

# The Status of Faculty Salaries and Benefits at Missouri State University 2017

## AN ANNUAL REPORT FROM THE COMMITTEE ON FACULTY BENEFITS

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## Executive Summary

This report is the inaugural report of the newly created Faculty Senate Committee on Faculty Benefits. The committee offers the following brief executive summary:

- MSU faculty salaries compared to other Missouri public universities and a subset of MSU's peer universities tend to be smaller on average but have tended to grow faster over the past decade.
- According the Committee on Faculty Concerns Report on the Faculty Morale Survey, MSU faculty tend to be mildly satisfied with benefits at MSU although this satisfaction has worsened over time and there remain some areas of concern, including Foster Recreation Center, tuition reimbursement, and privacy of medical records.
- MSU offers a wide variety of benefits that are mostly similar to benefits provided at other Missouri public universities and MSU's peer universities. There remain a significant number of differences in the details of those benefits especially with respect to health insurance and retirement benefits.
- MSU's health insurance as compared to other universities, primarily because it is self-funded, offers less flexibility and less choice to employees.
- MSU's retirement system for new faculty, the state of Missouri defined contribution system (CURP) is underfunded as compared to MSU's peer universities.
- Feedback from faculty indicates that MSU has no university policy regarding how to treat tenure track probationary faculty who are granted extended sick leave or family leave, especially as it relates to (1) whether their tenure clock should be extended and (2) requirements for tenure if their tenure clock is extended. As a result, faculty report that the actual treatment of probationary faculty in this position varies widely across the different academic units.

## Purpose

The purpose of the Committee on Faculty Benefits is to maintain communication with personnel in the Office of Human Resources concerning current faculty benefits.

The Committee will prepare an annual report on the status of faculty benefits, to be submitted to the Faculty Senate during the Spring semester and presented no later than the April Session, that includes:

- A comparative review of benefits provided or available to faculty at MSU and benefits offered to faculty at other state and peer institutions.
- A review of data from the Faculty Concerns survey addressing satisfaction with faculty benefits.
- A summary of feedback solicited from the faculty about current and desired benefits.
- A list of Committee recommendations, if any.

## Faculty Salaries

Table 1 through 3 in the appendix contains the data regarding faculty salaries at MSU compared to faculty salaries at other universities, both those within the state and those who are considered peers by MSU. For a discussion of peer institutions, see the President's web site:

<http://www.missouristate.edu/President/peergroup.htm>, which identifies members of the Coalition of Urban and Metropolitan Universities (CUMU) as a peer group. More than 50 universities are a member of CUMU, so the committee chose a subset of CUMA to gather data on outside Missouri.

Table 1 contains average 9 month salaries for MSU, other public institutions in Missouri, and the subset of CUMU peers in 2004/2005; Table 2 contains the same data for 2014/2015, which is the most recent academic year for which data is available. Finally, Table 3 presents percentage changes in faculty salaries over the decade.

Notice that data is presented overall and by rank for each university. The following are the main findings from this data:

- MSU tends to have lower average salaries than the four universities in the University of Missouri system and than the 13 peer institutions in Tables 1 through 3. This is true both overall and for each faculty rank.
- MSU tends to have comparable or slightly lower faculty salaries than the five other public universities in Missouri in the tables. Note that some of the institutions in this category have higher faculty salaries and others lower salaries compared to MSU.

- Table 3 illustrates that MSU faculty salaries grew by 27.71% overall in the decade from 2004/2005 to 2014/2015. The lowest growth rate over that time period was for professor salaries (25.27%) and the highest was for Instructors (32.49%).
- Compared to other institutions both in Missouri and in our peer group, MSU tended to have higher overall increases in salaries from 04/05 to 14/15. This is especially true for the 5 regional universities in Missouri, who averaged only at 15.91% increase over the decade. But it remains true, although the disparity is smaller, for both UM systems universities and our peer group, both of whom averaged an overall increase in salaries of approximately 21% over the decade from 04/05 to 14/15.

Thus, it is fair to say both that MSU tends to continue to have lower salaries compared to our peers and other Missouri universities but that we have made some progress towards equality over the past decade.

### Satisfaction with Faculty Benefits and Salary

The Faculty Concerns Committee presented their report of the biannual Faculty Moral Survey in the April session of the faculty senate. Table 4 presents selected (relevant) results from the 2016 Faculty Morale Survey. The questions included related to either faculty salaries, include merit and equity salary adjustments, or to faculty benefits.

