

FACULTY SALARY & BUDGET COMMITTEE

ANNUAL REPORT

2016-2017 EDITION

MEMBERS

Marty Abramson
Jared Austin (student)
Neal Buckwalter
Larry Burns
Gregg Dimkoff
Kathy Gulembo (ex officio)
Bob Hollister (chair)
Lori Houghton-Rahrig
Zack Kurmas
Nancy Mack
Julia Mason
Paul Murphy
Len O'Kelly
Jon Rose
Ashley Rosener
Paul Stephenson
Joel Stillerman
Rachel Travis (student)
Mike Yuhas

MAJOR RESPONSIBILITIES

- ✓ Analyze faculty salaries
- ✓ Review health benefits
- ✓ Evaluate budgetary impacts of the proposed programs:
 - Communication Sciences and Disorders Major
 - Bachelor of Science in Sport Management
 - Data Science and Analytics
 - Digital Studies Minor
 - Professional Master of Arts in Social Innovation
 - Early Childhood Education Minor
 - Undergraduate Major in Environmental and Sustainability Studies
 - Master's of Athletic Training
 - Information Technology Major

MEETING TIMES

Fridays, Noon to 1:30pm

ACKNOWLEDGMENTS

Many thanks to the administration for meeting with us throughout the year and Lisa Surman Haight for assistance.

MAIN POINTS

- The FSBC is an advocate for faculty on issues related to budgets.
- The FSBC website provides details on salaries and benefits.
- The FSBC has evaluated the sustainability of budgetary trends of all units and identified units of potential concern.
- Faculty salaries at GVSU remain below the mean of public universities in the State of Michigan.

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 advocates for the faculty on all matters with significant budgetary implications with focused attention on new programs, salaries and healthcare benefits.

Below are the paraphrased charges from August 2016:

1. Compare faculty salaries and benefits with other Michigan public institutions.
2. Evaluate instructional costs across units to identify the causes for differences across colleges, work with graduate council to estimate the costs of graduate programs, and provide an update on achievements from the smart growth initiative.
3. Evaluate institutional budget trends. Examine the costs and accountability for re-assigned time and significant focus activities.
4. Examine the adequacy of funding for scholarly work.
5. Provide a mid-year progress report.
6. Provide proactive suggestions on relevant items.

We have addressed or begun to address the above items except for point 4, which will be addressed next year. The agenda and minutes of each meeting are posted on the FSBC webpage.

FSBC WEBPAGE

The FSBC webpage [<http://www.gvsu.edu/fsbc/>] created last year is updated annually. Of particular note, faculty will find information on faculty compensation which includes the distribution of all raises (in graphical form) and updated information on total compensation, including more details on healthcare spending. Also available is a table of average salaries relative to peer groups arranged by rank and discipline (under archived materials and linked with this Newsletter).

FOCUSING ON PROGRAM SUSTAINABILITY

The FSBC has been charged with examining instructional costs across units with a focus on sustainability. This charge is important because the administration does not anticipate the ability to add a significant number of new tenure-track faculty for the foreseeable future. Most new positions will be re-allocations of vacated positions (primarily retirements). There are more units requesting new positions as a result of growth or needed expertise than there are positions being vacated in units that are growing smaller. Therefore all units must be mindful of their instructional costs, and even a growing unit may lose a tenure line. The FSBC has addressed this charge in three ways described below.

First, during our review of all New Program Proposals, the committee has focused on the budget projections and has attempted to weigh the cost versus the desirability of any new program. For all the new programs, we reminded the authors that growth in enrollment alone is not a guarantee that a new position will be made available.

Second, the FSBC reviews the *resource analysis* provided by all units that submitted a *self study*. We will provide each unit with feedback. Given that the *self study* process has changed, changes to the *resource analysis* will be announced next year. Our intention is to provide an objective, helpful review that encourages productive conversations within the unit with the goal of stimulating innovative approaches that result in excellent education and that are mindful of resources.

