustment based on the December-to-December change in the Midwest CPI plus 1.5 percent. In 2007, the December-to-December inflation in the Midwest increased by 3.8 percent.



What was the salary increment? This year, salary increases at GVSU for all 813 faculty (including affiliates, tenure-track, tenure, and library faculty) averaged 3.8 percent (or a 4.0 percent median). Regular continuing faculty (669 tenure-track, tenure, and library faculty) earned an average salary adjustment of 5.4 percent, an increase slightly higher than the recommended annual salary adjustment.

What is the distribution of the salary increments? Of all 813 faculty members at GVSU, 95 percent (769 faculty) received at least a 3 percent salary adjustment and 85 percent (689 faculty) received between a 3.0 and 4.5 percent salary increase. The figure to the left illustrates the percent of faculty within different salary increments, ranging from 0.0 to 6.2 percent.

How do salary increases compare to inflation? The table to the right illustrates the change in salary increases, inflation, the recommended annual salary adjustment (ASA) which is CPI plus 1.5 percent, and the difference between the actual salary adjustments and the recommended ASA. Two-year moving averages are used to smooth out the difference between academic years (July to June) and annual CPI data (December to December). Over the past six years, faculty salary adjustments for GVSU regular continuing faculty have averaged about 1.8 percent over Midwest rates of inflation (4.0 percent average salary increases minus 2.2 percent inflation) and 0.3 percent more than recommended by FSBC.

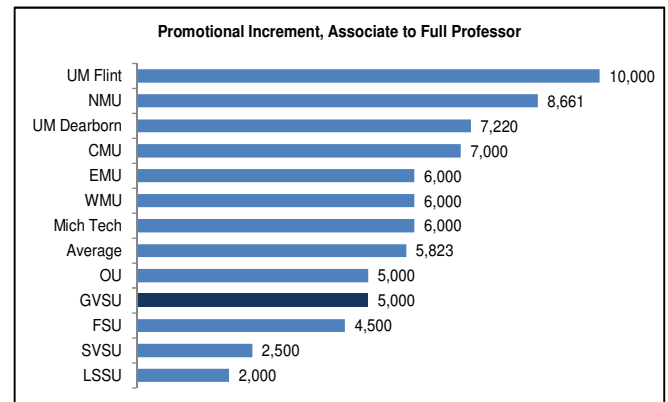
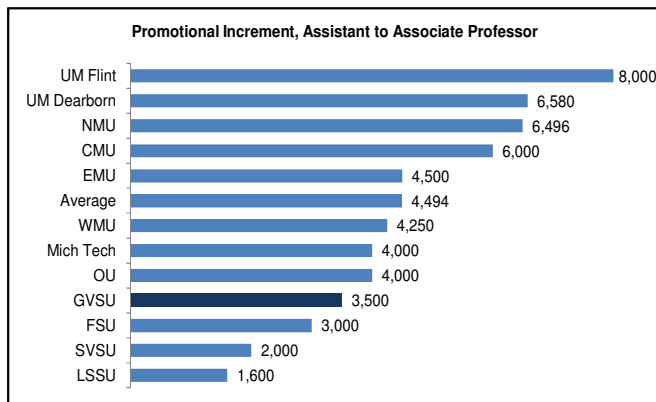
Two-Year Moving Average for Salaries and Inflation Compared to the Annual Salary Adjustment (ASA) Recommendation				
Fiscal Years	Nominal Salary Increase (%)	Midwest CPI Dec-Dec Change (%)	ASA (CPI+1.5%)	Salary Increase More (Less) than ASA
2003-05	2.5	2.4	3.9	(1.4)
2004-06	3.0	3.1	4.6	(1.6)
2005-07	4.3	2.5	4.0	0.4
2006-08	5.1	2.8	4.3	0.9
2007-09	5.3	1.8	3.3	2.1
6 year average	4.0	2.2	3.7	0.3

