

**Faculty Salary Committee  
Final Report  
January 22, 2005**

The Faculty Salary Committee was appointed by Chuck Pezeshki, Chair of the Faculty Senate, in October 2004. The initial appointments included:

- John Cullen
- Ken Duft
- Gail Furman
- Kerry Hipps
- Dick Lang
- Jan Lohan
- Sarah McCord
- Sue Ritter
- Robert Rosenman
- Tony Wright
- Greg Yasinitsky
- David Yonge

Because of time constraints Gail Furman removed herself from the committee early in the process. We had our first organizational meeting on October 27, 2004, at which point Robert Rosenman was chosen to be Chair by the committee.

Pezeshki's Charge to the Faculty Salary Committee:

1. Provide an accurate portrait of faculty salaries at WSU, including both tenure-track and instructional temporary faculty. If possible, benchmark this data historically with other WSU data, as well as other information from our peer institutions. Show how the various pay raises distributed to the faculty have resulted in the evolution of our current system over time, and as possible, document the effects of salary compression and inversion. Additional information could include the effect of various salary scenarios on pay at WSU, and how such scenarios would affect compensation system-wide.
2. Examine the distribution scheme in the WSU Faculty Manual, allotting 30/40/30 in %, (base, Dean, & home dept.) of any pay raise and make a recommendation whether this should be kept or revised.
3. Discuss and give counsel regarding President Rawlins' suggestion that faculty pay raises be allocated from per-student funding increases, instead of legislative appropriations as is currently the practice.
4. Hold a "faculty public" meeting, where input of all interested faculty will be considered, regarding the various recommendations of the

committee.

The Committee created three subcommittees to work on each of the first three charges. John Cullen chaired the subcommittee providing an accurate portrait of faculty salaries, Tony Wright chaired the subcommittee reviewing the 30/40/30 distribution scheme, and Sarah McCord chaired the subcommittee reviewing President Rawlins's suggestion about allocating faculty pay raises from a per student funding base. In addition, Robert Rosenman arranged, with the help of the faculty senate office, a faculty public meeting on salaries which took place December 9, 2004 at noon in the Cub, and was also video-streamed over the WSU website. Comments from that meeting were used to direct the work of the committee and subcommittees.

In addition to gathering comments at the public meeting, the Faculty Salary Committee solicited faculty salary information from chairs of departments and programs, met with President Rawlins and Karl Boehmke on December 8, 2004, and used extensive data about WSU salaries and those of our peer institutions which was provided by Institutional Research. The contributions and time of all these individuals and offices is appreciated and acknowledged. In addition, several members of the committee provided additional information about specific disciplines as input to the process.

The Committee's task was a difficult one for a variety of reasons. The short time horizon allowed for only a limited amount of data collection and analysis. It was complicated further by the intrusion of the holiday season on the time allowed, and the large number and physical dispersion of the members which made scheduling and attending meetings difficult. Those data that were available are not necessarily comparable across disciplines, and for some disciplines data are lacking. In addition, charges 2 and 3 are open to interpretation about the importance of different aspects of efficiency and fairness in obtaining and allocating faculty raises. Thus, while this report represents the sense of the committee, there is not necessarily unanimous agreement in its analysis or recommendations.

The remainder of this report is organized by charge, with a separate section for each of the first three charges. A final section offers some further issues that perhaps should be considered by the Faculty Senate and WSU administration.

### **Charge 1: Provide an accurate portrait of faculty salaries at WSU.**

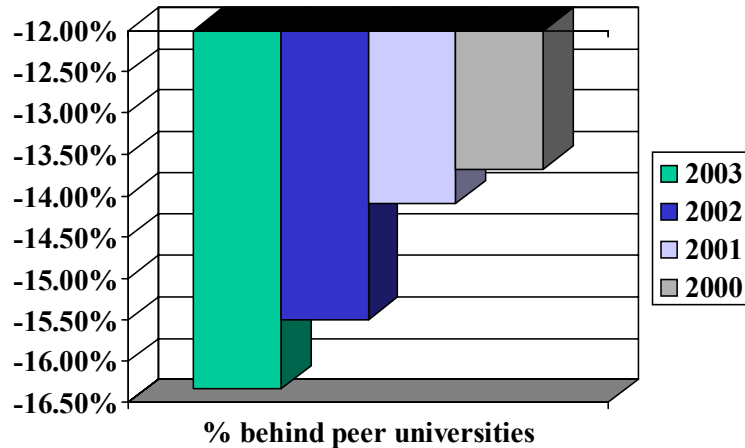
#### ***Comparative Data On Faculty Salaries***