Finally, the FSBC performed a review of all units using the metrics requested in the *resource analysis* described above. We focused on three metrics that could be more objectively applied across units. The first was class size (measured as average class size for lower level, upper level, and graduate courses). The second was the trend in cost over time (measured as cost per scheduled credit hour over the past 5 years). The third was the change in the number of faculty relative to the amount of credit hours taught by the unit (this was more difficult to quantify but in cases where faculty were added to a unit we looked at the metrics available to see if there was a clear need). The units were not identified by name during the review, and the full committee considered all metrics available for each unit to determine whether or not an outlier in any of the three selected metrics might be explained and justified by the larger context. As a result of this process, the FSBC identified units of potential concern and requested further information from the Provost's Office. Units were identified that appear to be running at less than optimum efficiency as evidenced by small course sizes, increases in tenure track lines relative to the amount of instruction, or increased cost over the past several years without a clear need. Units with incomplete data were flagged. In most cases, the units identified are already engaged in efforts to increase enrollments and reduce costs, and in several cases mitigating factors alleviate cause for concern. The FSBC hopes that this process initiates a healthy conversation at the college and unit level. We anticipate this review process will evolve over time.

FACULTY COMPENSATION

The FSBC advocates that faculty compensation at GVSU should be at or above the mean of Michigan Public Universities. GVSU is widely recognized as excellent relative to our peers; much of this success can be attributed to the activities of faculty. Therefore, it is critical that faculty salaries and benefits be competitive in order to attract and retain excellent educators. Simply stated, investing in faculty is one of the most important investments the University can make to assure long-term success. The FSBC is also aware of the unique fiscal constraints imposed upon GVSU due to limited state allocations per student. For this reason, the FSBC has worked with the administration to identify and adopt optimal strategies that contain costs while maintaining excellence (*see above*).

Healthcare costs at GVSU are below national averages (**Figure 1**). In fact, employer costs have actually gone down per employee over the last four years, while employee costs have gone up (**Figure 1, Figure 2**). Savings in healthcare costs (relative to projections) have allowed the administration to put more money into salaries, and the administration has announced no new plan changes for 2019, yet faculty salaries trail increasingly behind the state average.

The FSBC has historically recommended CPI plus 1.5% as a *minimum* standard for faculty raises because this rate, plus promotional increments, approximately maintains the status quo (given that older faculty retire and are replaced by younger faculty at a lower pay rate). While the University has exceeded this *minimum* standard on average over the past decade (**Table 1**), we have not yet met our decade-long objective to return faculty salaries to at or above the mean of Michigan Public Universities (**Figure 3, Table 2**). The FSBC carefully monitors the fiscal health of the university. Given four years of declining healthcare costs, strong enrollments, the University's history of prudent investments, and the outlook for consistent support from the State, we believe *now* is the time to invest in faculty salaries.

