FACULTY COUNCIL
April 4, 2007
STRAND UNION 275
4:10 AM – 5:00 PM
MONTANA STATE UNIVERSITY-BOZEMAN, MONTANA
Minutes

Members Present: Amin, Ashley, Bailey, Bandyopadhyay, Cherry, Christopher, Croy, Dyer, Gipp, Idzerda, Jones, Levy, Lynch, Livingston, M. McClure, Neeley, Peed, Pinet, Prawdzienski, K.A. Scott, Schmidt for Lei, Seymour, Starkey for Zhu, Taylor, Van Coller, D. Weaver, T. Weaver

Members Absent: Ag Econ, Ag/ED/AOT, Becker, Chem/Biochem, English, Erickson, Jackson, Johnson, , Jacobs, Nursing On-Campus, Political Science, Watson

Others Present: Dooley, Fedock, Lansverk, Mooney, Rognlie, Schontzler

Chair Shannon Taylor called the meeting to order at 4:10 PM. A quorum was present. The minutes from March 28, 2007 were unanimously approved.

ANNOUNCEMENTS – Chair Taylor

- Chair Taylor sent a supportive letter to the state senate regarding HB95. The bill advocates a 1% increase in the funding for TIAA-CREF participants and will take it to 5.5%. It comes with a $1.1M price tag per year and will be rolled into the base.

SALARY DISTRIBUTION- Provost Dooley

- Provost Dooley distributed five (5) data sets to FC members; revised proposed draft calculations for 2008 salary distributions; summaries of 06 and 07 faculty equity salary amounts by college; an anonymous ranking list of departments relative to MSU average; and, a 10-year department salary summary.
- Proposed draft calculations for 2008 salary distribution is in three components. (1) The first is for salary floors promotions. We are mandated by the governor and BOR that this money come out of the raise pool. This is a departure of all previous years' practice. (2) There is a little over 6/10 of 1% proposed as a central merit/equity pool used to correct problems; and (3) 2.5% to be distributed to deans, then to department heads/managers for merit increases and to tackle market and equity issues that they identify and not handled centrally. There is about $1M in the raise pool and this number will continue to be adjusted as we get more information. In 2006, 2007 .5% and 1%, respectively, was retained by the Provost for special equity cases brought forward by deans in response to his memorandum listing data and criteria for identifying problems (special equity cases). The lump sum equity (cases) philosophy reflects decisions to use some central money, apply it differently to different departments to raise the average salary to a university average.
- As a result of this action, where do we now stand? The department average salary lists rank distribution and shows each department's MSU average percent. The averages range from 79% to 153%. To obtain a department average differential: take the department average differential from MSU and multiply it by the # of people in that department and that is the amount of money you would give that department to raise it to the MSU average. Some departments were considerably above the MSU average ($64,642.00) and some were so low that a significant amount of money would have to be spent to raise them to the MSU average. Some improvement has been reflected by the distribution of funds in the past. It is difficult to accomplish that in a way that is transparent because someone who retires at a salary much higher than the MSU average is replaced by an individual at a salary equal to or less than the MSU average, it looks like that department lost ground when, in fact, the faculty that remained in that department benefited relative to the MSU average.
- Our overall salary practices over the last ten years included having applied about $10.5 Million in raises of which $1.0 Million of that has been used to fund promotion increases and market and equity adjustments.
- Discussion ensued (*Provost Dooley's answers are italicized*):
  - By advocating market equity, doesn't that drive everyone towards one average across campus? Shouldn't an engineering faculty member receive a higher salary than an English professor by virtue of the open market? *Salaries on campus no longer reflect the market.*

They reflect a uniform application of a single salary policy of 20 years where raises were based on percentage of salary. And while this is a rational way to give raises, it is the only way we have done it in the past. The disparities now reflect performance and market as reflected in initial salaries at hire. MSU must address market, or else we will not be able to competitively hire. Our current rank of salaries and the difference between average and where they are reflects more than the market. It reflects the uniform application of 20 years of salary increases based on percentage. That disparity no longer reflects market and it is unhealthy for the institution. We have faculty that are performing at the same standard as other universities and rewarded far less. For faculty at the bottom of our list (unlike those at the top of our list) it has become increasingly impossible for them to afford to live near the university.

