To: Faculty Senate Executive Committee  
From: Laine Berghout, Chair - Salary, Benefits, Budget, and Financial Planning Committee  
Date: April 26, 2016  
Subject: 2015-16 Report of the Salary, Benefits, Budget, and Fiscal Planning Committee

Accomplishments of the Committee

The full committee met four times during the 2015-16 school year, with additional meetings of subcommittees tasked with review and development of various proposals. (A summary of committee meeting dates and attendance is attached with this report.) Further discussion and committee action were accomplished through email within subcommittees and among the full committee. The Salary, Benefits, Budget, and Fiscal Planning committee’s charges for 2015-16 were unchanged from the previous year:

1. Examine salary options for compensation increases and prioritize recommendations.
2. Examine the dollar amounts of equity and merit adjustments each year.
3. Review campus salary levels using CUPA data, turnover data, and data from regional peer institutions.
4. Assess the current state of compression and inversion within departments across campus in light of recent hires and changes in salary increases for promotions.
5. Explore methods to provide incentive pay to encourage continued development of faculty who have attained the rank of Full Professor.

At the September 15, 2015 meeting, the committee met to review possible revisions of the Performance Pay Increase Guidelines and to review the impact of those awards on salary compression and inversion. Revision of the guidelines was necessary to maintain the viability of the program over time based on anticipated funding. Recommended guideline changes included:

- Open application to tenured faculty who have held rank of Full Professor for ten academic years or more.
- Cap the total number of times an individual faculty member may receive the performance increase at two.
- Move the application deadline to fall semester.
- Performance Pay Increase funds to return to control of provost’s office upon retirement of recipient rather than remain in college.
- Remove reference to lottery but provide for suspension of program in the event of financial exigency.

Two subcommittees were formed to review each of these questions. Based on committee input during the meeting, Molly Smith and Laine Berghout were tasked with editing the guidelines to reflect the above changes. Leah Murray, Jim Turner, and Laine Berghout were tasked with reviewing the impact of the Performance Pay Increase on compression and inversion within departments across the university. The committee met on October 30, 2015 to review reports of
subcommittees. The reworded Performance Pay Increase guidelines were review and approved with revisions addressing the process for department chairs who apply for the increase. The subcommittee for review of compression and inversion filed the following statement as their report:

Upon further review of the compression inversion issue, with updated data from vetting, we have determined that there are too many variables to be able to say definitively that instances of inversion or compression are a problem. For example, in one department a person received a raise because he applied and was offered a position elsewhere. He leveraged this position into a raise for himself, therefore, the person hired before him is now in a compressed position. This is not due to anything other than the first faculty member successfully negotiating another offer, while the latter faculty member did not. Given the nature of these types of variables in play, we, as a committee, cannot know them as a result of privacy. Therefore there is no way to adequately access whether last year’s program addressed issues of inversion and compression on this campus.

Based on this report the committee determined that no further action should be taken at this time.

The committee met on February 4, 2016 to consider possible changes to PPM 3-21a and 29a related to the use of FMLA. Because the absence of a faculty member can present a significant hardship and expense, especially to a small department, the committee was asked to consider whether there should be a limit on the number of times that a faculty member could take FMLA leave. Since the policy is still new enough that no pattern of intentional abuse can be identified, the committee recommended that no action be taken at this time. The committee requested that HR collect data and report to the Salary Committee next year to determine if there is any indication of a pattern of abuse. It was suggested that Marjukka Ollilainen be invited to any future meetings related to this issue based on her expertise in these matters.

With the end of the 2015 Utah State Legislative session, the committee could respond to Charges 1 and 2. The Salary Negotiation Subcommittee consulted with the administration regarding this year’s budget as approved by the legislature. The state fully funded the university’s portion (90%) of the increased benefits cost, which represents the maximum that the university is allowed to contribute to medical and dental benefits. The legislature also provided a 2% increase in money available for base salaries and, as is normally the case, the legislature allowed the 2% increase to be divided between merit and cost of living at the discretion of the university. As a point of reference, the 2016 Social Security Cost-of-Living Adjustment (COLA) is 0%. The Salary Negotiation Subcommittee recommended the disposition of the 2% increase in money available for base salaries as follows:

1) The full 2% increase in salary funding shall be applied as a cost-of-living increase to all faculty. While this will not be generally regarded as a merit increase, Deans may exclude faculty with documented unsatisfactory performance.

2) Because the increase is small, none of the 2% base salary increase funding will be assigned for merit increases.

This recommendation was adopted by the full committee on March 15, 2016 and was presented to Faculty Senate at the March 17, 2016 meeting where it was also adopted and goes as a recommendation to University Administration. It should be noted that this year’s Performance Salary Increase addresses merit and inversion. The Performance Salary Increase along with the increases related to advancement in rank represent approximately a further 1% increase in average
faculty salary. At 93.10%, the current average WSU faculty compensation stands at the highest level relative to CUPA since 1996-97, just short of the 94% target.

Future Directions

The committee anticipates further review of the performance pay increase guidelines, opening eligibility to all tenured faculty that have held the rank of professor for at least five years. There remain questions regarding the details of the review process with some committee and faculty members favoring review by college ranking-tenure committees. These questions need to be resolved before the guidelines can be incorporated into PPM. The committee on Appointment, Promotion, Academic Freedom, and Tenure should be consulted regarding the question of review by college ranking-tenure committees.

In an environment of small annual pay increases, the committee feels that the university needs to develop a strategic approach to deliberately address cases of significant compression and inversion in a meaningful way that does not artificially disturb pay differences arising from meritorious effort. Because of privacy concerns, such an effort would likely require support of the provost and must involve deans and department chairs in identifying cases of greatest need.

Committee Member Service

All faculty committee members were diligent in fulfilling their committee responsibilities. As always, the committee could not function in the efficient manner that is does without Brenda Stockberger’s service. It is a pleasure to work with Brenda. She is an invaluable resource. Each member of the SBBFP Committee has provided important service and valuable insight as we have reviewed this year’s proposals and other assignments. I am grateful for Craig Oberg’s service as Executive Committee liaison, who provided guidance and insight regarding the committee’s charges and history. Leah Murray and Jim Hansen also deserve special mention with their analysis of salary compression and inversion. In no particular order other than alphabetical by last name, the following members have provided notable service by their regular and active participation in committee discussion: Shelly Costley, Wade Kotter, Michael Olpin, Scott Rogers, Brian Rague, Molly Smith, Susan Thornock, Jim Turner, Yu Jane Yang, and Catherine Zublin.

Respectfully,

H. Laine Berghout, Chair