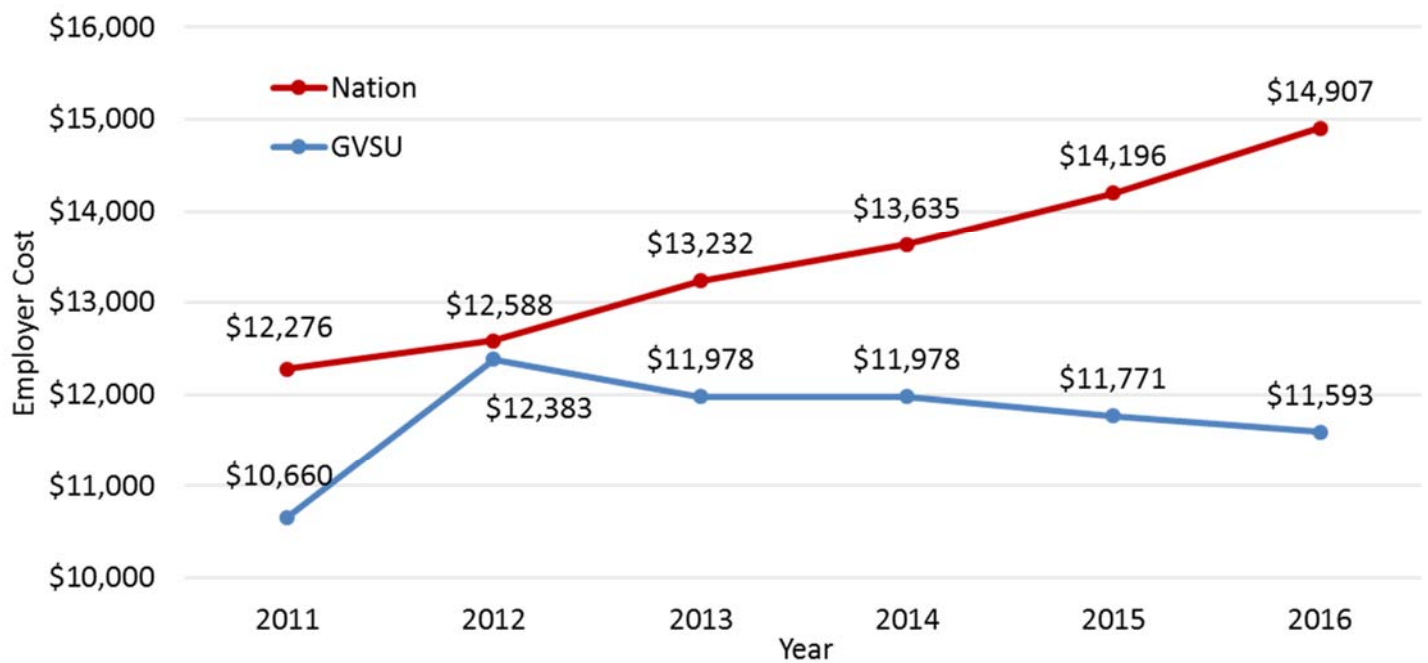


Figure 1. Employer healthcare costs at GVSU relative to the Nation.

The cost of healthcare at GVSU is significantly less than national averages. The recent trend in savings is likely due to switching to Priority Health as our healthcare provider. Priority Health provides better in-network discounts and actively works to manage risk which ultimately improves health and saves money.