Annual Average Percentage Increases in Salaries					
Fiscal Year	Salary Increment Funds For GVSU		Regular Continuing Faculty		
	Number of Faculty	Salary Increase (%)	GVSU Number of Faculty	GVSU Nominal Salary Increase (%)	National Average Salary Increases (%)
1999-00	486	3.7			4.8
2000-01	539	5.0			5.3
2001-02	574	3.8			5.0
2002-03	599	2.9			4.3
2003-04	653	2.3	565	2.5	3.1
2004-05	693	1.8	621	2.4	4.5
2005-06	692	3.0	653	3.6	4.4
2006-07	734	3.0	643	5.0	5.0
2007-08	750	4.0	657	5.2	5.1
2008-09	790	4.0	669	5.4	4.9

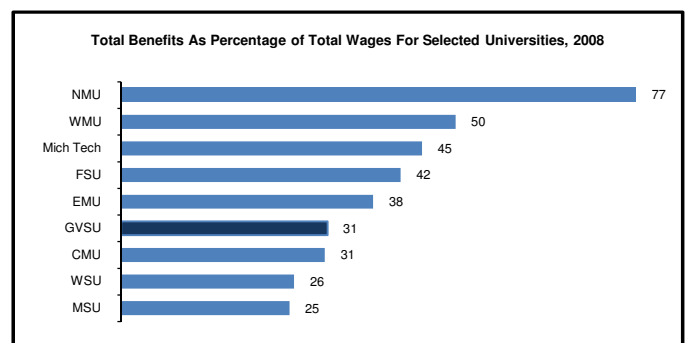
How do salary increases compare to national averages?

The table to the left displays national and GVSU average salary increases for the past 10 years. The mean salary increase for faculty in 2008-09 was 4.0 percent and 5.4 percent for continuing faculty. Although GVSU salary increases for continuing faculty over the past three years have been equal to or greater than the national average, a six year comparison suggests that GVSU salary increases are 2.9 percent lower than national averages. We recognize and appreciate the efforts taken by the Administration to rectify the differences between GVSU and national averages.

How do the promotional increments compare to other public universities in Michigan? At GVSU, those promoted to associate professor and full professor receive an additional \$3,500 and \$5,000 in compensation, respectively. Among the 12 public universities, [not including the Big Three of U of M - Ann Arbor, MSU, and WSU], the average increment for promotion to associate professor is \$4,494 and \$5,823 for promotion to full professor. GVSU promotional increments have increased twice in the past three years moving GVSU closer to the average compensation, it ranks 9th among the 12 public universities. The tables below present the increments for promotion to associate and full.



How do benefits compare to other institutions? Every year the total annual medical costs for each GVSU employee increases, and 2008 was no different; the average per employee medical expenditure was \$9,331. Total benefits at GVSU are 31 percent of total wages, ranking GVSU 6th among 9 selected public universities [those with available data]. The average benefit compensation is 40 percent, but when Northern Michigan University, the outlier, is removed, the average falls to 36 percent.



How Do Salaries by Discipline and Rank Compare? Each year FSBC assembles average salary data by rank and department [or discipline] and compares GVSU to other universities. In the pages that follow, GVSU averages [by department and rank] are compared to four different groups of schools. The first group is comprised of the 417 master's institutions that report salary data to CUPA. The other three groups are created by GVSU's Administration to benchmark salaries. These groups include 162 national comprehensive institutions, 20 Midwest comprehensive universities, and 11 peer institutions [small group]. Not all disciplines and/or departments are included in the salary tables and were too few observations exist, data are not reported.

