Resolution from the Economic Benefits Committee and the University Committee

WHEREAS, the Committee on Competitive Faculty Compensation and Salary Equity has acknowledged that UW-System salary increases have rarely matched inflation over the past ten years and that as individuals spend more time under the present salary structure, their salaries fall further behind those at comparable institutions; and

WHEREAS, the present condition in which compensation funds available for distribution at the departmental level are tied to base salaries, thereby creating a condition in which a department with substantial aggregate success has little access to funds to reflect their success; and

WHEREAS, Executive Committees within departments have a limited allocation for salary increases;

BE IT RESOLVED that the Faculty Senate of the University of Wisconsin-Milwaukee endorse the recommendation of the Committee on Competitive Faculty Compensation and Salary Equity that as much as $3.5M may be necessary to address faculty salary compression; and

THEREFORE, LET IT BE MOVED that the Faculty Senate of the University of Wisconsin-Milwaukee ask the UWM administration to present a plan to the UWM Faculty Senate within 3 months of the passage of the state budgetary allocations for the next biennium, for financing the compression adjustment over the next 2 biennia.

Rationale

One outcome of the UWM Budget retreat in April, 1999, was a general recognition that competitive compensation was a problem on the campus, and that compression was a particular issue. To that end, funds to address the competitive compensation problem were included as a significant item in the UWM investment plan. Also included were funds to address compensation for academic staff and TA/RA graduate student appointments. The funds were identified as coming partly from increased tuition revenue and partly from reallocation. However, these funds have not been allocated to address the problem of competitive compensation.

Former Vice Chancellor Kenneth Watters appointed the Committee on Competitive Faculty Compensation and Salary Equity in Spring 2000. The Vice Chancellor asked the committee to "prepare a report on the compensation needs and a plan for increasing compensation levels over an appropriate period of years consistent with Investing in UWM's Future." The committee reported to Vice Chancellor Watan in October 2000 and the results have been shared with the academic deans and the University Committee.

The motion directly and formally addresses the primary compensation issue identified in the report, namely, salary compression.

Committee members listed on reverse
Economic Benefits Committee
Nan Bardes
Barbara Beaver
Wonshik Chee
Mark Harris
Matthew Jensen
Dolly King
Herta Emmi Moore
Helena Pycior
Randall Ryder
Winston Van Horne
Beth Weckmueller

University Committee
Paul Haubrich
John Moore, Chair
Marcia Parsons
V. Kanti Prasad
James Sappenfield
Mark Schwartz
Ann Snyder
Summary of the Report of the Committee on Competitive Faculty Compensation and Salary Equity

It was generally recognized at the UWM Budget retreat in April, 1999 that competitive compensation was a problem on the campus, and that compression was a particular issue. To address this issue, former Provost Kenneth Watters appointed the committee and asked it to "prepare a report on the compensation needs and a plan for increasing compensation levels over an appropriate period of years consistent with investing in UWM's Future." The Provost also asked the committee "to include salary equity as part of its larger charge to study faculty compensation at UWM." The committee met from late February to October, 2000.

The committee identified compression as the most pressing campus-wide salary problem. The committee recommends addressing as soon as possible. The committee did not address salary equity because (1) a prior study indicated equity was not a problem at UWM, (2) compression is pervasive enough to make the identification of equity problems difficult, and (3) further analysis of equity issues requires more staff support than was available to the committee.

The committee argues that salary compression is a significant and pervasive problem within the current compensation structure. A comparison of UWM's average rank-specific salaries to the nationwide averages indicates that full professor salaries at UWM are below national averages, associate professor salaries in the aggregate are near the national average, and assistant professors are somewhat above the national averages. The pattern is similar within individual departments, although many departments have associate professor salaries considerably below those of other institutions. The reason is that salary increases have not keep pace with other universities, so our compensation has fallen below that at other institutions.

The committee recognized that campus-wide average salaries provided insufficient guidance for remedying the compression situation. The committee chose to use a peer market median mode of analysis with the assumption that individual disciplines represent different salary markets. The committee compared each department's salary pattern to the information on its equivalent discipline, using the nationwide dataset available through Oklahoma State University (Office of Planning, Budget and Institutional Research, Oklahoma State University, Faculty Salary Survey of Institutions Belonging to National Association of State Universities and Land-Grant Colleges).

After considerable discussion, the committee developed a model for identifying potential compression. The model assumes a normal progression through faculty ranks with salary benchmarked to national, discipline-specific salary averages and time at rank. A unique model of salary progression can be generated for each rank within each department. The provides a framework for assessing possible compression within individual departments within the context of their discipline. These models serve to identify individuals whose salaries may be compressed, relative to other faculty of the same rank with the same years of experience at rank in their disciplines. These models are designed to identify potential cases of compression. An evaluation of appropriate salary increments also requires an assessment of contributions and accomplishments.

The total shortfall in dollars for UWM tenured faculty members who fall below national benchmarks in this analysis is in the range of $2.5M to $3.6M, depending upon the method used to calculate the shortfall. The lower number calculates the shortfall by comparing UWM departments' salary pools to those predicted by the model, and then summing the results for all departments. The higher number calculates the shortfall by comparing individual UWM faculty members to the model, and then summing the results for all faculty below the model salary for
As a result of this analysis, the committee recommended that the campus:

1. Address salary compression as a priority. The committee proposed a multi-step procedure for addressing salary compression if funds are made available. Any procedure must incorporate faculty members’ accomplishments over time.

2. Decouple salary decompression from the annual merit exercise because they address two different salary issues (compression versus market, meritorious achievement).

3. Make an analysis of salary compression part of the planning process in the biennium budget process.

4. Examine other compensation issues, such as equity and compensation for the most productive faculty, once compression is addressed.

The data assembled by the committee indicates that the major immediate beneficiaries of any significant effort to correct compression will be full professors. This is because compression is not evenly distributed across faculty ranks. In addition, some units are more compressed than others when the salary structures are placed within the context of their national peers. This will need to be explained to faculty and UWM’s publics as the issue is discussed.

Submitted by Mark Harris, on behalf of the committee:

Margo Anderson, Margaret Atherton, Jay Beder, Lauri Glass (Spring 2000), Mark Harris (chair), Genevieve McBride, Janice Miller, Jay Moore (Fall 2000), Erika Sander.