July 18, 2001

TO: Deans, Directors and Chairpersons

FROM: Kim Wilcox, Provost

SUBJECT: Academic Human Resources Salary Adjustment Guidelines – 2011-12

The MSU Board of Trustees approved salary increases for non-union faculty and academic staff of 1.5 percent for general merit and 0.5 percent for college market adjustments. Additionally, 0.5 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 April 2010 salary data for tenure system faculty, was distributed in Spring 2010 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 2011-12, 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 2011-12 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 Senior Academic Specialists, and continuing NSCL staff will be similarly recognized with central support of $1,000. 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 (2011-12)

<table>
<thead>
<tr>
<th>Faculty Rank</th>
<th>Academic Year</th>
<th>Annual Year</th>
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<tbody>
<tr>
<td>Assistant Professor</td>
<td>$43,819</td>
<td>$53,557</td>
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<tr>
<td>Associate Professor</td>
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<td>$62,915</td>
</tr>
<tr>
<td>Professor</td>
<td>$58,941</td>
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Minimum Salary Guidelines: Non-Union Fixed Term Faculty and Academic Staff (2011-12)

<table>
<thead>
<tr>
<th>Faculty Rank</th>
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</tr>
<tr>
<td>Assistant Instructor</td>
<td>$26,105</td>
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<tr>
<td>Academic Specialists (Appointed as Academic Advisors)</td>
<td>$26,105</td>
<td>$31,906</td>
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<tr>
<td>Instructor</td>
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<td>Assistant Professor</td>
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<td>Professor</td>
<td>$53,228</td>
<td>$63,809</td>
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</tbody>
</table>

A schedule for completion of the raise process for non-union faculty and academic staff will be sent soon.

Attachments

c: D. Byelich
   T. Curry
April 5, 2011

MEMORANDUM

TO: Dr. Kim Wilcox, Provost
FROM: Professor Deborah Moriarty, Chair
SUBJECT: Recommendation for 2011-12 Faculty Merit and Market Pool Increase

The University Committee on Faculty Affairs (UCFA) recommendation for the faculty merit and market pool increase in the 2011-12 academic year is 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.

In addition, there is concern about the long-term impact on faculty compensation with the ongoing erosion of university-funded health benefits, including:

- for new hires as of July 2010, elimination of funded post retirement health care coverage
- for new hires as of July 2005, elimination of funded post retirement health care coverage for spouses
- for all faculty, as of July 2002, initiation of health care premium sharing
- the substantial increase in additional premiums for Community Blue coverage announced in March 2011.

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 the 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 2010, UCFA recommended a 0% increase in the general merit pool, and a 1% increase in the market adjustment pool, in recognition of MSU’s programmatic reductions and tuition increases.
2011-12 Faculty Merit and Market Pool Increase
April 5, 2010
Page 2

Last year at this time most of the universities in the Big Ten anticipated increases near zero percent. In fact, the actual increases averaged 2.79% in contrast to MSU's 0.81%. As a result MSU moved from 7th to 10th among the Big Ten in average faculty salary (see Table 1). Our drop in the rankings has made the long-term goal of reaching the median position in the Big Ten a more distant prospect.

With that goal in mind, we recommend a 2% increase for the 2011-2012 general merit pool. The narrow salary differences between MSU and the universities just above and below it suggest that a modest increase will at least maintain our position at 10th out of 12, and perhaps allow us to move up slightly if others do not have similar increases.

In addition, UCFA also recommends a market adjustment pool increase of approximately 1%, continuing the practice of 2010-2011. 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 current economic circumstances in the State of Michigan, the stated recommendation seeks to balance academic market conditions with other budgetary needs in the long-term interest of Michigan State University.

Attachments

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

Source: Trend lines estimated from Big Ten faculty salary data provided by the Office of Planning & Budgets, MSU. Big Ten average excludes Northwestern Univ.

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

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Source: Data provided by the Office of Planning & Budgets, MSU.
To: Dr. Kim Wilcox, Provost

From: Michael Rich, ASAC Chair 2010-2011

Date: 7 April 2011

Re: Salary Pool Recommendation for Academic Specialists

MSU's 650+ Academic Specialists are actively engaged in unison with the faculty in fulfilling the University's mission of providing an educational foundation to prepare students to contribute globally as engaged leaders; conducting research to expand human understanding on local and global issues; and advancing outreach, engagement, and economic development to lead to a better quality of life for individuals and communities. The skills of Academic Specialists are practiced in over 100 offices and departments distributed across the major academic units here at home as well as abroad. It can be reasoned that Academic Specialists are involved in every aspect of the University's academic efforts in teaching, advising, research, and outreach — and have been doing so for over 50 years at Michigan State University.

The Academic Specialist Advisory Committee is the collective voice of Academic Specialists in the academic governance system, offering advice and recommendations to the Administration on issues of importance to Specialists, including annual salary adjustments. ASAC does not enjoy the same level of resources as faculty committees such as UCFA, and because of this, ASAC has historically reviewed the UCFA recommendations for annual market and merit salary adjustments. The alignment of Academic Specialists with faculty stems from the similarity and overlapping functions of the two groups. With this in mind, ASAC has reviewed the memorandum from UCFA for faculty salary adjustments for the next fiscal year.

The UCFA memorandum from Chair Dr. Moriarty notes the loss of benefits and compensation to faculty, which extends to Academic Specialists, during this era of financial challenges:

- for new hires as of July 2010, elimination of funded post retirement health care coverage
- for new hires as of July 2005, elimination of funded post retirement health care coverage for spouses
- for all faculty, as of July 2002, initiation of health care premium sharing
- the substantial increase in additional premiums for Community Blue coverage announced in March 2011.

In addition to the above changes, Professional Development Funds for Academic Specialists were dissolved in 2010. The loss of these benefits and compensation are more burdensome for Academic Specialists which as a group have substantially lower salary levels than faculty.