



Economic Benefits Committee

Report to Faculty Senate

Academic Year 2015 – 2016

April 2016

Richard Bennett, Chair
Pott College of Science, Engineering
and Education

Mary Rock
College of Nursing and Health Professions

Timothy Brian
Romain College of Business

Anne Statham
College of Liberal Arts

Kevin Goodman
Pott College of Science, Engineering
and Education

Gina Schaar
College of Nursing and Health Professions

Kenneth Shemroske
Romain College of Business

Trent Engbers
College of Liberal Arts

Table of Contents

Standing Charge	1
Discussion	1
Recommendation	2
Concerns	3
Salary Data	4
Average Salaries by Rank	4
Average Salaries Ranked among Peer Institutions	5
Salary Compression Ranked High-to-Low	6
Salary Compression by Institution	7
Instructor Salaries	8

Standing Charge

1. To make a continuing study of the faculty salary and benefits patterns in American universities and relate these data to the university.
2. To review the structure of the faculty salary and benefit recommendations for the previous year and to recommend the ranges of increments for the following years.

Discussion

The Economic Benefits Committee (EBC) examined the faculty salaries at each rank and compared the salaries with the following peer institutions.

- Indiana University, South Bend – South Bend, IN
- Indiana University, Southeast – New Albany, IN
- Indiana University-Purdue University, Fort Wayne – Ft. Wayne, IN
- Purdue North Central – Westville, IN
- Ball State University – Muncie, IN
- Morehead State University – Morehead, KY
- Murray State University – Murray, KY
- Western Kentucky University – Bowling Green, KY
- Northern Kentucky University – Highland Heights, KY
- Eastern Illinois University – Charleston, IL
- Southern Illinois University, Edwardsville – Edwardsville, IL
- University of Tennessee at Chattanooga – Chattanooga, TN
- University of Tennessee, Martin – Martin, TN
- Southeast Missouri State University – Cape Girardeau, MO
- University of Central Missouri – Warrensburg, MO (Did not participate in the 2014-2015 survey)

Criteria used in the selection of the peer institutions are classification as a Masters Institution used in the American Association of University Professors (AAUP) salary data (with the exception of Ball State University), state funding, and the cost of living index for the housing city. The list includes universities selected as USI’s peers in the productivity report prepared for the Indiana Commission for Higher Education by the National Center for Higher Education Management Systems (NCHEMS) in 2010.

The EBC collected the AAUP salary data by rank for the academic years 2009-2010 to 2013-2014 from the Chronicle of Higher Education (CHE) website: <http://chronicle.com/stats/aaup>, and directly from the AAUP by purchasing a salary report for the 2014-2015 academic year (http://www.aaup.org/sites/default/files/files/AAUP_Data_14-15.xlsx). The AAUP/CHE does not release current data on faculty salaries until the end of March/beginning of April, which puts this charge at risk of not reporting data current for the academic year in which the report is published. Thus, the EBC reviewed and addressed the standing charge using the most current data available at the time of the report.

Collected data are summarized and presented in the attached tables and graphs at the end of the report. The included reports are:

- Figure 1 – AAUP data sheet which contains all of the salary data for peer institutions and USI and compares USI to the mean and median of peer institutions.
- Figure 2 – Ranking sheet which shows the ranking of USI among the peers with graphs
- Figure 3 – Compression sheet which shows the ratios of Professor:Associate and Associate:Assistant for USI and peer institutions ranked by compression level from high-to-low
- Figure 4 – Compression sheet which shows the ratios of Professor:Associate and Associate:Assistant for USI and peer institutions ranked by institution
- Figure 5 – AAUP data sheet containing salary data at the instructor level for peer institutions and USI, including ranking sheet for instructor level at USI among peer institutions.

Please note that the University of Central Missouri (UCM, Warrensburg, MO) did not participate in the 2014-2015 AAUP salary survey. At this time, the EBC does not know if this is an isolated instance or if UCM no longer plans to contribute to the AAUP salary survey. The current EBC suggests that next year's committee wait and see if they participate in next year's survey. If not, they may want to address whether or not to replace them with another peer group.

Additionally, Northern Kentucky University (NKU) only reported lecturer salaries, not instructor salaries.

Recommendation

At this time, wages at all levels of the professoriate, including instructors, have exceeded the average salary among our peers. This does not seem to be because of a downturn in other university salaries, as the maximum salaries in our peer group, except for the associate level, have also increased from last year.

At this time, the EBC suggests that the University continue to review and maintain faculty salaries at a level that either meets or exceeds the average of our peers. Since 2010, the average professor and associate professor salaries have increased an average of 2.2% per year, while the average assistant professor and instructor salaries have increased 2.6% and 4.2% per year. Globally, the average faculty salary among our peers has increased 2.8% per year. Thus, the EBC recommends that the University consider maintaining a 2.5-3% increase in faculty salaries per year to stay competitive with our peers going forward.

