2012-13 Big Ten Faculty Salaries

*Median does not include Northwestern

Big Ten Median $106,245*

Michigan State...

$101,564
2012-13 Big Ten Faculty Compensation

*Median does not include Northwestern

Big Ten Median $135,344*
2012-13 Big Ten Faculty Compensation
(Adjusted for post-retirement healthcare)

*Median does not include Northwestern

Big Ten Median $133,852*

$133,214
March 25, 2013

MEMORANDUM

TO: Dr. June Youatt, Acting Provost
FROM: Dr. William Anderson, Chair
SUBJECT: Recommendation for 2013-14 Faculty Merit and Market Pool Increase

The University Committee on Faculty Affairs (UCFA) recommendation for the faculty merit and market pool increase in the 2013-14 academic year continues to be developed on the basis of the following principles:

- recruitment and retention of high quality faculty;
- maintenance of the quality and integrity of our academic program;
- recognition of faculty productivity;
- maintaining and increasing faculty morale.

There is also a concern about the long-term impact on faculty compensation with the ongoing erosion of university-funded health benefits, including:

- for all faculty, as of July 2002, initiation of health care premium sharing;
- for new hires as of July 2005, elimination of funded post retirement health care coverage for spouses;
- for new hires as of July 2010, elimination of funded post retirement health care coverage;
- the substantial increase in additional premiums for Community Blue coverage in 2011 and long term care premium in 2012.
- long term implications of the Affordability of Care Act which increase the importance of salary as opposed to compensation benefits

Over the past decade, UCFA has used our relative position among Big Ten universities as a key indicator of the university’s performance in upholding principles identified above, even as difficult economic times brought the trend of average faculty salaries downward (see Figure 1), and all faculty took on additional healthcare costs. In 2012, UCFA recommended a 3 percent increase in the general merit pool, and a 1 percent increase in the market
adjustment pool, in recognition of MSU’s programmatic reductions and tuition increases.

UCFA
March 25, 2013
Page 2

Today, MSU faculty salaries rank 11th (of 12 institutions) in the Big Ten, one position lower than it occupied in 2002-2003. In the interim years, MSU was able to rank as high as 7th in the Big Ten, but was unable to sustain that position due to adverse financial circumstances. Over the ten-year period, our long term goal was and continues to be to reach the middle of the Big Ten.

With that goal in mind and stabilized financial conditions, we recommend a 3.0 percent increase for the 2013-14 general merit pool. The narrow salary differences between MSU and the universities just above and below it suggest that such a modest increase will at least maintain our position at 11th out of 12, and perhaps allow us to move up slightly.

In addition, UCFA also recommends a market adjustment pool increase of approximately 1.25 percent. Market guidelines should be similar to previous years, focused on retaining and rewarding our excellent faculty. It is also understood that central university support will be made available to ensure that promotional increments are commensurate with previous years.

UCFA believes that current market conditions warrant a greater increase than that proposed here. However, based on the multiple demands placed on the budget in any one year, UCFA recommends that increases in 2014-15 and beyond include merit based increases to maintain MSU’s Big 10 position plus a factor of approximately one third of the percentage difference between the Big Ten average salary and MSU’s existing position.

Attachments

Figure 1: MSU and Big Ten Faculty: Percent Annual Salary Increase Trend Lines for 2001-2010.

Table 1: Big Ten Faculty Salary Rankings for Past two Years, Weighted Average of All Faculty.
Figure 1

MSU & Big Ten Faculty: Percent Annual Salary Increase Trend Lines for 2001-2013

Source: Trend lines estimated from Big Ten faculty salary data provided by the Office of Planning and Budgets, MSU. Big Ten averages excludes Northwestern University.

Table 1

Big Ten Faculty Salary Rankings for Past two Years, Weighted Average of All Faculty.