The following information is based largely on university salary data gathered annually by the Office of Institutional Research at Oklahoma State University. WSU's Institutional Research Office purchases a subset of these data that allow

comparisons with 19 of our 22 peer universities. Peer universities are listed in an appendix at the end of this report.

For the most part, the data speak for themselves. On an aggregate level, WSU falls further behind its peer competition each year. However, specific colleges, departments, and full professors face more negative consequences.

Graph 1: Percent lag of WSU faculty salaries



Graph 1 shows the percent lag of WSU average salaries compared to the average salaries at our peer institutions from 2000 to 2003 (the last year data for which data are available). WSU moved from approximately 13.5% behind our peers to almost 16.5% in the four year period. Considering there was only one, small two percent on average salary increase in the past two years, there is reason to expect that our current decrement is even greater.

The distribution by which salaries fall short of our peers differs by college. The colleges most impacted by salary suppression are the College of Business & Economics and the College of Education. Both were approximately 29% behind market based on peer comparisons for 2003. However, no college at WSU ranks above the mean.

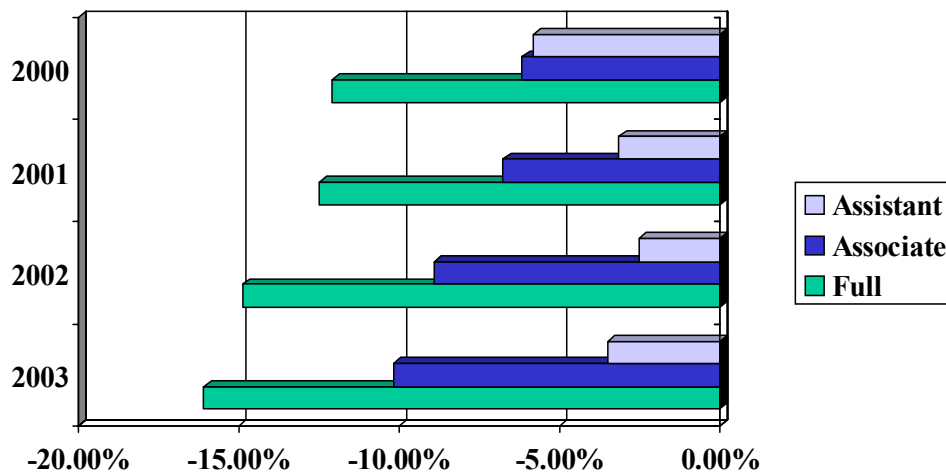
Although we do not have data for all departmental units, the available data show that, while nearly every department lags behind peers, departments, like colleges, are impacted differentially. The Table 1 below shows the extremes of the distributions by departments. For departments as a whole, not according to rank, Women's Studies, Economics and Comparative Ethnic Studies lag our peers the most. Only five departments have average salaries exceeding our peer averages, with Chemical Engineering, Environmental Science and Regional Planning, and Engineering Management exceeding peer averages by 10 percent or more.

Table 1: Department (where available) Peer comparisons:  
By Departmental Distribution Extremes--2003

