

FACULTY SALARY & BUDGET COMMITTEE

ANNUAL REPORT

2011-2012 EDITION

MEMBERS

Aaron Baxter
Wallace Boeve
Pat Bravender
Larry Burns (Chair F2011)
Marinus DeBruine
Alisha Davis
Gregg Dimkoff
Gretchen Galbraith
Joe Godwin (ex officio)
Linda Grinstead
Bob Hollister (Chair W2012)
Brian Johnson
Zack Kurmas
Susan Mlynarczyk
Andrew Schlewitz
Paul Stephenson
Patrick Thorpe
Tom Willey
Sherie Williams
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, Jim Bachmeier, Joe Godwin, & Dave Smith for meeting with us throughout the year. Our sincerest gratitude to Lisa Surman Haight who assists us throughout the year.

INTRODUCTION

The Faculty Salary and Budget Committee (FSBC) works to provide an informed understanding of the financial health of the university. The work of the committee, as charged by the University Academic Senate (UAS), 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 new programs. The FSBC continues to advocate for the faculty to assure 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 year, FSBC leadership was shared. Larry Burns, as a former chair, served one year after Donijo Robbins stepped down at the end of December 2010 to become the City Comptroller for the City of Grand Rapids. The Committee elected Robert Hollister to serve as chair for the remainder of the academic year and for 2012-2013.

This report presents FSBC's 2011-2012 charge and highlights recent changes in faculty salaries and benefits.

RESPONSIBILITIES

In August 2011, ECS/UAS charged FSBC to do the following:

1. Compare faculty salaries and benefits with other MI public institutions
2. Study retrenchment (and program viability)
3. Review the university's budget
4. Provide proactive suggestions
5. Explore FSBC leadership transition options

We have addressed all these items; details can be seen in the minutes of each meeting posted on the faculty governance webpage.

CHANGES IN SUMMER SALARY

Over the past year FSBC and others worked closely with the provost's office to adjust the procedure for determining wages for faculty with 9 month appointments who teach during the summer. The rate for summer wages was modified so that now the first six credit/contact hours are paid at 3.33% of base salary (which equates to 10% of base salary for a three credit course). In return for the change the administration has increased base salaries of all nine-month faculty by 2.5% effective May 7, 2012. This change in base salary is separate from annual raises which are expected to be within the normal range for 2012/2013.

CHANGES IN HEALTHCARE

Recently the university created a High Deductible Healthcare Plan and provided incentives for faculty to choose the plan. While it is likely that the university will continue to contribute to faculty HSA accounts, FSBC recommends faculty to contribute to the plan as if there was no contribution from the administration so that the additional money can build up over time and act as a form of tax free healthcare insurance and retirement savings.

The data from the first year of the new High Deductible Healthcare Plan appear to show that faculty health expenditures have changed as individuals become more aware of healthcare costs. For example, expenditures on prescription drugs were lower and the use of generics was higher. In fact, healthcare costs for the university were down from the previous year. FSBC will continue to monitor costs and advocate for savings in healthcare expenditures by the university to be returned to faculty either in reduced healthcare costs of individuals, increased university contributions to HSA accounts or increases in faculty salaries.

FACULTY SALARIES

Each year FSBC recommends to ECS/UAS a salary adjustment model for the coming fiscal year, ECS/UAS discusses the proposal and, if approved, forwards the recommendation to the Provost. In recent years FSBC has proposed a minimum salary adjustment based on the December-to-December change in inflation plus 1.5% (Midwest Consumer Price Index, CPI, increased 2.8%). As a committee we are concerned that GVSU salaries have not kept pace with national or regional trends. GVSU salary increases for continuing faculty over the past decade have not met the expectation of CPI + 1.5% and have been below the national average over the past ten years (**Table 1**); as a result faculty salaries at all levels have lost ground relative to other public universities in Michigan (**Table 2**). The increase in base salary associated with the change in summer salaries (discussed above) is expected to help regain ground. We encourage faculty to stress the importance of competitive salaries to the administration and the board of trustees.

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

	2001- 02	2002- 03	2003- 04	2004- 05	2005- 06	2006- 07	2007- 08	2008- 09	2009- 10	2010- 11	2011- 12	5-year Average	10-year Average
GVSU faculty raises [^]	5.0	3.8	2.9	2.3	1.8	3.0	5.2	5.4	3.6	0.0	2.4	3.32	3.22
Proposed minimum (CPI+1.5%)	4.2	2.7	3.4	3.9	4.7	4.2	5.2	1.2	4.4	3.4	4.3	3.70	3.77
Midwest CPI (Dec to Dec) ⁺	2.7	1.2	1.9	2.4	3.2	2.7	3.7	(0.3)	2.9	1.9	2.8	2.20	2.27
National raises [#]	5.0	4.3	3.1	4.5	4.4	5.0	5.1	4.9	1.8	2.5	2.9	3.44	3.91
National CPI (Dec to Dec) [#]	1.6	2.4	1.9	3.3	3.4	2.5	4.1	0.1	2.7	1.5	3.0	2.28	2.40
GVSU vs Proposed minimum	0.8	1.1	(0.5)	(1.6)	(2.9)	(1.2)	0.0	4.2	(0.8)	(3.4)	(1.9)	(0.38)	(0.55)
GVSU vs National (unadjusted)	0.0	(0.5)	(0.2)	(2.2)	(2.6)	(2.0)	0.1	0.5	1.8	(2.5)	(0.5)	(0.12)	(0.69)
GVSU vs National (CPI adjusted)	(1.1)	0.7	(0.2)	(1.3)	(2.4)	(2.2)	0.5	0.9	1.6	(2.9)	(0.3)	(0.04)	(0.56)