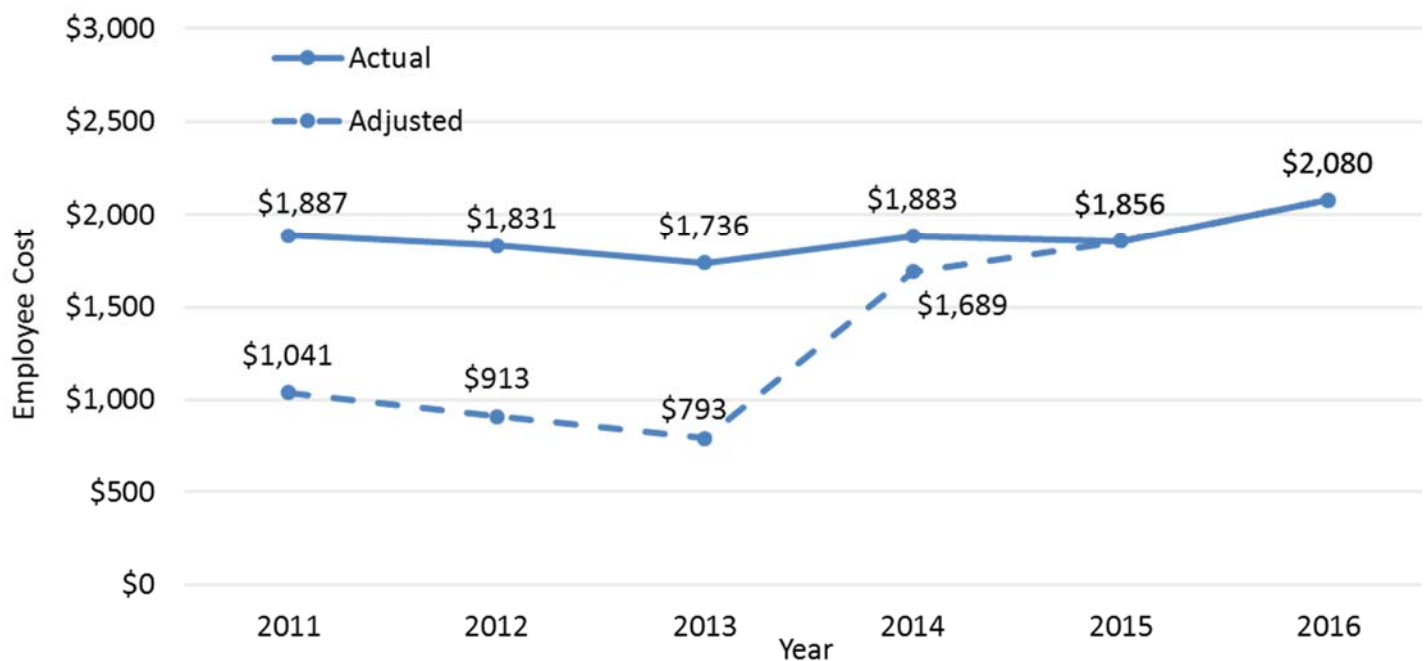


Figure 2. Employee out of pocket healthcare costs at GVSU.

The administration's contribution to employee Health Savings Accounts are reflected in the adjusted values. The deductible was the same from 2011 through 2015 and increased in 2016. Employee costs are projected to continue to increase due to announced increases in the deductible in 2017 and the addition of a co-pay in 2018.

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

	2006 -07	2007 -08	2008 -09	2009 -10	2010 -11	2011 -12	2012 -13	2013 -14	2014 -15	2015 -16	2016 -17	5-year Average	10-year Average
Salary increment fund [†]	3.0	4.0	4.0	2.8	-	1.9	2.9	2.0	2.9	2.9	2.9	2.48	2.66
GVSU faculty raises [^]	5.0	5.2	5.4	3.6	3.9 ¹	2.5	6.8 ²	3.0	5.4	3.7	3.7	4.22	4.38
Proposed minimum (CPI+1.5%)	4.0	5.6	1.6	4.2	6.0 ¹	4.5	5.7 ²	3.0	2.3	2.2	3.6	3.68	3.88
Consumer Price Index (CPI)*	2.5	4.1	0.1	2.7	1.5	3.0	1.7	1.5	0.8	0.7	2.1	1.57	1.88
National raises*	5.0	5.1	4.9	1.8	2.5	2.9	3.2	3.4	3.7	3.4	3.0	3.20	3.54
GVSU vs Proposed minimum	1.0	(0.4)	3.8	(0.6)	(2.1)	(2.0)	1.1	0.0	3.1	1.5	0.1	0.54	0.50
GVSU vs National raises	0.0	0.1	0.5	1.8	1.4	(0.4)	3.6	(0.4)	1.7	0.3	0.7	1.02	0.85

() Indicate negative numbers

[†] The value included in the notification of the annual salary adjustment sent to faculty over the summer; it is what merit increments are based on

[^] Includes promotional increments, merit raises, compression, and all other special salary adjustments for all continuing tenure-track faculty (including library faculty)

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

¹ 3% to offset a reduction in health benefits (this adjustment was made mid-year and shows up in 2012 on the figure below); ² 2.5% to offset a cut in summer salary