	WSU Avg. Salary	WSU Salary Lag/Lead
<b>Greater than 25% lag</b>		
Women Studies Department	\$46,341	-54.55%
Economics	\$68,996	-45.78%
Comparative Ethnic Studies	\$53,442	-40.05%
School of Biological Sciences	\$59,007	-35.64%
Finance Insurance & Real Estate	\$93,938	-30.95%
Management & Decision Sci.	\$83,992	-30.52%
Psychology	\$60,208	-27.85%
History	\$52,758	-27.57%
Political Science	\$56,672	-26.82%
Pure & Applied Mathematics	\$61,279	-26.72%
Statistics	\$64,304	-26.07%
Mech. & Materials Engr.	\$73,234	-25.38%
Teaching and Learning	\$52,862	-25.28%
Foreign Languages & Cultures	\$49,629	-25.21%
Marketing	\$89,015	-25.17%
<b>Less than 10% lag</b>		
College of Veterinary Med.	\$71,997	-9.94%
Plant Pathology	\$62,762	-9.85%
Libraries	\$40,225	-8.92%
Chemistry	\$81,790	-7.58%
Biological Sys. Engr.	\$70,371	-7.33%
Agricultural & Resource Economics	\$72,400	-6.95%
College of Nursing	\$58,586	-6.83%
School of Hospitality Bus Mgt	\$72,031	-5.29%
Crop & Soil Sciences	\$66,761	-3.36%
College of Pharmacy	\$77,646	-2.60%
School of Molecular Biosciences	\$78,448	0.75%
Basic Medical Science	\$78,972	8.73%
Engineering Management	\$68,457	10.42%
Environ. Sci. & Reg. Plan.	\$65,995	16.23%
Chemical Engineering	\$88,919	16.69%

The rank most impacted by the salary suppression is full professor. Graph 2 shows the percent lag of WSU faculty salaries compared to peer averages by rank and year. While there have been some gains at the assistant professor level (which still lags peer averages), where average salaries lag our peers by about 4 percent, we fall further and further behind at the ranks of associate and full professors. Salaries at these two levels have fallen about an additional 4 percent compared to peers from 2000 to 2003. This shows salary compression, and potentially inversion, is increasing at Washington State University. In addition, the proportionately lower salaries for full professors may represent systematic age discrimination contrary to Washington state law, which prohibits discrimination in compensation for those over 40.