DEPARTMENT & RANK	GVSU Average Salaries	CUPA Master's	GVSU's lists		
			National	Midwest	Small Group
ACCOUNTING					
Professor	126,577	101,297	103,266	106,425	117,053
Associate Professor	97,032	90,058	91,817	97,381	108,046
Assistant Professor	101,483	82,145	87,476	94,505	101,002
New Assistant Professor	101,500	92,152	88,942	99,472	
Instructor	59,481	54,093	54,941	61,179	56,896
ANTHROPOLOGY					
Professor	87,086	81,372	80,972	61,370	80,601
Associate Professor	64,716	63,898	61,274	52,746	
Assistant Professor	54,007	52,459	51,565		51,170
New Assistant Professor	52,500	49,759	48,710		
Instructor		40,361	39,619		
BIOLOGICAL AND BIOMEDICAL SCIENCES					
Professor	76,167	79,598	79,123	77,572	81,535
Associate Professor	63,958	62,194	62,000	60,805	64,843
Assistant Professor	53,541	52,625	52,735	52,440	55,080
New Assistant Professor	53,500	51,521	52,048	50,408	52,144
Instructor		41,860	40,393	37,793	45,371
BUSINESS ADMINISTRATION					
Professor	108,042	95,968	97,454	100,455	107,056
Associate Professor	92,143	82,288	84,674	88,669	96,621
Assistant Professor	82,717	75,443	79,411	85,029	91,245
New Assistant Professor	88,000	77,171	78,687	83,377	
Instructor		53,854	52,199	54,283	58,318
CHEMISTRY					
Professor	83,864	81,320	80,292	77,024	87,450
Associate Professor	63,555	62,453	62,248	58,983	65,859
Assistant Professor	53,191	52,385	52,472	53,376	55,926
New Assistant Professor	48,500	50,126	50,487		54,695
Instructor		40,569	39,521	40,021	43,891
CLASSICS					
Professor	74,250	82,736	78,981		
Associate Professor	58,174	65,927			
Assistant Professor	54,748	54,893			
New Assistant Professor					
Instructor	48,000				
COMMUNICATION & MEDIA STUDIES					
Professor	85,469	79,651	77,164	70,161	77,667
Associate Professor	61,072	62,232	61,435	59,310	64,799
Assistant Professor	52,027	51,961	50,761	49,876	52,278
New Assistant Professor	48,000	50,589	49,700	48,736	
Instructor	48,000	43,763	41,895	43,470	44,446
COMPUTER AND INFORMATION SCIENCES AND SUPPORT SERVICES					
Professor	98,884	94,254	94,423	98,129	107,153
Associate Professor	85,445	78,775	81,713	85,006	90,439
Assistant Professor	75,112	68,895	71,393	75,516	78,248
New Assistant Professor	78,000	67,619	68,657		
Instructor	51,762	49,445	49,652		60,546
CREATIVE WRITING					
Professor	80,868	80,437	77,378		
Associate Professor	70,771	65,787	61,228		
Assistant Professor	50,088	55,464	56,237		
New Assistant Professor	49,567	53,662			
Instructor		46,051			