Lastly, the newest salary information available at the time this document was prepared was from the 2013-2014 academic year. The most current available salary information may be outdated and not reflect any merit or salary increases at specific ranks that were in effect for the 2014-2015 academic year.

Concerns

As reported last year (2015), *The Chronicle* no longer receives salary data from the AAUP, but rather uses the U.S. Department of Education (USDOE) for its salary data. AAUP data is thus now only available through an AAUP membership or direct purchase from the AAUP.

The EBC was able to acquire the 2014-2015 AAUP data through the Provost's office by purchasing a one-time, 15-institution report for \$450. To continue using the AAUP data, the EBC suggests establishing a permanent line of funding for the EBC to purchase a 15-institution report each year to report salary data and trends. Additionally, we recommend that this purchase be made through the *ex officio* HR representative that sits on the EBC, as this position is typically held by the same person each year.

Although the USDOE data is free, the salary values for previous years collected from the USDOE do not match the values for previous years collected from the AAUP. The methodology of the new salary data collection and calculation methods is attached to this document and can be found at <http://data.chronicle.com/salaries/methodology/>. The EBC feels that the AAUP data is more valid with better-defined faculty categories based on appropriate compensation/data collection principles and procedures.

Salary Data

Average Salaries by Rank

Average Salaries Ranked among Peer Institutions

Salary Compression Ranked High-to-Low

Salary Compression by Institution

Instructor Salaries



Economic Benefits Committee

Long Term Care Insurance Report

Academic Year 2015 – 2016

April 2016

Richard Bennett, Chair
Pott College of Science, Engineering
and Education

Kevin Goodman
Pott College of Science, Engineering
and Education

Mary Rock
College of Nursing and Health Professions

Gina Schaar
College of Nursing and Health Professions

Timothy Brian
Romain College of Business

Kenneth Shemroske
Romain College of Business

Anne Statham
College of Liberal Arts

Trent Engbers
College of Liberal Arts

Charge

1. Make looking at long term care for faculty (and staff) a senate charge.

Discussion

As noted in the original charge, the Economic Benefits Committee (EBC) has investigated this in the past. Most recently (approximately 2008) a decision was made to not pursue due to dramatic increases in pricing and an instable long-term care insurance market due to underpricing. Over the last 7 or 8 years, the market has stabilized.

USI's Human Resources (HR) is willing to again prepare requests for proposals from highly rated insurers and present their findings and recommendations to the EBC. HR is also willing to provide all administrative functions required for the collection of premiums from faculty through payroll withholding and remitting the premiums to the selected insurer.

HR is uncertain they will be able to obtain pricing better than that available to faculty individually. They also caution that even if better pricing is obtained, the insurers will require a certain level of participation from faculty – perhaps around 25% enroll – or the pricing would not be available.

Recommendation

The EBC recommends that HR prepare a request for proposal from insurance companies for long-term care insurance for faculty. Upon receipt of the proposals, the EBC committee along with HR should evaluate the proposals and make a final recommendation to the Faculty Senate.



Economic Benefits Committee

SRA Contribution Withholding Report

Academic Year 2015 – 2016

April 2016

Richard Bennett, Chair
Pott College of Science, Engineering
and Education

Mary Rock
College of Nursing and Health Professions

Timothy Brian
Romain College of Business

Anne Statham
College of Liberal Arts

Kevin Goodman
Pott College of Science, Engineering
and Education

Gina Schaar
College of Nursing and Health Professions

Kenneth Shemroske
Romain College of Business

Trent Engbers
College of Liberal Arts

Table of Contents

Charge	1
Discussion	1
Recommendation	1

Charge

1. Recommend a change in the way TIAA-CREF Supplemental Retirement Account (SRA) contributions are withheld.

Discussion

Concerning voluntary contributions of pretax dollars to retirement accounts, faculty could see a benefit in spreading the contributions over the twelve month calendar year in order to help average out monthly incomes for employees. This would be a change from protocol since currently these deductions from pay only occur during the 10 month school year.

The human resources department has indicated that it is not possible to have the option for either 10 or 12 period deductions. The policy must be university wide either one way or the other. It was brought to our attention that the 10 month option is necessary, because someone who was forced to deduct SRA contributions on a 12 month basis could potentially miss earnings, and hold USI liable, on money they would have had from a 10 month distribution schedule. Restating: pretax dollars from money earned in January could be invested earlier on a 10 month distribution schedule than money distributed on a 12 month distribution schedule.

Recommendation

The economics benefit committee members feel that USI's human resources department should continue to deduct pretax dollars for voluntary retirement contributions on a 10 month period.