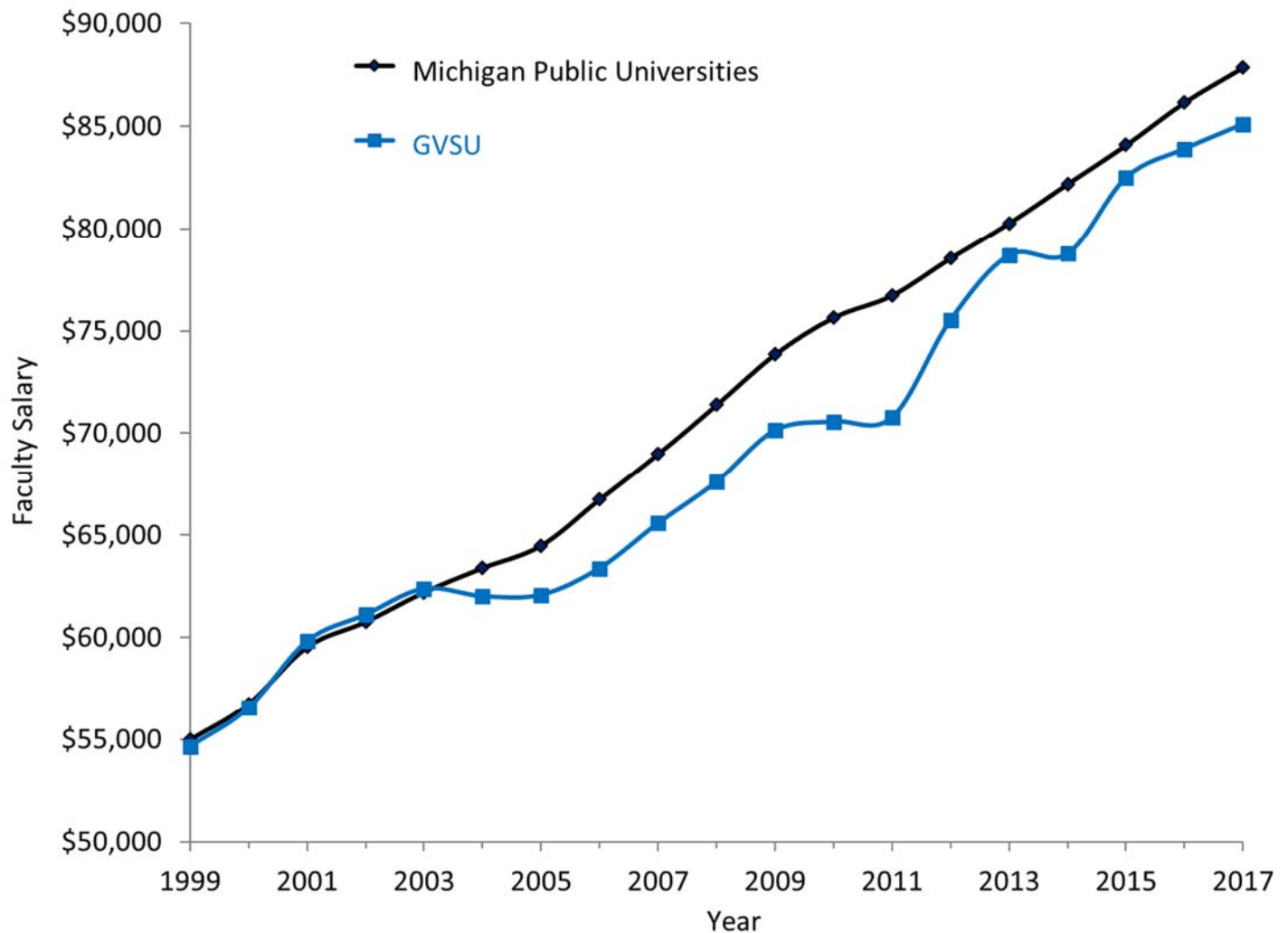


Figure 3. Mean faculty salary at Michigan Public Universities & GVSU over the past 18 years.

The mean salary was calculated as the average of the three salaries posted by rank (Full, Associate, and Assistant) by AAUP. The Michigan Public Universities are those listed in Table 2 minus University of Michigan –Ann Arbor, Wayne State University, and Michigan State University; Lake Superior State University and Saginaw Valley State University were also removed because they are generally not reported and, if included, would distort the trend in the rare year when they are reported. The graph is intended to show the trend and is not the actual salary of the average faculty member.