Quoting from the report from the Faculty Concerns Committee on the morale survey:

“While faculty generally scored their MSU benefits as between “neutral” and “somewhat satisfied”, the ratings in all benefit categories in 2016 were all lower than those from 2014 with the exception of vision benefits as this is a new for MSU employees and there is no basis for comparison.”

Hence, faculty satisfaction with benefits generally are lukewarm and worsening over time.

Notice that the FCC report notes per individual faculty comments some areas of especial concern by faculty in benefits including:

- (1) Privacy of medical records,
- (2) Dissatisfaction for Foster recreation center (especially regarding having to pay for it but also treatment of faculty by Foster staff),
- (3) A number indicated that they would like to see improvements in tuition reimbursements for faculty.

Finally, notice in Table 4 that there exists a fair amount of dissatisfaction by faculty regarding salaries. For example, faculty express dissatisfaction with the amount by which it has increased

over the past 2 years (2.55 out of 5), whether the current salary is appropriate (2.51 out of 5) and whether future salary prospects are good (1.83 out of 5). Likewise faculty express concern with salary differentials across campus, the procedures by which equity, merit, and overall salary decisions are made, and a number of other compensation issues. It is fair to state that the morale survey highlights that faculty are both dissatisfied with their current salary and the procedures by which those decisions, both equity and merit, are made.

## Benefits Review

The remaining tables in the appendix present data regarding the charge to the committee to review the benefits “provided or available to faculty at MSU and benefits offered to faculty at other state and peer institutions.” Table 5 summarizes the types of benefits available at MSU and the comparison universities. Table 5 illustrates that MSU has most of the types of benefits provided at other universities in the study with the exception of family leave. MSU provides the bare minimum of family leave required the Family Medical Leave Act (FMLA), which requires up to 12 weeks of unpaid family leave. However, nine of the other universities listed (including the entire MU system) do include more generous family leave policies than MSU.

Notice also that only one other university on the list, University of North Texas, is self-funded regarding its health care insurance. As is evidenced by the detailed tables for health and dental insurance provided for the other institutions, one outcome of self-funding is to reduce the ability of MSU employees to choose between competing health and/or dental plans. Primarily, the lack of choice means that employees at MSU cannot make choices regarding premiums and benefits – with the normal outcome that you can see in the choices available at other universities being that employees can trade higher premiums for better benefits if they choose.

One of the main issues that the committee sees in reviewing the data in Tables 6 through 22 regards retirement plans. It is common for universities to offer both defined contribution and defined benefit retirement plans. Notice that the other regional schools in Missouri have the same retirement choices as does MSU although the University of Missouri has a different retirement system. Missouri, the state of Missouri retirement system does not compare favorably to retirement plans available at other institutions (outside of the regional institutions in Missouri that have the same system as MSU.)

For example, it is common for universities to offer both a defined benefit and a defined contribution plan to faculty but those two options are a choice, which is not generally true at MSU. For example, Missouri requires new employees to be on the defined contribution plan (CURP) initially and are only able to make a change after some years of service. One of the problems there is that MSU’s Human Resources has not in the past informed faculty when they

are eligible to shift to the defined benefit plan (MOSERS); this policy is in the process, hopefully, of changing.

Second, the funding of the defined contribution plan at MSU (CURP) is grossly inadequate. Currently, MSU contributes 5.67% of a faculty's salary to CURP. Note that the details of MSU's retirement system are made at the state of Missouri level but presumably MSU has input into the process of setting such percentages. Just to point to different levels of contributions to defined contribution plans laid out in the tables:

- University of Missouri – 6.77% to 10.78% plus 2% to 401(a)
- Arkansas Little Rock – 5%
- University of Nebraska – two tiers: Tier 1 employee contributes 3.5% and UN contributes 6.5%; Tier 2, employee contributes 5.5% and UN contributes 8%.
- University of Colorado – Employee contributes 5% and UC contributes 10%
- University of North Carolina – University contributes 6.84%.
- University of Wisconsin – Employees contribute 6.8%, which is matched by UW.
- Weber State – University contributes 14.2%.
- UNLV – 14.5% contributed by employee; UNLV also contributes 14.5% (note: does not participate in social security).

## Feedback from Faculty

The Committee on Faculty Benefits worked with others to create a webpage that explained the committee's purpose. The webpage also has a form that faculty can fill out if they have concerns related to faculty benefits. The form is anonymous.

