

## Senate Recommendation to the Provost

Originating Body Faculty Senate Originator Dr. Michael O'Loughlin

Date submitted December 3, 2004 Requested Effective date ASAP

Recommendation To accept the attached policy on State Funded Merit Pay Approved by the Faculty Senate on November 30, 2004. Approved policy attached.

Attach any supporting documentation. *Letter, December 2, 2004; Memorandum, David Rieck, July 26, 2004; Charge to Committee, July, 2004; Report from the Ad Hoc Committee on Faculty Pay Policy, November 30, 2004; Deans' Proposal on Faculty Salary Adjustments, November 23, 2004*

Action Taken by Provost:

Date 1/3/2005

☒ Recommendation Accepted ☐ Recommendation Not Accepted

☐ Recommendation returned to Originating Body for further review

Disposition for Approved Recommendation:

<input checked="" type="checkbox"/> President	<input type="checkbox"/> VP Student Affairs
<input checked="" type="checkbox"/> Faculty Senate Chair	<input checked="" type="checkbox"/> VP Finance
<input type="checkbox"/> Forum Chair	<input checked="" type="checkbox"/> School Deans
<input type="checkbox"/> Webmaster	<input type="checkbox"/> Graduate Council
<input type="checkbox"/> Catalogue Editor	<input type="checkbox"/> Provost Council
<input type="checkbox"/> Student Handbook Editor	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Faculty Handbook Editor	

Signature: \_\_\_\_\_

provost/sow/121802

1/3/05  
Copies to those  
checked.  
Original in  
our files

Done  
1/3/05

DB  
(Senate chairs Mike  
O'Loughlin.)

**Report from the Ad Hoc Committee on Faculty Pay Policy  
November 30, 2004**

Committee members: Elizabeth Curtin, Michael Garner, Joel Jenne, Rich McKenzie, Dave Parker, David Rieck, Don Whaley

Consistently, the faculty of Salisbury University has endorsed a simple "merit or no merit plan" for distribution of state-allocated merit funds. We, on the Ad-Hoc committee to examine merit pay distribution, once again conclude that we should continue to endorse such a two-tiered system. We believe that this system has worked well at SU. We further believe that the "high merit" schemes that were implemented in some years seriously eroded the cooperative, collegial environment that helps to make SU so special and have had the effect of demoralizing and alienating many hardworking and productive faculty members from the institution. We continue to believe that these schemes are counterproductive.

Last summer our Ad-Hoc committee asked those who find a two-tiered merit policy unacceptable to provide us with a written explanation of their objections this system. To date we have received no such explanation. We did receive a pay policy proposal from the deans last Wednesday, November 23, 2004. Although we have not had time to consider their proposal carefully, we believe that we may have found some common ground concerning the two-tiered approach for the distribution of state-provided merit money. We welcome the opportunity to meet with the deans to discuss their entire proposal. At this time, however, we are not aware of any evidence or reasoning, either from our administration, the chancellor, or the research available on the issue that suggests we should implement anything other than the two-tiered distribution system that has worked well at SU over the years.

We believe that the two-tiered system is the least divisive and most appropriate method for distributing merit money and best serves to preserve the interdependent character of the teaching and scholarship enterprise of Salisbury University faculty.

Consequently, on behalf of the committee **I move that the Salisbury University Faculty Senate reiterate its recommendation for a two-tiered merit system as opposed to a multi-tiered merit scheme.**

December 2, 2004

Dr. David Buchanan  
Provost, Salisbury University

Dear Dave,

In the light of the Faculty Senate's decision to reaffirm its support for the two-tiered merit policy for the distribution of state supplied merit funds (a vote of 15-0-1), I would like to explain further the circumstances under which this decision emerged and the Senate's present thinking on the matter.

As you may recall, at the behest of the president, the Executive Committee of the Senate met with you and the deans on this issue last May. Out of that meeting emerged your directive that a dialogue was to take place between the deans as a group and a designated body of the Faculty Senate. Policy recommendations were then expected to come at the end of the year.

On the heels of that meeting, as president of the Senate, I authorized the creation of the Ad Hoc Committee on Annual Pay Policy with the charge (attached) of engaging in a dialogue with the deans regarding pay policy, including especially, merit pay. This charge included a time line with specific report dates to the Senate in the fall and an explicit deadline for a policy recommendation of November 30<sup>th</sup> to pass on to you and the president for consideration.

This timeline was scheduled specifically to force the process along in keeping with and in a good faith effort to abide by your wishes to reach a decision by the end of the year. I should add as well that this charge and its timeline were distributed widely and therefore no mystery.

