A Proposal on Faculty Compensation

Approved unanimously at the September 19, 2018 meeting of the Faculty Senate

It is the recommendation of the Faculty Senate that to compensate for wages lost with salary cuts, and to alleviate problems with faculty compensation in the future, that (1) the longevity-step-increases for the last three years be retroactively restored to the base salary of full-time faculty, and (2) that a new system of annual adjustments to faculty salaries be established (see the explanation below).

Retroactive Restoration of Longevity-Step-Increases

The Faculty Senate recommends that the $546 longevity-step-increases (known as *Calculation for Experience* on the Salary Card) be retroactively restored to the base salary of full-time faculty for each of the last three years in which faculty had a full-time appointment. This amounts to a $1,638 addition to the base salary of faculty with full-time appointments for these three years.

The suspension of the step-increases, begun in the 2016-2017 academic year, were one of four pay cuts announced in the spring of 2016 (also including elimination of *incentive pay*, an over-40% cut in summer teaching pay, and furlough days). It was recognized that state revenue cuts necessitated some tough decisions. Since that time, faculty and administration have worked together to extricate ourselves from our precarious situation, to greatly improve enrollment, and to significantly improve our university's financial situation.

Since the Salary Card was an official document in faculty members' appointments, there was a reasonable expectation that it would be honored. The suspension of the step-increases (and the other salary cuts) had an understandable effect on faculty morale. A restoration of those lost wages would be an important step with positive effects on faculty morale, implications for faculty pensions (which are calculated on base salary), and for recognizing the essential contributions of faculty in our university's growth and success.

Annual Adjustments to Faculty Salaries

It is the opinion of the Faculty Senate that to alleviate problems with faculty compensation in the future, annual adjustments to faculty salaries be carried out in the following manner:

Currently faculty salaries are derived from two main components - a "carded component" (composed from degree, rank, years of experience, etc.) and an "off card adjustment" (from endowments, agreements related to service in prior administrative positions, negotiations at time of hire, etc.).

The current adjustment system (in those years in which it is applied) adds a flat amount for each year of experience a faculty member gains. This amount (which on the 2013-2014 Salary Card was $546) has been enough to offset the downward pressure of inflation for faculty members at lower ranks (instructor/assistant professor) whose years of experience have not hit an upper "cap". For those at higher ranks (associate/full professor) the flat amount has not been enough to offset inflation, even

though the inflation rate has been fairly low until recently. This has caused the “real” salary for faculty of high rank to continually decay over time - particularly for those at the rank of Professor and who cannot further increase their salary through promotion.

We recommend that in the future annual adjustments are made to the “carded component” of the salary only, based on measures of inflation (preferably CPI or an equivalent measure which allows for smoother financial planning, such as the average of the previous three years’ CPI). These adjustments would replace the current “Calculation for experience” factor of the salary card (although years of experience already included in existing faculty’s current salaries would be part of their “base salary” going forward).

For example, consider two associate professors with 12 years’ experience - one whose current “on card” salary is $56,000 and one whose current salary is $66,000 (the “on card” salary of $56,000 together with a $10,000 adjustment due to being in a high demand area). If the CPI for the first year in this new system is 1.8%, the first professor’s new salary would be $56,000*1.018=$57,008. The second professor’s new salary would be $56,000*1.018 + $10,000 = $67,008, as the $10,000 “off card” portion would not be adjusted for inflation.

When a person is promoted, or the University adjusts the components of the “carded salary” (say deciding to increase associate professor pay to be more competitive), those adjustments can be added to the corresponding salaries at that time and then the new salary adjusted going forward into the future.

While this system does not correct existing issues with faculty compensation, it should help prevent them from becoming worse over time and allow for simple, fair, and predictable support for Southeastern faculty as we go forward.