Graph 2: Percent lag of WSU faculty salaries: by rank and year

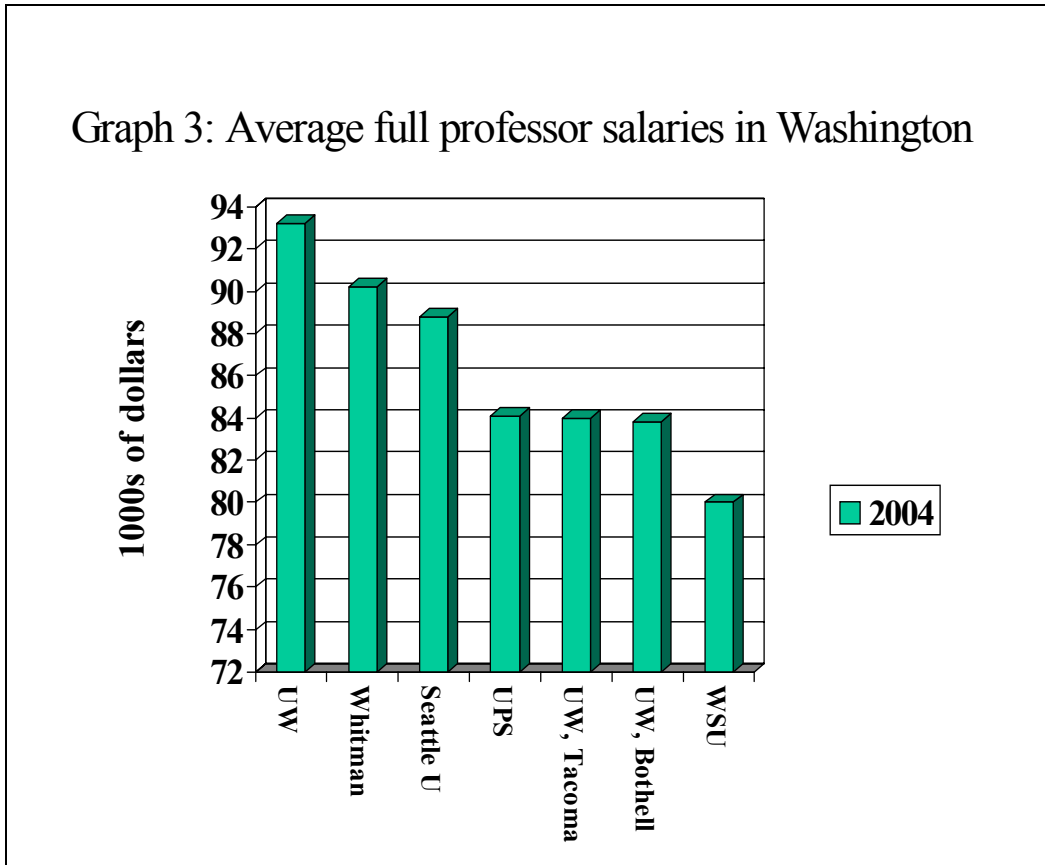


As with departments, schools, and colleges, the lag behind peer universities for full professors is not spread equally throughout the university. Table 2 shows distribution tails by department for full professors. Eleven programs show full professor salaries that lag peer averages by greater than 30 percent. Twelve programs have full professor salaries that are 10 percent or less behind peers, with two programs, the School of Hospitality Business Management and the

School of Molecular Biosciences having average salaries for full professors which exceed peer averages. Full professors in Economics is the single category which compares least favorably to peer institutions, followed closely by full professors in Foreign Languages & Cultures. Both lag peer averages by greater than 50%. Finance, Insurance and Real Estate, and Marketing lag peers by greater than 40 percent. That three of the four worst departments (Economics, Finance, Insurance and Real Estate, and Marketing) and the best program (School of Hospitality Business Management) are in the same college indicates that differences in salaries relative to peers exist within colleges just as they do across colleges.

Table 2: Full Professor Peer Comparisons: By Departmental Distribution Extremes--2003		
	WSU Avg. Salary	WSU Salary Lag/Lead
<b>Greater than 30% lag</b>		
Economics	\$76,333	-56.7%
Foreign Languages & Cultures	\$52,930	-53.5%
Finance Insurance & Real Estate	\$93,279	-47.6%
Marketing	\$91,597	-42.8%
Rural Sociology	\$63,208	-37.9%
Political Science	\$69,532	-37.6%
Philosophy	\$58,693	-37.5%
Teaching and Learning	\$62,162	-34.0%
School of Biological Sciences	\$72,739	-33.1%
Management & Decision Sci.	\$93,231	-32.7%
Pure & Applied Mathematics	\$69,414	-31.0%
Speech & Hearing Sci.	\$71,925	-30.0%
<b>Less than 10% lag</b>		
College of Pharmacy	\$91,976	-9.6%
Basic Medical Science	\$86,922	-9.2%
English	\$75,737	-9.1%
Libraries	\$53,082	-8.8%
Hort. / Landscape Arch.	\$70,849	-8.4%
College of Veterinary	\$88,041	-6.9%
Appar. Merch. & Intr. Design	\$75,665	-6.9%
Biological Sys. Engr.	\$81,992	-5.9%
Plant Pathology	\$74,152	-4.2%
Physics	\$92,948	-4.0%
Entomology	\$76,883	-2.2%
School of Molecular Biosciences	\$96,413	1.7%
School of Hospitality Bus Mgt	\$99,394	10.1%

Perhaps *most* embarrassing to our status as one the State's two *research* universities, full and associate professors ranked 7<sup>th</sup> in the state in salary for 2004/5, according to AAUP data. UW reports separate data for branch campuses, both of which have higher salaries than WSU. Rankings for average Full Professor are shown in graph 3.



### ***A Further Consideration of Extension Faculty***

Several members of the committee raised the issue of how extension faculty (in the College of Agricultural, Human, and Natural Resource Sciences) are compensated compared to their teaching and research peers. Comparisons can be made internally, with WSU extension faculty compared to like faculty at WSU, or externally, as has been done above to our peers. Table 3 compares WSU Extension State and Field Staffs to our peer institutions for 2003.

	<u>State Staff</u>	<u>Field Staff</u>
Peer Average	\$68,701	\$47,279
WSU Average	\$73,300	\$53,295
Difference	\$ 4,598	\$ 5,969
Percent of WSU base	6.3%	11.2%

WSU extension state and field staff compare favorably against state and field staff at peer institutions. If ranked against full professors, WSU state extension staff would be the third most favorably ranked program, and the field staff would be the most favorably ranked, in terms of percent by which the average salary compares (exceeds) peer averages. At the same time, unlike many of the peer institutions, WSU state staff often hold tenured appointments in teaching and research as well as extension. Similarly, most of the field staff are tenured and have Masters or Doctoral degrees. This is not always the case elsewhere, so this comparison should be received with caution.