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

2011-2012		2015-2016		2016-2017	
Professors					
UNIVERSITY OF MICHIGAN-ANN ARBOR	\$148,800	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$167,500	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$168,200
MICHIGAN STATE UNIVERSITY	\$128,600	MICHIGAN STATE UNIVERSITY	\$145,400	MICHIGAN STATE UNIVERSITY	\$150,100
WAYNE STATE UNIVERSITY	\$116,600	WAYNE STATE UNIVERSITY	\$126,400	WAYNE STATE UNIVERSITY	\$128,900
UNIVERSITY OF MICHIGAN-DEARBORN	\$106,500	UNIVERSITY OF MICHIGAN-FLINT	\$115,900	UNIVERSITY OF MICHIGAN-FLINT	\$117,600
MICHIGAN TECH. UNIVERSITY	\$105,200	MICHIGAN TECH. UNIVERSITY	\$114,900	MICHIGAN TECH. UNIVERSITY	\$115,200
WESTERN MICHIGAN UNIVERSITY	\$99,700	UNIVERSITY OF MICHIGAN-DEARBORN	\$110,200	UNIVERSITY OF MICHIGAN-DEARBORN	\$111,900
OAKLAND UNIVERSITY	\$99,300	OAKLAND UNIVERSITY	\$108,300	OAKLAND UNIVERSITY	\$109,300
CENTRAL MICHIGAN UNIVERSITY	\$98,300	WESTERN MICHIGAN UNIVERSITY	\$106,200	WESTERN MICHIGAN UNIVERSITY	\$108,900
UNIVERSITY OF MICHIGAN-FLINT	\$94,800	FERRIS STATE UNIVERSITY	\$105,800	FERRIS STATE UNIVERSITY	\$107,100
EASTERN MICHIGAN UNIVERSITY	\$93,200	CENTRAL MICHIGAN UNIVERSITY	\$104,300	CENTRAL MICHIGAN UNIVERSITY	\$107,000
GRAND VALLEY STATE UNIVERSITY	\$92,300	GRAND VALLEY STATE UNIVERSITY	\$101,600	GRAND VALLEY STATE UNIVERSITY	\$103,100
FERRIS STATE UNIVERSITY	\$89,800	EASTERN MICHIGAN UNIVERSITY	\$94,300	EASTERN MICHIGAN UNIVERSITY	\$96,700
NORTHERN MICHIGAN UNIVERSITY	\$82,600	NORTHERN MICHIGAN UNIVERSITY	\$89,600	SAGINAW VALLEY STATE UNIVERSITY	\$89,300
LAKE SUPERIOR STATE UNIVERSITY	N.R.	LAKE SUPERIOR STATE UNIVERSITY	N.R.	NORTHERN MICHIGAN UNIVERSITY	\$88,700
SAGINAW VALLEY STATE UNIVERSITY	N.R.	SAGINAW VALLEY STATE UNIVERSITY	N.R.	LAKE SUPERIOR STATE UNIVERSITY	N.R.
Associate Professors					
UNIVERSITY OF MICHIGAN-ANN ARBOR	\$98,200	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$111,600	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$111,400
MICHIGAN STATE UNIVERSITY	\$89,200	MICHIGAN STATE UNIVERSITY	\$97,200	MICHIGAN STATE UNIVERSITY	\$99,600
WAYNE STATE UNIVERSITY	\$87,700	MICHIGAN TECH. UNIVERSITY	\$94,600	WAYNE STATE UNIVERSITY	\$96,300
UNIVERSITY OF MICHIGAN-DEARBORN	\$85,100	WAYNE STATE UNIVERSITY	\$94,000	MICHIGAN TECH. UNIVERSITY	\$96,000
MICHIGAN TECH. UNIVERSITY	\$82,800	UNIVERSITY OF MICHIGAN-DEARBORN	\$90,100	UNIVERSITY OF MICHIGAN-DEARBORN	\$91,700
CENTRAL MICHIGAN UNIVERSITY	\$75,400	FERRIS STATE UNIVERSITY	\$83,800	FERRIS STATE UNIVERSITY	\$85,800
EASTERN MICHIGAN UNIVERSITY	\$75,400	UNIVERSITY OF MICHIGAN-FLINT	\$81,700	GRAND VALLEY STATE UNIVERSITY	\$82,500