	GVSU Average Salaries	CUPA Masters	GVSU's lists		
DEPARTMENT & RANK			National	Midwest	Small Group
CRIMINAL JUSTICE					
Professor	79,003	82,271	81,815	95,109	
Associate Professor	69,685	64,127	63,534	66,294	
Assistant Professor	56,044	53,551	53,474	54,703	
New Assistant Professor	53,000	53,545	53,452		
Instructor		43,259	43,007	43,478	
ECONOMICS					
Professor	121,930	91,870	90,956	84,131	97,731
Associate Professor	78,791	74,896	75,187	72,541	76,606
Assistant Professor	72,693	65,824	67,852	65,368	69,780
New Assistant Professor		68,085	69,647	70,800	
Instructor		48,327	45,452	45,418	
EDUCATION					
Professor	93,196	77,552	76,607		
Associate Professor	68,295	61,268	60,813	60,570	
Assistant Professor	54,975	52,150	51,918	51,697	
New Assistant Professor	53,250	50,583	51,610		
Instructor		44,921	42,260		
ENGINEERING					
Professor	97,102	93,773	96,017		
Associate Professor	79,222	76,421	77,700		
Assistant Professor	73,056	67,809	67,748		
New Assistant Professor	68,250	68,583	69,293		
Instructor		48,017			
ENGLISH LANGUAGE AND LITERATURE					
Professor	75,378	76,918	75,409	72,659	78,237
Associate Professor	62,992	59,664	59,252	57,726	61,120
Assistant Professor	51,186	50,175	49,550	50,229	50,333
New Assistant Professor		48,258	47,540	48,724	49,530
Instructor	52,202	40,278	39,187	40,914	40,237
FINANCE					
Professor	116,337	107,229	104,541	107,608	112,462
Associate Professor	109,283	94,248	94,331	99,698	105,603
Assistant Professor	107,862	89,627	91,627	97,056	98,509
New Assistant Professor		89,493	94,603		
Instructor		60,572	52,515		
FINE & STUDIO ART					
Professor	79,423	76,487	74,740	75,031	77,131
Associate Professor	59,968	59,718	58,199	56,374	59,813
Assistant Professor	50,155	49,759	48,803	49,772	49,876
New Assistant Professor		47,923	46,719		48,414
Instructor	44,803	41,392	38,751	41,908	
GEOGRAPHY					
Professor	70,770	77,390	77,636	77,694	
Associate Professor	61,057	63,408	62,992	60,831	67,857
Assistant Professor	56,767	52,530	52,307	50,233	53,128
New Assistant Professor		50,455	50,844		
Instructor		40,992	41,559	39,154	
GEOLOGICAL & EARTH SCIENCES					
Professor	80,143	80,119	78,010	78,228	82,607
Associate Professor	63,470	63,644	63,125	63,831	67,384
Assistant Professor	55,188	54,730	54,064	53,973	53,949
New Assistant Professor		53,137	51,847		
Instructor		40,073	40,159		

DEPARTMENT & RANK	GVSU	CUPA Master's	GVSU's lists		
	Average Salaries		National	Midwest	Small Group
HEALTH & PHYSICAL EDUCATION					
Professor	69,825	76,698	78,401	72,922	85,125
Associate Professor	63,454	63,172	64,111	58,109	68,438
Assistant Professor	50,931	52,159	52,318	51,014	53,745
New Assistant Professor	51,500	51,593	51,914		55,683
Instructor		43,792	43,537		
HEALTH PROFESSIONS					
Professor	79,398	84,407	80,732		
Associate Professor	77,214	71,512	70,954		
Assistant Professor	65,793	65,446	60,477		
New Assistant Professor	65,283	53,136			
Instructor	51,313	48,266	49,040		
HISTORY					
Professor	83,301	78,123	77,359	76,178	81,337
Associate Professor	61,092	60,628	59,065	59,378	63,311
Assistant Professor	51,192	50,581	49,603	49,320	49,631
New Assistant Professor		48,307	47,187	47,392	49,662
Instructor	51,000	40,719	40,909	42,915	
HOSPITALITY ADMINISTRATION					
Professor		92,918	94,753		
Associate Professor	72,625	78,461	78,121		
Assistant Professor	61,358	63,333	63,119		
New Assistant Professor					
Instructor	54,262	53,004			
LINGUISTIC, COMP & RELATED STUDIES					
Professor	74,570	75,942	73,834	70,899	82,377
Associate Professor	61,591	62,340	60,465	59,492	60,560
Assistant Professor	50,534	50,941	50,780	50,744	52,234
New Assistant Professor		48,455	48,196		50,800
Instructor		39,547	38,232		42,146
MARKETING					
Professor	118,748	102,315	100,055	105,202	109,681
Associate Professor	101,361	89,474	88,097	92,956	98,687
Assistant Professor	92,345	82,253	83,454	86,345	91,664
New Assistant Professor		84,796	83,762		
Instructor	61,816	54,455	52,439	49,761	44,604
MATHEMATICS					
Professor	80,960	80,201	78,737	80,508	84,561
Associate Professor	64,249	63,671	63,182	62,425	67,212
Assistant Professor	56,114	53,309	53,136	53,767	57,329
New Assistant Professor		52,291	52,865	54,670	55,798
Instructor	51,145	42,334	40,588	40,608	44,726
MUSIC					
Professor	83,474	74,453	74,998	73,233	78,366
Associate Professor	61,155	60,104	58,817	59,072	61,515
Assistant Professor	52,698	50,290	49,858	49,124	52,529
New Assistant Professor	52,625	49,254	48,255	50,063	
Instructor		41,948	41,425	36,945	45,377
NURSING					
Professor	84,763	81,943	83,575	80,859	
Associate Professor	71,202	68,267	69,809	69,327	74,802
Assistant Professor	59,580	57,782	58,648	58,226	63,109
New Assistant Professor	55,750	56,145	56,486	58,967	
Instructor		50,587	51,161	58,619	