Table 4 provides an internal comparison of extension faculty in CAHNRS to the teaching and research faculty in that same college. State extension staff are those housed within a disciplinary unit. All salaries were adjusted to 9 month, and compared to the adjusted 9-month salaries for teaching and research counterparts. On average for faculty in CAHNRS, extension faculty within disciplinary units earn \$5,533 less than their teaching/research counterparts. While we looked at this only at the college level, there are likely significant differences in the comparison of extension to teaching/research faculty by department, so this point needs further study.

<u>Table 4: WSU State Extension Staff Salaries Compared to Teaching/Research Salaries within Disciplinary Units, CAHNRS Only</u>	
Teaching/Research Faculty	\$65,584
State Extension Faculty	\$60,051
Difference	\$ 5,533

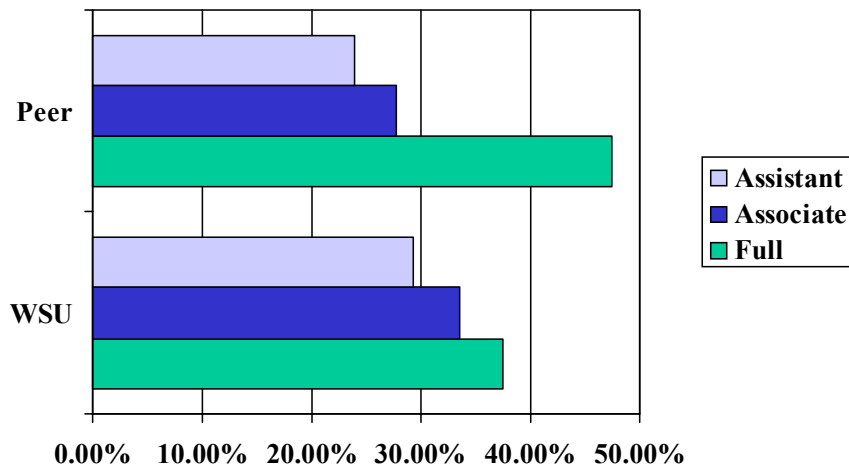
***Some Consequences of Low Relative Salaries***

Although comparative data on turnover do not exist, comparative data on rank distribution are available. These data, shown in graph 4, suggest a pattern at WSU showing a comparatively large cohort of assistant professor paid slightly below competitive market salaries and a similarly large cohort of associate professors paid at an increasingly less competitive salary.

WSU has fewer full professors than its peers and this has been constant for the last four years for which data are available. One interpretation is that WSU consistently loses the top, most mobile associate and assistant professors due to salary depression and the expected reduced lifetime earning should one remain at WSU. An additional hidden cost is that WSU must invest comparatively greater human and financial resources to recruit and/or replace assistant and associate professors.



Graph 4: Percent distribution of faculty rank:  
WSU v. Peer



### ***Limitations***

The data available from Institutional Research have some limitations. The Oklahoma State database adjusts all salaries to 9-month equivalents, which may not give accurate comparative pictures for some units. Data for some units, such as Libraries, were not available from Institutional Research. Library faculty salaries were compared to the Association of Research Libraries Salary Study and normalized to 9-month equivalents to be consistent with the Oklahoma State survey, which does not collect librarian salary data. WSU's university-wide peer organizations may not represent the competitors for specific schools, colleges, or departments. However, we believe that the general trends identified by the data are accurate and represent the declining competitive position of WSU. If this analysis is used to distribute salary increases should funds become available, comparative data for those programs not in the Oklahoma State database needs to be obtained, and the data should be analyzed as to how comparable it is to this database.

## **Charge 2: The 30-40-30 Allocation**

Paraphrasing from the WSU Faculty Manual, the objective of the 30-40-30 Faculty Salary Split is to provide faculty salary increases, based on evaluation of professional growth and meritorious performance as determined in the annual performance review process.