Moreover, the timeline made sense because a new calendar year begins shortly and faculty who will be evaluated for calendar year 2005, need to know the rules that will guide their evaluations prior to the playing out of the year of evaluation.

The Senate's Committee was composed of representatives from all of the schools and included all of the past Senate presidents. It met in early July and in its first action attempted to initiate a dialogue with the deans by asking for an explanation of their views on problems associated with the two tiered system. As evidence of this good faith effort on the part of the Committee and the Senate, I have attached David Rieck's memo to you of July 23, 2004. In that memorandum he asks the deans for reasonable information to begin a conversation. This was followed up by David Rieck with another memorandum asking the deans for a response by August 15 so that "... We can all hit the ground running when the semester begins." The clear intention was to engage.

This request and other inquiries were met with a deafening silence in terms of any substantive response until the 11<sup>th</sup> hour when the Committee received a policy proposal on Wednesday, November 23<sup>rd</sup>, the day before Thanksgiving and six days before the Senate was to decide on a policy recommendation. This was the case in spite of the fact that David Rieck had inquired about the deans' position on several occasions prior to the Senate vote. Moreover, during the fall semester, the issue was on the agenda at two previous Senate meetings prior to the final November 30<sup>th</sup> meeting, again prompting no response from the deans.

In the face of this absence of response, how was the Committee and the Senate to interpret the status of the issue? One interpretation is that the deans considered the Senate, the Committee, the Committee's request for information and the provost's directive and timeline irrelevant. If true, this undermines the shared governance understanding on this campus.

Another explanation is that the deans implicitly conceded the matter and wished to move on to other issues. Indeed, I would note that even the deans' proposal (attached) offered on November 23<sup>rd</sup> raises no fundamental objections to the two tiered plan nor did the deans speak in direct opposition to the plan at the November 30 Senate meeting.

It could also be that the deans have been coy about the state supplied merit funds. In private, perhaps, they oppose the two tiered plan, but in public, among faculty, they demur on taking a position because they realize that the vast majority of the faculty support it and therefore it would be impolitic to criticize it in the light of day for fear of losing support among their faculty?

Whatever the reason for the lack of response, the Committee and ultimately the Senate concluded that if no reasoned criticism was raised in opposition to the two-tiered plan, either verbally or in writing within a five month period of time, and the Senators continued to believe in its value, then we should reconfirm the policy. A policy vacuum was present and the Senate filled it. Again, the Senate vote was 15 in favor, 0 opposed and 1 abstention.

In doing so, the Faculty Senate and Ad Hoc Committee respectfully upheld their commitment to you and the president.

With regard to the policy recommendation itself, the Senate continues to believe that this policy nurtures collaboration over competition, collegiality over pursuit of narrow self-interest. Our core mission of teaching, as well as the scholarship and associated service activities on and off campus are best served by this policy. What we lack in funds, we make up in community among scholars and teachers.



As was the case last year, state funding for this year and the foreseeable future remains unpredictable and merit funding itself likely to be meager if provided at all. Given this reality, the present policy seems wise to continue because it allows us to avoid fighting over nickels and dimes. Especially in bad financial times, therefore, this policy helps to soften the impact on morale in the face of minimal financial resources.

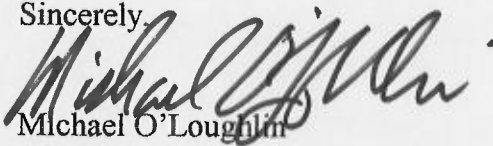
I would remind you as well that this policy is supported widely by the faculty. At every opportunity when this issue has been raised, the faculty as a whole has supported it. In the run up to this most recent decision, no faculty member has publicly criticized this policy or let their Senate representatives know of their unhappiness with this policy, to my knowledge. Politically, then, for you and the president to support this policy would respond favorably to the faculty's strong sentiments on the matter.

Further, as we have pointed out in the past, this policy fits within the parameters defined by the Chancellor of the UM System. Britt Kirwan has made it clear that the only conditions for an acceptable merit policy are that the policy emerges from the shared governance structure and process of the institution and that the funds be spent on merit.

Finally, I would ask you and the president to consider the names of all of those who serve on both the Committee and the Senate. I would submit that these faculty are some of the most active and committed faculty of this university who represent the broader faculty in spirit and sincerity. They have not taken this decision lightly.

For all of these reasons, I strongly urge you to support the Senate's recommendation.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael O'Loughlin", written over the printed name.