WESTERN MICHIGAN UNIVERSITY	\$75,000	GRAND VALLEY STATE UNIVERSITY	\$81,000	UNIVERSITY OF MICHIGAN-FLINT	\$81,800
OAKLAND UNIVERSITY	\$73,900	CENTRAL MICHIGAN UNIVERSITY	\$80,700	WESTERN MICHIGAN UNIVERSITY	\$81,600
UNIVERSITY OF MICHIGAN-FLINT	\$72,200	OAKLAND UNIVERSITY	\$79,200	CENTRAL MICHIGAN UNIVERSITY	\$81,000
GRAND VALLEY STATE UNIVERSITY	\$72,100	WESTERN MICHIGAN UNIVERSITY	\$78,500	OAKLAND UNIVERSITY	\$81,000
FERRIS STATE UNIVERSITY	\$71,900	EASTERN MICHIGAN UNIVERSITY	\$77,300	EASTERN MICHIGAN UNIVERSITY	\$79,400
NORTHERN MICHIGAN UNIVERSITY	\$65,000	NORTHERN MICHIGAN UNIVERSITY	\$73,600	NORTHERN MICHIGAN UNIVERSITY	\$75,400
LAKE SUPERIOR STATE UNIVERSITY	N.R.	LAKE SUPERIOR STATE UNIVERSITY	N.R.	SAGINAW VALLEY STATE UNIVERSITY	\$69,500
SAGINAW VALLEY STATE UNIVERSITY	N.R.	SAGINAW VALLEY STATE UNIVERSITY	N.R.	LAKE SUPERIOR STATE UNIVERSITY	N.R.
Assistant Professors					
UNIVERSITY OF MICHIGAN-ANN ARBOR	\$85,800	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$95,300	UNIVERSITY OF MICHIGAN-ANN ARBOR	\$93,100
MICHIGAN TECH. UNIVERSITY	\$75,900	WAYNE STATE UNIVERSITY	\$79,800	UNIVERSITY OF MICHIGAN-DEARBORN	\$82,700
WAYNE STATE UNIVERSITY	\$75,000	MICHIGAN TECH. UNIVERSITY	\$78,200	WAYNE STATE UNIVERSITY	\$81,900
UNIVERSITY OF MICHIGAN-DEARBORN	\$72,200	UNIVERSITY OF MICHIGAN-DEARBORN	\$77,700	MICHIGAN STATE UNIVERSITY	\$79,700
MICHIGAN STATE UNIVERSITY	\$69,500	MICHIGAN STATE UNIVERSITY	\$76,600	MICHIGAN TECH. UNIVERSITY	\$78,300
UNIVERSITY OF MICHIGAN-FLINT	\$66,400	UNIVERSITY OF MICHIGAN-FLINT	\$75,400	UNIVERSITY OF MICHIGAN-FLINT	\$78,200
EASTERN MICHIGAN UNIVERSITY	\$64,800	CENTRAL MICHIGAN UNIVERSITY	\$74,200	CENTRAL MICHIGAN UNIVERSITY	\$74,600
FERRIS STATE UNIVERSITY	\$64,500	FERRIS STATE UNIVERSITY	\$72,500	FERRIS STATE UNIVERSITY	\$74,600
OAKLAND UNIVERSITY	\$63,700	EASTERN MICHIGAN UNIVERSITY	\$70,400	EASTERN MICHIGAN UNIVERSITY	\$71,700
CENTRAL MICHIGAN UNIVERSITY	\$62,700	GRAND VALLEY STATE UNIVERSITY	\$69,100	OAKLAND UNIVERSITY	\$70,600
GRAND VALLEY STATE UNIVERSITY	\$62,200	OAKLAND UNIVERSITY	\$67,200	WESTERN MICHIGAN UNIVERSITY	\$69,800
WESTERN MICHIGAN UNIVERSITY	\$59,500	WESTERN MICHIGAN UNIVERSITY	\$66,800	GRAND VALLEY STATE UNIVERSITY	\$69,700
NORTHERN MICHIGAN UNIVERSITY	\$54,500	NORTHERN MICHIGAN UNIVERSITY	\$61,800	SAGINAW VALLEY STATE UNIVERSITY	\$66,100
LAKE SUPERIOR STATE UNIVERSITY	N.R.	LAKE SUPERIOR STATE UNIVERSITY	N.R.	NORTHERN MICHIGAN UNIVERSITY	\$63,800
SAGINAW VALLEY STATE UNIVERSITY	N.R.	SAGINAW VALLEY STATE UNIVERSITY	N.R.	LAKE SUPERIOR 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