The first 30 percent is the professional development portion. It reflects professional growth and service to the University during the period of review and, unless extraordinary circumstances occur, each faculty member receives this adjustment. The professional development portion is uniformly allocated as an equal percentage of annual salary to all faculty, unless substandard performance or extraordinary circumstances occur. Basically this is an across the board raise.

The next 40 percent is for superior merit. This is a performance based merit adjustment which is intended to reflect the degree of superior merit above the average performance realized during the period of review. The final 30% is allocated based on “extraordinary” merit and comparative information for equity and market.

Much of the discussion by the committee surrounding the 30-40-30 distribution was about “fairness.” Some of the fairness issues are discussed below, but it we should note that there was little consensus about what is fair. The portrait of faculty salaries shows that many of the programs which compare the worst to our peers are in relatively high paying fields, and some are in low paying fields, and this pattern applies as well to programs that compare relatively favorably to the peer institutions. It is not clear, for example, that it is more or less fair to give larger raises to finance full professors, who are at \$93,279 and almost 48 percent behind the peer average, or to plant pathology full professors who at \$74, 152 on average are 4.2 percent behind peer averages. The committee was (nearly) unanimous in acknowledging in any case there is a need for WSU to recognize and incorporate market conditions as well as equity issues in allocating salary increases.

For the subcommittee the major issues focus upon the initial 30 percent allocation. A secondary issue resides on the market adjustment included in the final 30 percent.

### ***The Initial 30 Percent***

Some individuals have proposed that the base raise, the initial 30 percent under the current plan, should be a fixed dollar amount rather than based on the 30 percent allocation. Under this fixed dollar amount scenario the remaining raise money would be for merit. The issue behind this proposal balances the fairness of giving larger percentage across the board (development) increases to faculty

with higher salaries compared to faculty with lower salaries. While the fixed amount across all salaries gives a larger percentage increase to lower paid faculty, it would compress the salary curve. This would be detrimental to senior faculty or faculty in higher paid disciplines. The committee was clearly split on this idea, with no clear consensus about what is more fair.

A second problem is whether the initial 30 percent is sufficient to reward faculty for their normal contribution towards the smooth operation of the university. When the two merit portions are considered together, they allocate a greater portion of available funds to those with extraordinary merit or market adjustment, thereby eclipsing other faculty.

### ***Trigger Proposals with Regard to the 30-40-30 Distribution***

In informal discussions, at least some faculty favor the continuation of the 30-40-30 split with an exception when the salary increase is below a trigger percentage. When the salary increase is less than the trigger level, then faculty, with reviews of "Meets Expectations or above", would receive an across the board raise equal to total percentage salary increase. Faculty with substandard performance (that do not "Meet Expectations") or when extraordinary circumstances occur, would not receive a salary increase. The range given for the trigger level is between 2 and 3 percent with the most frequent response for a trigger is 2 percent. An additional argument in favor of this proposal is one of efficiency of administrative time. With low overall increases, trying to parcel raises over small differences in merit takes an enormous amount of administrative time which may result in raise differences of only a couple of hundred dollars, depending on the base of the individuals involved.

At the same time, an alternative to the uniform distribution of salary when the raise is below a floor trigger answers this managerial efficiency argument and perhaps better meets the need of WSU to respond to market conditions. When the raises are low, WSU is less able to respond to market conditions, and thus mostly likely to lose its most marketable faculty. In order to keep marketable faculty when a raise is below the trigger value, the distribution of the raise could be entirely based upon extraordinary merit, equity and market adjustment. This alternative proposal allows the WSU administration the flexibility necessary to retain faculty and maintain the high quality expected of the faculty.

### ***Extraordinary Merit, Equity and Market: The Final 30 Percent***

The final 30 percent of the 30-40-30 split is for extraordinary merit, equity, and market adjustment. Past percentage salary allocations given to colleges and units were not equal. Funds were distributed differentially by WSU Central Administration to colleges based upon these factors. Similarly colleges then

distributed funds differentially to address the factors of extraordinary merit, equity, and market adjustment.