() indicate negative numbers

[^] Includes promotional increments, merit raises, and compression

⁺ Values from the Bureau of Labor Statistics

[#] Values from the AAUP (American Association of University Professors) Annual Report on the Economic Status of the Profession

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

2001-2002		2006-2007		2011-2012	
Professor					
UNIVERSITY OF MICHIGAN-ANN ARBOR	108,900	UNIVERSITY OF MICHIGAN-ANN ARBOR	130,400	UNIVERSITY OF MICHIGAN-ANN ARBOR	148,800
WAYNE STATE UNIVERSITY	\$90,200	MICHIGAN STATE UNIVERSITY	110,200	MICHIGAN STATE UNIVERSITY	128,600
MICHIGAN STATE UNIVERSITY	\$89,700	WAYNE STATE UNIVERSITY	103,100	WAYNE STATE UNIVERSITY	116,600
MICHIGAN TECH. UNIVERSITY	\$89,700	WESTERN MICHIGAN UNIVERSITY	\$91,600	UNIVERSITY OF MICHIGAN-DEARBORN	106,500
WESTERN MICHIGAN UNIVERSITY	\$81,800	UNIVERSITY OF MICHIGAN-DEARBORN	\$90,900	MICHIGAN TECH. UNIVERSITY	105,200
OAKLAND UNIVERSITY	\$79,900	OAKLAND UNIVERSITY	\$88,900	WESTERN MICHIGAN UNIVERSITY	\$99,700
UNIVERSITY OF MICHIGAN-DEARBORN	\$78,600	MICHIGAN TECH. UNIVERSITY	\$86,600	OAKLAND UNIVERSITY	\$99,300
GRAND VALLEY STATE UNIVERSITY	\$75,600	CENTRAL MICHIGAN UNIVERSITY	\$86,600	CENTRAL MICHIGAN UNIVERSITY	\$98,300
CENTRAL MICHIGAN UNIVERSITY	\$73,400	GRAND VALLEY STATE UNIVERSITY	\$82,300	UNIVERSITY OF MICHIGAN-FLINT	\$94,800
UNIVERSITY OF MICHIGAN-FLINT	\$72,300	UNIVERSITY OF MICHIGAN-FLINT	\$78,900	EASTERN MICHIGAN UNIVERSITY	\$93,200
EASTERN MICHIGAN UNIVERSITY	\$70,800	NORTHERN MICHIGAN UNIVERSITY	\$77,500	GRAND VALLEY STATE UNIVERSITY	\$92,300
LAKE SUPERIOR STATE UNIVERSITY	\$64,000	FERRIS STATE UNIVERSITY	\$77,200	FERRIS STATE UNIVERSITY	\$89,800
FERRIS STATE UNIVERSITY	\$62,900	EASTERN MICHIGAN UNIVERSITY	N.R.	NORTHERN MICHIGAN UNIVERSITY	\$82,600
NORTHERN MICHIGAN UNIVERSITY	\$57,300	LAKE SUPERIOR STATE UNIVERSITY	N.R.	LAKE SUPERIOR STATE UNIVERSITY	N.R.
SAGINAW VALLEY STATE UNIVERSITY	N.R.	SAGINAW VALLEY STATE UNIVERSITY	N.R.	SAGINAW VALLEY STATE UNIVERSITY	N.R.
Associate					
UNIVERSITY OF MICHIGAN-ANN ARBOR	\$76,300	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$86,600	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$98,200
WAYNE STATE UNIVERSITY	\$69,700	MICHIGAN STATE UNIVERSITY	\$79,200	MICHIGAN STATE UNIVERSITY	\$89,200
MICHIGAN STATE UNIVERSITY	\$67,600	WAYNE STATE UNIVERSITY	\$78,700	WAYNE STATE UNIVERSITY	\$87,700
UNIVERSITY OF MICHIGAN-DEARBORN	\$62,400	UNIVERSITY OF MICHIGAN-DEARBORN	\$72,200	UNIVERSITY OF MICHIGAN-DEARBORN	\$85,100
MICHIGAN TECH. UNIVERSITY	\$62,200	WESTERN MICHIGAN UNIVERSITY	\$69,600	MICHIGAN TECH. UNIVERSITY	\$82,800
WESTERN MICHIGAN UNIVERSITY	\$62,200	MICHIGAN TECH. UNIVERSITY	\$68,700	CENTRAL MICHIGAN UNIVERSITY	\$75,400