DEPARTMENT & RANK	GVSU	CUPA Master's	GVSU's lists		
	Average Salaries		National	Midwest	Small Group
PHILOSOPHY					
Professor	80,510	81,198	77,617	72,130	
Associate Professor	60,113	61,941	60,351	57,672	
Assistant Professor	52,910	51,135	50,072	48,686	
New Assistant Professor		50,678	50,260	47,600	
Instructor	47,000	39,234	37,637		
PHYSICS					
Professor	79,626	82,657	82,476	79,657	85,509
Associate Professor	64,875	64,621	64,232	60,865	66,936
Assistant Professor	54,705	53,550	53,719	53,335	57,299
New Assistant Professor	50,000	52,995	53,347		57,903
Instructor		42,488	42,048	37,681	
POLITICAL SCIENCE					
Professor	89,459	81,394	79,539	82,287	79,447
Associate Professor	61,663	63,981	62,271	63,092	62,753
Assistant Professor	52,998	51,702	50,754	51,563	51,583
New Assistant Professor		50,652	51,051	49,140	52,510
Instructor	49,000	43,480	41,508	41,864	45,477
PSYCHOLOGY					
Professor	88,181	79,311	78,934	79,294	81,742
Associate Professor	63,904	62,928	61,981	60,031	64,120
Assistant Professor	55,205	52,334	52,365	52,633	55,237
New Assistant Professor	54,825	51,602	51,253	52,092	53,167
Instructor	49,141	43,680	41,071	37,806	44,899
PUBLIC ADMINISTRATION					
Professor	83,742	86,273	85,938		
Associate Professor	72,394	71,285	69,891	76,980	
Assistant Professor	60,168	59,472	59,685		
New Assistant Professor	60,257	54,108	55,877		
Instructor	-	45,358	45,358		
REHABILITATION & THERAPUTIC PROFESSIONS					
Professor		83,937	79,953		
Associate Professor	73,232	70,737	69,359		
Assistant Professor	54,750		60,861		
New Assistant Professor	52,000	58,925	64,870		
Instructor		55,295	53,314		
SOCIAL WORK					
Professor	92,524	77,286	79,600	86,126	-
Associate Professor	64,398	63,377	63,899	62,156	63,881
Assistant Professor	55,076	52,791	53,185	54,172	54,199
New Assistant Professor	51,550	51,796	52,450		
Instructor		43,992	43,972	45,701	42,463
SOCIOLOGY					
Professor	91,125	80,581	78,400	75,987	79,597
Associate Professor	63,570	62,190	60,514	62,109	62,568
Assistant Professor	54,517	51,930	50,868	49,858	52,618
New Assistant Professor	53,000	49,533	49,650	50,371	51,713
Instructor		42,523	41,337	38,676	
STATISTICS					
Professor	82,105	82,873	81,677		
Associate Professor	71,775	68,230	65,710		
Assistant Professor	57,760	58,521	59,514		
New Assistant Professor					
Instructor					