The final 30 percent allocation may be misused within colleges. The initial differential allocation from Central may have been based upon equity and market needs for specific programs within colleges, but not allocated accordingly within the college. Deans may use college-based differentials, which arise from less-favored departments, to reward more-favored departments within the college, allowing a disproportionate merit adjustments to these departments, and exacerbating some of the differences in comparable salaries between colleges and within/between departments.

### ***Additional Issues of Equity and Market***

WSU has addressed the issues of gender and racial inequities on an individual basis. It is possible that WSU can also approach market and compression issue similarly. In 2001 the President of the University of Akron identified salary compression, which occurs when salaries of lower ranked faculty grow faster than salaries of higher ranked faculty, as the equity issue most in need of attention. Compression, as demonstrated by the data, is also an issue at WSU, with full professor salaries most unfavorably comparing to peers, and assistant professors most favorably comparing to peers.

## **Charge 3: Allocate Faculty Pay Increases from a Per-Student Funding Pool**

### ***Background***

The subcommittee carried out significant discussions both electronically and in person several times and shared memos concerning benefits and costs to what came to be known as the “single pot” plan. In addition, a majority of the subcommittee members were present for the entire Faculty Salary Subcommittee’s meeting with President Lane Rawlins on December 8, 2004. Much of the discussion at this meeting focused on distribution of potential increases. However, Dr. Rawlins addressed several questions related to the per-student funding increase idea. First, the proposal relates to increases in core funding, which is currently 80 percent devoted to salary and benefits for faculty and staff. Dr. Rawlins estimated that, if his proposal is successful, it would result in the availability of funding equivalent to an increase of 5 percent in each of the next two years. He encouraged the faculty to hold the administration accountable for distributing salary increases, should it receive the money to do so.

In terms of the direct question of this charge, the general consensus of the subcommittee is that this "single pot of money" proposal is a good strategy primarily for the following reasons:

- the proposal allows WSU to set its own budgetary priorities locally, by those who are best acquainted with WSU's needs—the administration and faculty;
- the committee felt that, in general, members of the WSU administration would be more sympathetic to the reality that faculty salaries are low compared to our peers, more accessible to faculty and college/department administrators, and more accountable for the outcomes of their decisions than members of the legislature or the general public; and
- the data show that the legislature has not funded salary increases adequately for the previous two decades, even during good economic times. There is no indication that this trend will reverse itself any time soon, and trying a new approach is a good idea.

The committee did identify several potential drawbacks to the proposal. In particular, we saw the following possible downsides:

- if the legislature did approve an increase to our core budget on a per-student basis, allocation of these funds to faculty salaries would require a good working relationship between the faculty and the university administration;
- this proposal allows the legislature to continue to ignore its responsibility to adequately fund public higher education by pushing the responsibility for funding salary increases to the university instead of the state government; and
- the proposal could remove any connection between faculty salaries and state employee raises and state (not university) union activities.

While these drawbacks are important, they can in some ways be seen in a positive light. A good relationship between faculty and university administration is desirable for all concerned. Local control of funds could result in less micromanagement by the legislature. And finally, there is considerable agreement that faculty duties and expectations for professional performance differ significantly from those of most other state employees.

APPENDIX: WSU PEER COMPARISON UNIVERSITIES

Auburn University	Auburn, AL
Colorado State University	Fort Collins, CO
Cornell University	Ithaca, NY
Iowa State University	Ames, IA
Kansas State University	Manhattan, KS
Louisiana State University	Baton Rouge, LA
Michigan State University	East Lansing, MI
Mississippi State University	Mississippi State, MS
North Carolina State University	Raleigh, NC
Ohio State University	Columbus, OH
Oklahoma State University	Stillwater, OK
Purdue University	West Lafayette, IN
Texas A & M University	College Station, TX
University of California, Davis	Davis, CA
University of Florida	Gainesville, FL
University of Georgia	Athens, GA
University of Illinois at Urbana-Champaign	Urbana, IL
University of Minnesota, Twin Cities	Minneapolis, MN
University of Missouri - Columbia	Columbia, MO
University of Tennessee	Knoxville, TN
University of Wisconsin - Madison	Madison, WI
Virginia Tech	Blacksburg, VA