

Report to the Faculty Senate Regarding Salary Increases University Budget Committee

I want to report on an analysis of salary data that carried out by UBC member John Given, again with the assistance of Stephanie Coleman. The context for this is the well-known lack of state funding in recent years for salary increases. Over the past 5 years, the sole legislative increase has been a 1.2% cost-of-living adjustment 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. And yet we know anecdotally that there *can* be opportunities for individual employees to increase their salary, and the study was aimed at assessing this, by comparing the base salaries of all ECU employees between January of 2013 and December of that same year.

160 employees increased their salary last year by changing positions within the institution—that is, they applied for a job vacancy and were 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, which 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. Simplifying a bit, they are: promotion and/or an increase in job duties; market or equity adjustments; and retention.

The study examined these across three different employment categories, beginning with SPA employees and 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. Another 60% 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, including Public Safety Officers, IT 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 were 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, and likely associated with coaches 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 these 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.

A total of 40 faculty members across campus received a promotion raise in 2013. We do not know the total number of faculty members who were promoted, 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. Twenty of these, I should note, were in the Harriot College, which had provided no promotion raises as of December, but has just recently announced that funds have now been secured to provide them to all eligible college faculty retroactive to August. Adding together these rough measures, it seems that something like 65% of eligible faculty received a promotion raise in 2013, while some 35% did not, something that results from our relatively decentralized budget procedures in which colleges determine their spending priorities.

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. This, I think, should be considered a good thing. By all accounts, the increases were deserved, the majority from taking on additional responsibilities, and many of those who benefitted were SPA employees who do not have high incomes. Hiring and promoting from within the institution is a good practice, one that may have positive budget ramifications, since compensating existing employees for taking on new responsibilities may be more cost-effective than hiring new employees.

But two additional points should be emphasized to this body: first, faculty were less likely to receive increases than other employees; and second, there are disparities in faculty salary increases across divisions and colleges, including raises for promotion. As we know, faculty have very limited opportunities to increase their salary by taking on additional responsibilities, and they can achieve only two promotions during their careers. It would therefore appear antithetical to both fairness and morale to have some faculty members rewarded with raises for promotion while others are not. 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.