OAKLAND UNIVERSITY	\$62,000	OAKLAND UNIVERSITY	\$68,200	EASTERN MICHIGAN UNIVERSITY	\$75,400
GRAND VALLEY STATE UNIVERSITY	\$59,700	CENTRAL MICHIGAN UNIVERSITY	\$66,600	WESTERN MICHIGAN UNIVERSITY	\$75,000
CENTRAL MICHIGAN UNIVERSITY	\$58,000	UNIVERSITY OF MICHIGAN-FLINT	\$65,100	OAKLAND UNIVERSITY	\$73,900
UNIVERSITY OF MICHIGAN-FLINT	\$57,400	GRAND VALLEY STATE UNIVERSITY	\$63,700	UNIVERSITY OF MICHIGAN-FLINT	\$72,200
EASTERN MICHIGAN UNIVERSITY	\$55,500	FERRIS STATE UNIVERSITY	\$61,600	GRAND VALLEY STATE UNIVERSITY	\$72,100
FERRIS STATE UNIVERSITY	\$55,400	NORTHERN MICHIGAN UNIVERSITY	\$59,900	FERRIS STATE UNIVERSITY	\$71,900
NORTHERN MICHIGAN UNIVERSITY	\$54,600	EASTERN MICHIGAN UNIVERSITY	N.R.	NORTHERN MICHIGAN UNIVERSITY	\$65,000
LAKE SUPERIOR STATE UNIVERSITY	\$51,700	LAKE SUPERIOR STATE UNIVERSITY	N.R.	LAKE SUPERIOR STATE UNIVERSITY	N.R.
SAGINAW VALLEY STATE UNIVERSITY	N.R.	SAGINAW VALLEY STATE UNIVERSITY	N.R.	SAGINAW VALLEY STATE UNIVERSITY	N.R.
Assistant					
UNIVERSITY OF MICHIGAN-ANN ARBOR	\$61,700	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$75,000	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$85,800
WAYNE STATE UNIVERSITY	\$54,800	UNIVERSITY OF MICHIGAN-DEARBORN	\$65,800	MICHIGAN TECH. UNIVERSITY	\$75,900
MICHIGAN STATE UNIVERSITY	\$53,900	MICHIGAN TECH. UNIVERSITY	\$64,200	WAYNE STATE UNIVERSITY	\$75,000
OAKLAND UNIVERSITY	\$53,700	WAYNE STATE UNIVERSITY	\$64,100	UNIVERSITY OF MICHIGAN-DEARBORN	\$72,200
MICHIGAN TECH. UNIVERSITY	\$53,600	MICHIGAN STATE UNIVERSITY	\$61,800	MICHIGAN STATE UNIVERSITY	\$69,500
UNIVERSITY OF MICHIGAN-DEARBORN	\$52,500	OAKLAND UNIVERSITY	\$57,800	UNIVERSITY OF MICHIGAN-FLINT	\$66,400
WESTERN MICHIGAN UNIVERSITY	\$51,000	UNIVERSITY OF MICHIGAN-FLINT	\$57,300	EASTERN MICHIGAN UNIVERSITY	\$64,800
UNIVERSITY OF MICHIGAN-FLINT	\$48,100	FERRIS STATE UNIVERSITY	\$54,500	FERRIS STATE UNIVERSITY	\$64,500
GRAND VALLEY STATE UNIVERSITY	\$48,000	WESTERN MICHIGAN UNIVERSITY	\$53,300	OAKLAND UNIVERSITY	\$63,700
EASTERN MICHIGAN UNIVERSITY	\$47,700	CENTRAL MICHIGAN UNIVERSITY	\$53,200	CENTRAL MICHIGAN UNIVERSITY	\$62,700
FERRIS STATE UNIVERSITY	\$46,900	GRAND VALLEY STATE UNIVERSITY	\$50,700	GRAND VALLEY STATE UNIVERSITY	\$62,200
CENTRAL MICHIGAN UNIVERSITY	\$46,000	NORTHERN MICHIGAN UNIVERSITY	\$49,400	WESTERN MICHIGAN UNIVERSITY	\$59,500
LAKE SUPERIOR STATE UNIVERSITY	\$44,800	EASTERN MICHIGAN UNIVERSITY	N.R.	NORTHERN MICHIGAN UNIVERSITY	\$54,500
NORTHERN MICHIGAN UNIVERSITY	\$43,700	LAKE SUPERIOR STATE UNIVERSITY	N.R.	LAKE SUPERIOR STATE UNIVERSITY	N.R.
SAGINAW VALLEY STATE UNIVERSITY	N.R.	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