One of the concerns voiced to the committee this year was related to the tenure clock and family leave. If a person uses extended sick leave (Faculty Handbook section 6.6.6) or family and medical leave (section 6.6.7) or other types of leave, how does that affect the tenure clock? Can the tenure timeline be extended and for what reasons should it be? If a person has a semester off for leave, can they still apply for early tenure and promotion? Alternatively, is that person required to apply for tenure under the early tenure provisions of the faculty handbook (section 4.8.5). Hearing comments from people in various departments seemed to indicate that policies related to these issues are not consistent. It is important to note that the Faculty Handbook is silent on these issues. Therefore, no consistent policy exists for the university.

## Committee Recommendations

Based upon the data gathered by the committee and presented in this report, the Faculty Senate Benefits Committee presents the following Resolutions and Senate Actions for consideration by the Faculty Senate:

### **Faculty Senate Resolution**

**Whereas**, the data presented in the Committee on Faculty Benefits report on salaries and benefits indicates that the university's defined contribution plan (CURP) is insufficient to support retirement and

**Whereas**, the comparative data presented in the same report indicate that defined contribution plans similar to CURP provided by MSU's peer institutions are substantially more generous and

**Whereas**, the level of funding for CURP is controlled by the state of Missouri and not directly by MSU and

**Whereas**, MSU has the ability to lobby for higher funding for CURP from MOSERS

**Therefore**, be it resolved that the MSU administration should take action to encourage MOSERS to offer a more competitive defined contribution retirement plan.



## **Faculty Senate Resolution Internal Senate Action**

**Whereas**, the recent Committee on Faculty Concerns report on the Faculty Morale Survey identifies many salary issues of concern to faculty and

**Whereas**, one of the salary issues of especial concern to faculty is the working of the merit pay system at MSU and

**Whereas**, the MSU Faculty Handbook requires that merit based salary increases be suspended during years when the salary pool is 2 percent or less (FH section 5.2) and

**Whereas**, the MSU merit pay system has not actually been funded for a number of years and

**Whereas**, the faculty have consistently been dissatisfied with and, in fact, often don't understand the merit pay system or its value,

**Therefore**, be it resolved that the Faculty Senate will refer this resolution to the Faculty Handbook Revision Committee for its consideration to consider ways to change the faculty handbook's discussion of the performance based (merit) salary system.

## **Faculty Senate Resolution Internal Senate Action**

**Whereas**, the Committee on Faculty Benefits report identifies inconsistent policies on campus regarding the tenure clock of probationary faculty who are granted an extended sick leave or a family leave and

**Whereas**, the Faculty Handbook does not clearly identify the policy to be followed for probationary tenure track faculty who are granted an extended sick leave or a family leave and

**Whereas**, MSU policies on the tenure clock timing, both the extension of the tenure clock and whether such an extension requires a declaration of early tenure, for probationary tenure track faculty who are granted such leaves,

**Therefore**, be it resolved that the Faculty Senate will refer this resolution to the Faculty Handbook Revision Committee for its consideration in ways to change the Faculty Handbook to create consistent policy regarding how to treat tenure track probationary faculty granted either extended sick leave or family leave.

## **Faculty Senate Action**

**Whereas**, employees of Missouri State University are currently entitled to assign 15-credit hours of tuition waiver per year to their dependent children, and

**Whereas**, the data presented in the Faculty Senate Benefits report indicates dissatisfaction by faculty with MSU's tuition waiver benefit, and

**Whereas**, the Missouri Association of Faculty Senates has proposed a tuition program between Missouri educational institutions in which dependent children of faculty in Missouri may receive tuition waiver for any participating Missouri educational institution, and

**Whereas**, in time of decreased revenue and growth, the additional faculty benefit of tuition waivers for dependents would be an incentive for new employees;

**Therefore**, be it resolved that Missouri State University choose to participate in the proposed program, accepting and granting tuition waivers to dependents of faculty from other participating universities.

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**Whereas**, employees of Missouri State University are currently entitled to assign 15-credit hours of tuition waiver per year to their dependent children, and

**Whereas**, in time of decreased revenue and growth, the additional faculty benefit of tuition waivers for dependents would be an incentive for new employees, and

**Whereas**, in a time of limited salary incentives, faculty benefit of tuition waivers for dependents would serve as an incentive for continued employment at Missouri State University, and

**Whereas**, the data presented in the Faculty Senate Benefits report indicates dissatisfaction by faculty with MSU's tuition waiver benefit, and

**Therefore**, be it resolved that Missouri State University consider the review and revision of the current tuition waiver plan to include a "step approach," with added hours of tuition waiver above and beyond the basic 15-credit hours per year, based upon faculty years of service and employment at Missouri State University.