April 13, 2018

MEMORANDUM

TO: Dr. June Youatt, Provost

FROM: Dr. Thomas Tomlinson, UCFA Chair

SUBJECT: Recommendation for 2018-19 Faculty Merit and Market Pool Increase

The University Committee on Faculty Affairs (UCFA) recommendation for the faculty merit and market pool increase in the 2018-19 academic year continues to be developed on the basis of the following goals:

- recruitment and retention of high quality faculty;
- maintenance of the quality and integrity of our academic programs;
- recognition of faculty productivity as enrollments and competitive pressure for grants escalate; and
- a desire to maintain and enhance morale in the context of ensuring teaching and research quality and productivity.

UCFA remains concerned about the long-term impact that the erosion of university-funded health benefits will have on faculty compensation; specifically, the:

- initiation of health care premium sharing for all faculty as of July 2002;
- elimination of funded post-retirement health care coverage for spouses for new hires as of July 2005;
- elimination of funded post-retirement health care coverage for new hires as of July 2010;
- substantial increases in premiums for health care and pharmaceutical coverage; and
- long-term implications of potential changes to federal and state funding of health care.
Over the past decade, the UCFA has used MSU’s relative position among Big Ten universities as a key indicator of the university’s performance in achieving the goals identified above. As can be seen in Table 1, for the past decade MSU has typically ranked in the bottom quartile in faculty salary with MSU’s ranking being no higher than 11th (of 14 institutions) since 2010-2011.

For the past few years the UCFA has sought, with modest success (see bullet points below), to improve MSU’s relative position among Big Ten universities in faculty salary by suggesting slightly above average (assuming an average of 2-3 percent annual faculty salary increase for other Big Ten institutions) annual increases in faculty salary.

- For 2014-15, the UCFA recommended a 5.25 percent increase in faculty salary with a 4.0 percent increase in the general merit pool and a 1.25 percent increase in the market adjustment pool. MSU faculty received a 3.0 percent increase in salary inclusive of a 2.0 percent increase in the general merit pool, a 0.5 percent increase in the market adjustment pool and a 0.5 percent increase for retention concerns out of the University Academic Competitiveness Pool in 2014-15.

- For 2015-16, the UCFA recommended a 5.25 percent increase in faculty salary with a 4.0 percent increase in the general merit pool and a 1.25 percent increase in the market adjustment pool. MSU faculty received a 3.0 percent increase in salary inclusive of a 2.0 percent increase in the general merit pool, a 0.5 percent increase in the market adjustment pool and a 0.5 percent increase for retention concerns out of the University Academic Competitiveness Pool in 2015-16.

- For 2016-17, the UCFA recommended a 4.75 percent increase in faculty salary with a 4.0 percent increase in the general merit pool and a 0.75 percent increase in market adjustment pool. MSU faculty received salary a 2.5 percent increase in salary inclusive of a 2.5 percent increase in the general merit pool, a 0.5 percent increase in the market adjustment pool and a 0.5 percent increase for retention concerns out of the University Academic Competitiveness Pool in 2016-17.
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- For 2017-18, the UCFA recommended a 4.0 percent increase in faculty salary with a 3.5 percent increase in the general merit pool and a 0.5 percent increase in the market adjustment pool. MSU faculty received a 3.0 percent increase in salary with a 2.5 percent increase in the general merit pool and a 0.5 percent increase in the market adjustment pool in 2017-18.

Given our goal of reaching the middle of the Big Ten in faculty salary, we recommend a 4.5 percent increase in faculty salary for 2018-19 with a 4.0 percent increase in the general merit pool and a 0.5 percent increase in the market adjustment pool.

MSU is a great institution with outstanding staff and students. MSU’s faculty, however, is a driving force for the discovery, creativity and learning that occurs at the institution. The UCFA salary request reflects our ongoing desire to ensure that the university continues to make a positive and significant impact on the life of the people of Michigan, the United States and the world. The UCFA appreciates your consideration of our recommendation for the 2018-19 faculty merit and market pool increase. Whatever the decision is regarding our recommendations, we are honored to continue to serve MSU.

Attachment
2017-18 Faculty Salary

Big Ten average*: $118,799

MSU Rank in Big10 Institutions for Faculty Compensation

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- Includes pro-rata attribution of post-retirement benefits for eligible population

*Does not include Northwestern – average including Northwestern $122,804

1. Rankings overtime adjusted to include Rutgers and Maryland