<table>
<thead>
<tr>
<th></th>
<th>2011-12</th>
<th></th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwestern</td>
<td>$140,020</td>
<td>Northwestern</td>
<td>$141,976</td>
</tr>
<tr>
<td>Michigan</td>
<td>$119,574</td>
<td>Michigan</td>
<td>$121,278</td>
</tr>
<tr>
<td>Illinois</td>
<td>$108,908</td>
<td>Penn State Univ</td>
<td>$113,532</td>
</tr>
<tr>
<td>Ohio State Univ</td>
<td>$107,667</td>
<td>Illinois</td>
<td>$113,096</td>
</tr>
<tr>
<td>Penn State Univ</td>
<td>$106,728</td>
<td>Ohio State Univ</td>
<td>$110,348</td>
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<tr>
<td>Indiana U</td>
<td>$103,604</td>
<td>Minnesota</td>
<td>$107,397</td>
</tr>
<tr>
<td>Minnesota</td>
<td>$102,201</td>
<td>Indiana U</td>
<td>$106,245</td>
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<tr>
<td>Purdue</td>
<td>$102,101</td>
<td>Purdue</td>
<td>$104,210</td>
</tr>
<tr>
<td>U Iowa</td>
<td>$101,277</td>
<td>Wisconsin</td>
<td>$102,759</td>
</tr>
<tr>
<td>MSU</td>
<td><strong>$100,056</strong></td>
<td>U Iowa</td>
<td>$102,302</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>$99,692</td>
<td>MSU</td>
<td><strong>$101,564</strong></td>
</tr>
<tr>
<td>Nebraska</td>
<td>$93,873</td>
<td>Nebraska</td>
<td>$95,154</td>
</tr>
</tbody>
</table>

Source: Data provided by the Office of Planning and Budgets, MSU.
July 17, 2013

TO: Deans, Directors and Chairpersons

FROM: June Youatt, Acting Provost

SUBJECT: Academic Human Resources Salary Adjustment Guidelines – 2013-14

The MSU Board of Trustees approved salary increases for non-union faculty and academic staff of 1.50 percent for general merit and 0.75 percent for college market adjustments. Additionally, 0.50 percent was approved for the university-wide market pool for market adjustments for non-union faculty and academic staff. The central market pool, to be administered by the Office of the Provost, is targeted primarily for ranked faculty, but open to all faculty and academic staff. As in past years, guidelines for the university-wide market pool will be distributed separately.

Merit Basis

*Raises will be distributed on the basis of merit.* Adjustments for individuals should recognize relative merit in the performance of their duties across the university’s mission of teaching, research and outreach. Unit administrators are expected to ensure that individual performance is assessed through the appropriate peer review process, and that salary increase recommendations are differentiated based on merit assessment.

The Office of the Provost has consulted with the University Committee on Faculty Affairs (UCFA) on the salary adjustment guidelines in accordance with the *Bylaws for Academic Governance*. The UCFA believes that salary adjustments should be based on the concept of merit as reinforced by appropriate peer review. The UCFA and Academic Specialist Advisory Committee written recommendations are attached.

Guidelines for distribution of salary adjustments on the basis of merit will be developed at the unit level in accordance with the policy stated above (second paragraph). Primary unit administrators have responsibility for unit guidelines (2.1.2.1. *Bylaws for Academic Governance*), and must seek the advice of unit faculty in developing the guidelines.
In accordance with university policy, efforts to advance university objectives that are crosscutting and/or interdisciplinary must be recognized in the merit process along with contributions to the creation, transmission, application, and preservation of knowledge. This category includes efforts in areas such as university outreach; integrative studies; international activities; virtual university; and diversity, inclusion, and pluralism. In addition, consideration should be given for contributions such as service in academic governance, including grievance panels.

Consistent with past practice, research associates are considered to be part of the university’s academic staff and, therefore, should be treated in accordance with these guidelines. Further, faculty and academic staff with approved terminal consultancies and/or established retirement dates are eligible for salary adjustments based upon merit.

Faculty members are entitled to know the evaluation criteria and process by which they are being evaluated, as well as the connection between that evaluation and their merit raise. It is expected that an overall satisfactory evaluation based on peer review should warrant some salary increase, depending on the relative merit of the individual’s contributions. No faculty member is entitled to a merit increase based simply on meeting assignments; quality and impact of the performance must be the basis for the decision along with quantity of work. Adjustments should be based fully on merit and incorporate an appropriate form of peer review.

