

Date: April 23, 2021

To: Faculty Senate

From: Pam Parry, Chair, Faculty Compensation Committee

Subject: 2020-2021 Annual Report of Faculty Compensation Committee

CC: David Yaskewich, Vice Chair; Vera Campbell-Jones; Member; Debra Holzhauer, Member; Patricia Willingham, Member

This past academic year the Senate Faculty Compensation Committee was very active. In the fall semester, we met three times to process the proposals assigned to us as part of the university's program re-prioritization. We met to establish a method for dispensing with the proposals assigned to us, then we met once to handle the major program proposals and we met again to handle the minor proposals. We were able to submit to the Provost Office all of our recommendations prior to the deadline.

In the spring semester, we met about seven times (five times with the Budget Review Committee, once on our own, and once with the other compensation committees) to develop and propose what we thought should be the faculty compensation recommendation for the upcoming budget year. On March 11, we submitted our formal recommendation prior to the deadline.

Here is what we recommended:

Requesting Unit: Faculty Senate Compensation Committee

Title of Request: Compensation Proposal for FY22

Brief Description:

FY22: Continued implementation of the Salary Equity Study (30% parity for each of the next three years: FY22, FY23, FY24) and a base salary increase of 1.4% for all full-time and part-time faculty. The 1.4% is based on the CPI for 2020. If approved, faculty would receive a base pay increase of 1.225% (87.5% of 1.4%) and GAs would receive 1.4%.

Rationale:

The faculty recognize that the University is evolving through a challenging period considering the ongoing pandemic and reduced state appropriation funding. It is further recognized that there are concerns related to the financial future of the University in a time of considerable financial instability, both in the form of unexpected costs and probable reductions in revenue.

The COVID-19 pandemic has presented significant challenges to higher education where faculty were suddenly thrust into teaching online without warning. In addition, all employees were required to telework for teaching and other university services. This has impacted the workload for all exponentially. Prior to COVID-19, the overall budget for the University, though challenging, was slowly improving from past several years loss of revenue as a result of the decreasing numbers of students. The FY21 budget process began with an unexpected \$1 million in state appropriations received after the 2019 fiscal year budget was approved.

In 2019-2020, the university funded a pay equity study with a proposed plan to implement pay adjustments over the next three fiscal years. According to Evergreen Solutions, the faculty market results showed a 15.7% average below market. Over the past decade plus, the University has prioritized spending in areas other than employee wages and benefits. This trend has seen employee benefits decline year after year, as employee costs for benefits have increased and wages have stagnated. During this period, employee compensation has not kept pace with these losses and increased costs, let alone with cost of living increases. The following demonstrates a six-year period showing the percentage of raises and cost of associated inflation. (It is important to note 12.5% of the pool is reserved for post-professorial merit, with the result that the average faculty raise for any period is that percentage amount lower than the officially stated annual raise.)

- FY16: 1.5% raise, 0.76% CPI for CY2014;
- FY17: 1.5 % raise, 0.73% CPI for CY2015;
- FY18: 0% raise, 2.1% CPI for CY2016;
- FY19: 0% raise, 2.1% CPI for CY2017 - \$800 one-time payment distributed in December of 2018;
- FY20: 1.0 % or \$700 (whichever was greater), 1.9% CPI for CY2018;
- FY21: 1% mid-year raise, 2.3% CPI for CY2019; and
- FY22: 1.4% raise request, 1.4% CPI for CY2020.

In summary, growth in the cost of living has outpaced the increases in faculty base pay over the last four years. Over the same period, there was an increase in employee health insurance deductibles while the cost of medical care and prescription drugs have climbed significantly faster than inflation.

Consistently prioritizing other initiatives at the expense of supporting faculty impacts retention and recruitment of quality faculty and staff; all factors that lessen the competitiveness and resiliency of the institution, and ultimately, the standing of the University. These factors combined with the lack of a consistent merit increase for the past decade and the increased numbers of faculty retirees have created challenges for the University regarding the retention and recruitment of qualified faculty.

The Faculty strongly believes that there should be a continued commitment to

acknowledge the meritorious work of faculty. The COVID-19 experience has led to burnout and increased anxiety among faculty and staff. Recognition or affirming the value of one’s work directly correlates to efficiency and higher returns for the institution. It is further believed that we must be able to be competitive in order to attract and retain qualified faculty.

Therefore, the Faculty Senate Compensation Committee would like to request the following for consideration for FY22:

- Base salary increase of 1.4% for all full- or part-time faculty for FY22.
- Recommend long-term planning for a salary increase equivalent to CPI, but no less than 1.4% for FY23-FY24.
- Implementation of the recommended pay equity market adjustments totaling \$2,335,890 over the next three fiscal years Fiscal Year/ FY22- 30%; FY23-30%; FY24-30%
- Begin implementation of minimum wage increase for affected employees.

Relationship to University Strategic Plan:

PRIORITY III: FACULTY AND STAFF EXPERIENCE

Southeast is an engaged learning community that recognizes and values the people who make it possible—our students, faculty, staff, benefactors, community, and the employers of our graduates. These essential individuals and groups actively participate in the pursuit of our core mission surrounding student learning and success, scholarship and creative activity, and service to the multi-state region, nation, and world.

Objective I: Continue to recruit high quality faculty and staff to reflect our diverse student population while creating a responsive succession plan.

Objective II: Foster faculty and staff innovation and research by providing opportunities for research that will bring prestige to the University.

Objective III: Nurture a campus culture that promotes open communication, shared governance, and active collaboration to continue to build trust and mutual respect among faculty, administrators, staff, students, and the public.

Objective IV: Cultivate innovative strategies to recognize and reward faculty and staff for activities and services which enhance and expand the student experience

Budget Request:

FY22 Request	Estimated Cost
1.4% base-pay increase for all regular employees	\$906,518
Continued implementation of salary study (30% parity)	<u>\$778,630</u>
	\$1,685,148

It is possible the Budget Review Committee will have other meetings prior to the adoption of the budget by the board of regents, but we have officially completed our tasks for the year.