- You rank these internally by deviation. Have you done a similar rank with external comparators like OSU, and would the rank be similar or different? *We have done that. It would be different but show many similarities. For MSU, that data reflects where the department, and more importantly, where the individual is in relation to OSU. Many faculty have been rewarded market or equity adjustments based on comparisons from OSU data. There are also differences. The department that is most off OSU is Business. This proposal is a difficult to make. If the raises were, say, 7%, we would have more monetary latitude, but we do not. We do the best we can with what we have been given.*
- Some FC members believe central administration has a duty/responsibility in an organization as large as MSU to make the decision to correct market equity issues, as they have a larger overview of what is happening within and outside the institution.
- All eleven (11) faculty from Veterinary and Molecular Biology were polled, and the feedback was; 1. MSU needs a university-wide procedure for COLA, and a separate merit equity pay policy. This policy should not be subject to change every year, and could be set by administration. 2. MSU should not be using COLA dollars for merit pay increases. Those who have performed adequately, but not deemed worthy of a merit raise, basically receive a pay cut due to inflation without COLA. This is not acceptable. 3. Administration needs to first keep base salaries competitive with peer institutions and have policy for COLA adjustments that is applicable to all faculty; and have consistent university-wide policy that is separate for COLA adjustments. 4. Faculty that are marketable should not be giving up raises to those faculty that are not marketable. Voting results indicate that a de-centralized salary distribution plan is favored.
- Ed Mooney presented information to FC based on his calculations. He reported that the actual raises faculty received was less than 2% in 2006, and that a good part of the "merit/equity" pool seems to have been used for new hires. He stated that the raise process should be transparent, should be meaningful discussion with faculty , and money intended for faculty should go to faculty.
- Provost Dooley stated that the "new hires" number included in Dr. Mooney's calculations was never included in the BOR numbers because their numbers only track changes from 2005 to 2006; it does track or accumulate the totals of additions to 2006 of lines that were not present or occupied in 2005. Adding back in the number Dr. Mooney has extracted gives the raises as being 4.9%; 4% pool going to raises and the .49% going towards promotions done in addition to the pool. FC members are invited to view the numbers.
- FC members suggested an average of merit for the past three years be taken into consideration, and a uniform way to assess merit should be discussed.
- FCSC would like the Provost to look seriously at the compression inversion on campus.
- Other input from FC members included incorporating COLA language in the resolutions.
- Also, what constitutes merit?
- For equity and market adjustments, the Provost (centrally) considers acceptable performance reviews that are "meets expectations."
- FC would like to provide input regarding guidelines for deans in distribution of merit/equity monies.
- Chair Taylor asked FC members to vote on each of the resolutions:
  - **Resolution 1:** *Faculty Council supports the Provost's proposal as presented in Faculty Council on March 28. The Provost's would hold back $191,000 to be distributed to individual faculty-for purposes of equity, market and merit issues from a campus-wide perspective.* 13 For; 13 Against

- **<u>Resolution 2: </u>** *Faculty Council recommends the Provost scale back his holdback to a level consistent with historical equity adjustments. That level would be $50,000. The remaining $140,000 would then be added to the pool of funds distributed to deans and then (as directly as possible) to department heads.* 11 For; 13 Against
- **<u>Resolution 3: </u>** *Faculty Council recommends the Provost's holdback to be $191,000. 75% ($143,253) of this amount would be used to correct compression/ inversion inequities across campus. The remaining 25% would be used to address internal, inter-department inequities across campus. Any amount left over from correction of salary inversion inequities can be added to the amount used to address internal, inter-departmental inequities.* 13 For; 11 Against

The meeting was adjourned at 5:00 PM, as there was no other business.

Signature
Shannon Taylor, Chair

Signature
Gale R. Gough, Secretary