In determining salary increase recommendations, consideration must be given to ensuring equitable and fair treatment for faculty and academic staff and must be consistent with merit and market considerations. A salary cohort analysis, based on November 2012 salary data for tenure system faculty, was previously distributed and should be used for review as part of the regular salary adjustment process. Also, the director of the Office for Inclusion and Intercultural Initiatives will continue to make an annual review of salary increase recommendations. We ask you to cooperate fully in the review. The director will share the responsibility for the analysis with the Office of the Provost; the Associate Provost and Associate Vice President for Academic Human Resources will follow up as necessary.

A decision to make no salary adjustment or a very low salary adjustment to an otherwise eligible individual may result from merit considerations. Deans are not required to submit written explanations of the rationale for any merit-based salary adjustment decision, but documentation (process and related individual documents) should be retained in the appropriate administrative office.
Deans Withhold
Generally, deans allocate salary adjustment funds to primary units in equal or approximately equal proportion. However, merit, promotions, and other considerations may require a differential distribution to units. This distribution is funded through a factor commonly referred to as the "Dean's Withhold." To the extent that such a factor is required in 2013-14, deans may withhold up to 0.15 percentage points. It is anticipated that deans will apprise appropriate faculty advisory groups of the existence of the withhold and its intended use.

If deans depart from this guideline, the appropriate faculty advisory group and relevant unit administrator must be consulted, and the approach reviewed with the Office of the Provost prior to the distribution of funding to the units. Information about such procedures must be made available, if requested, to unit administrators and faculty.

Central Support for Promotions
Central support for promotional increments for tenure system faculty will be provided in 2013-14 at $2,000 per promotion from Assistant to Associate Professor and at $2,500 per promotion from Associate to Professor. For those appointed at the associate professor rank but without tenure, $2,000 will be provided upon receipt of tenure. Promotional increases for Librarians will be recognized with central support of $2,000; $1,000 will be provided for the promotions of Senior Academic Specialists, and continuing NSCL staff. If unit promotional policy exceeds the above funding, units are responsible for funding such increases through the raise list. Raise control figures may be exceeded by the amounts centrally provided for promotional increments.

Minimum Salary Levels
Minimum salary levels for designated groups should apply generally. Merit considerations, however, may result in a lower salary rate in individual cases.

Minimum Salary Guidelines: Tenure System Faculty (2013-14)

<table>
<thead>
<tr>
<th>Faculty Rank</th>
<th>Academic Year</th>
<th>Annual Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Professor</td>
<td>$45,702</td>
<td>$55,858</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>$53,645</td>
<td>$65,567</td>
</tr>
<tr>
<td>Professor</td>
<td>$61,473</td>
<td>$75,133</td>
</tr>
</tbody>
</table>
Minimum Salary Guidelines: Non-Union Fixed Term Faculty and Academic Staff (2013-14)

<table>
<thead>
<tr>
<th>Faculty Rank</th>
<th>Academic Year</th>
<th>Annual Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecturer</td>
<td>$27,227</td>
<td>$33,278</td>
</tr>
<tr>
<td>Assistant Instructor</td>
<td>$27,227</td>
<td>$33,278</td>
</tr>
<tr>
<td>Academic Specialists</td>
<td>$27,227</td>
<td>$33,278</td>
</tr>
<tr>
<td>(Appointed as Academic Advisors)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instructor</td>
<td>$27,227</td>
<td>$33,278</td>
</tr>
<tr>
<td>Assistant Professor</td>
<td>$35,541</td>
<td>$43,439</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>$45,080</td>
<td>$55,098</td>
</tr>
<tr>
<td>Professor</td>
<td>$55,515</td>
<td>$67,851</td>
</tr>
<tr>
<td>Research Associate</td>
<td>$29,495</td>
<td>$36,050</td>
</tr>
</tbody>
</table>

Below is the raise process schedule for faculty and academic staff:

- **Monday, August 19:** Cognos raise model open for unit entry for non-union and union raises
- **Friday, September 13:** Cognos raise model closes – non-union and union raises submitted to HR
- **Friday, September 27:** Market Adjustment recommendations from units due to OPB
- **Wed., October 16:** Raises loaded into the HR/Payroll System, including manual corrections
- **Friday, October 18:** Raise notifications sent electronically via email to MAUs for distribution

Attachments

c: D. Byelich
T. Curry