

DRAFT as of 4/7/14  
Report to the Faculty Senate Regarding Salary Increases  
University Budget Committee

As we know, these are challenging fiscal times. One manifestation of this has been a lack of state funding in recent years for salary increases. Indeed, over the past 5 years, the sole legislative increase has been a 1.2% cost-of-living increase in 2009. Over this same 5-year period, federal cost-of-living adjustments have totaled nearly 8%. So, in effect, most of us have seen a decrease in our salary of more than 5% since 2009. From a faculty perspective, perhaps the most demoralizing aspect of this situation is that there is no longer a guarantee that funds will be available for promotion raises.

At the same time, we know that there *can* be opportunities for individual employees to increase their salary – by, for example, taking on additional job responsibilities or securing a job offer somewhere else and seeking a counter-offer. In the context of ongoing campus discussions, the budget committee felt it was worth examining how widespread such opportunities are at ECU and who has been able to take advantage of them.

So, I am reporting today a few highlights from an analysis of salary data that was presented to the budget committee as part of our activities this year. The study was initiated by UBC member John Given and carried out by John in coordination with Stephanie Coleman, Assistant Vice-Chancellor for Administration and Finance. The data came initially from a list of ECU employee salaries provided to the Faculty Senate Office, with final data provided through a request to IPAR specifically for this purpose. The data cover all university employees – EPA Faculty, EPA non-faculty and SPA and Clinical Support Staff. The study compares the salaries of individuals between January of 2013 and December of that same year.

The results: overall, 575 ECU employees had a higher salary at the end of 2013 than at the beginning. Of this, about a quarter resulted from an employee switching jobs within ECU – that is, someone who applied for a job vacancy and was selected competitively. Such cases are part of normal employee turnover, and they will not be included in the discussion that follows. That leaves 415 full-time employees who received an increase in salary without applying for a new position. This is a little less than 8% of ECU's workforce. The overall value of these salary increases is just over \$2½ million, about \$2 million of which came from state funds. To put this in context, \$2.5 million is a bit more than one half of one percent of ECU's \$400 million payroll.

The personnel database identifies a number of different reasons for these increases, which differ to some extent by employee type. Let's start with the category of SPA employees, which also includes Clinical Support Staff. About 9% of ECU's SPA employees saw their salaries increase in 2013, with an average increase of \$4,300. Of these, one-third resulted from a promotion or increase in job duties or responsibilities. It's worth noting here that, according to state rules, SPA employees cannot receive a salary increase for doing more of the same kinds of duties, but must take on different responsibilities at a higher level. Another 60% of SPA increases were coded as 'labor market' or 'career progression' adjustments. These changes are related to the career banding system for state employees, and many of the adjustments were applied to entire groups of employees. In 2013, this included Public Safety Officers, Information Technology positions, medical coders and medical billers. These groups were addressed because they had new classifications or were subject to revisions to the labor market rate from the Office of State Personnel.

There were 43 EPA non-faculty employees who received salary increases, about 7% of all EPA non-faculty employees. The mean increase for this group was just under \$10,000, not counting athletics. More than 60% of EPA Non-faculty increases resulted from promotion or from an increase in job duties. There are also 7 increases for reasons of 'labor market adjustment', all in the Division of Administration and Finance, and 6 increases for 'retention', all in athletics. At least some of these latter increases are capturing coaching salaries, which, it should be noted, are not paid out of state funds.

Finally, in terms of faculty: 112 faculty members saw their salaries increase in 2013, about 6% of all faculty. The average faculty increase was \$6,500. 47 of the increases, or about 40%, were coded as 'Equity Adjustments' – all for faculty in the Division of Health Sciences, based on a market analysis using benchmarks from the Association of American Medical Colleges. An additional 14 faculty increases were coded as 'retention', of which 12 were in the Health Sciences and 2 in Academic Affairs. In part because the equity and retention categories were concentrated on West campus, about 10% of all Health Science faculty saw a salary increase last year, compared with only 4% of faculty in Academic Affairs.

Of the remaining faculty increases, 7 were due to a change in job duties, and a total of 40 faculty members across campus received a promotion raise. We do not know how many faculty were promoted last year, but a comparison of titles in the database—a method that is admittedly not wholly reliable—identified 54 changes in title that were not accompanied by an increase in salary. By this rough measure, something like 40% of eligible faculty received a promotion raise in 2013, while some 60% did not. Of the faculty who did receive a promotion raise, division across colleges was as follows: there were 7 each in Technology and Computer Science and the College of Education; 6 in Fine Arts and Communication; 5 each in Human Ecology and Health and Human Performance; 4 in the College of Business; 3 in Academic Library Services; 2 in the School of Nursing; and one in the Brody School. There were no promotion raises in the School of Dental Medicine or the College of Allied Health and, notably, there were no promotion raises in the Harriot College of Arts and Sciences.

So, what to conclude from all of this? First, it is noteworthy that, in a year during which the state provided no raise money, 8% of ECU employees were able to increase their salary, most often by taking on new responsibilities. This, in general, should be considered a good thing. By all accounts, the increases were deserved, and many of those who benefitted from the increases were SPA employees who do not have high incomes. Hiring and promoting from within the institution is a good practice, one that may also have positive budget ramifications, since compensating existing employees for taking on new responsibilities may be more cost-effective than hiring new employees.

Second, however, the data suggest that faculty were less likely to receive increases than other employees, and that there are some disparities in who did receive them across divisions and colleges. This arises in part because faculty do not have opportunities to increase their salary by taking on additional responsibilities, other than moving into administrative positions. This makes promotion raises particularly significant for faculty, and in this regard it is worth reflecting on the fact that, in our relatively decentralized system, raises for promotion are available to faculty members in units or colleges that have made the decision to allocate funds for them, but are not guaranteed as a matter of institutional policy. As we know, faculty members can achieve only two promotions during their careers, and it would appear antithetical to both fairness and morale to have some faculty members rewarded and others not. The 40 faculty promotion raises in 2013 averaged around \$4000. To provide the same raise for an additional 50 would have required an amount that

is less than 1/10<sup>th</sup> of 1% of the permanent state budget. That said, the funds for a more centralized system of promotion increases would have to come from somewhere, most likely from college budgets, and as a result the colleges would lose some degree of flexibility over how they allocate their funds. One conclusion from the study, perhaps – especially given the Chancellor's frequent remarks about the importance he attaches to faculty compensation – is that the Faculty Senate may wish to consider requesting a review of ECU's policies governing faculty promotion raises, as well as the pros and cons of possible alternative models. That concludes my report.