Michael O'Loughlin  
President  
Faculty Senate

CC: President Janet Dudley-Eshbach

>>> David Rieck 7/26/2004 11:27:16 AM >>>

Deans:

Since I did not know who from the administration would be taking the lead on this issue, I sent the following message to the provost a couple of weeks ago. He told me that he has shared it with you. I hope you can give us a position paper and references as requested by August 15 so that we can all hit the ground running when the semester begins.

Regards,

David

Provost Buchanan:

At a meeting last May, the Faculty Senate officers, the Deans, and you all agreed that we would work expeditiously during the coming fall semester to reach agreement on an annual pay policy for faculty. Michael O'Loughlin, the current senate President, has appointed an ad hoc committee to work with you and the Deans on this policy and at least for now I will chair this group. Our charge is to have a policy ready for senate deliberation by November 30, 2004. The committee consists of all past-presidents of the Faculty Senate and representatives from the Seidel and Perdue schools. Several of us have also served as department chairs, so we bring with us years of university service and a good understanding of the issues. Our major concern is the welfare of this institution to which we have dedicated years of lives.

As you know, the faculty consistently endorses a simple "merit or no merit plan," and such a two-tiered system has worked very well at SU over the years. For some reason, however, a two-tiered merit policy seems to be unacceptable to some in the administration, and especially to the Deans who apparently prefer to include an additional "high merit" category. We have done some preliminary literature searches on the topic and we have found no credible evidence to support the notion that a "high merit" system would work effectively at Salisbury University. We are also concerned because we have witnessed that implementing such schemes seriously erodes the cooperative, collegial environment that helps to make SU so special. Also, past "high merit" schemes have had the effect of demoralizing and alienating from the institution the many hardworking and productive faculty members not chosen to receive high merit so that the effect has tended to be counterproductive.

The faculty has provided the administration with written reports explaining our objections to multi-tiered merit schemes. We now request that you ask the Deans to provide us with a written report that explains their objections to a two-tiered merit plan. We also request that they cite any references that demonstrate the effectiveness of high merit schemes in higher education.

Since this ad hoc group will be meeting with you and the Deans throughout the fall semester, it would be most useful if we could have the requested information before August 15.

Thank you in advance for your cooperation.

David Rieck

July, 2004

### **Charge to Committee**

The President of the Faculty Senate charges the Ad Hoc Committee on Annual Pay Policy with the following responsibilities:

1. By November 30, 2004, the Committee will propose a policy or policies regarding annual faculty pay increases as a motion to the Faculty Senate for its consideration and vote, with a preliminary report coming to the Senate no later than October 26, 2004 for Senate and faculty discussion. Other reports and briefings of the Committee's work will be placed on the Senate's agenda as needed and requested by the Committee's Chair. The Chair of the Pay Policy Committee will coordinate the timing with the president of the Senate.
2. As part of its deliberations regarding policy, the Committee will be responsible for engaging with the administration in a dialogue on these matters, particularly with the deans of the schools within the University and the provost. The Chair will be responsible for coordinating these meetings and discussions.
3. In its policy making, the Committee might consider the following parameters:
  - a. Policy ought to take into consideration not only cost of living but also the logic of "step increases", i.e., increases in pay that should normally apply to faculty members who fulfill their duties and responsibilities year in and year out. Perhaps, consider this pay as a "threshold" or "trigger" point? Only if this were funded, money would be spent on any other salary issue?
  - b. Policy needs to address the question of "high" merit, understood as exceptional work above and beyond normal "good conduct".
  - c. System guidelines: Work load guidelines should be used to identify distribution of "high" merit money with the lion's share going to teaching; some to scholarship and some to service (65-77% teaching; 15-25% for scholarship and 5-15% for service.)
  - d. Policy should identify general principles and guidelines that would be applied university wide, regardless of school.

**Deans' Proposal on  
Faculty Salary Adjustments  
November 23, 2004**

**Preamble**

Bringing current average faculty salaries at Salisbury University (SU) up to the level of the AAUP's 85th percentile would require an infusion of more than \$2.3 million. Whether or not one accepts the 85th percentile as the appropriate standard to which SU should aspire, the dimensions of the "salary gap" make clear that any policy on faculty salary adjustments must do more than provide a mechanism for distributing state-funded cost-of-living and merit pay increases. Thus, the deans of the four schools and the library call for the creation of a two-part policy on faculty salary adjustments, with one part calling for the creation of a new pool of funds to address the salary gap and one part dealing with the distribution of state-funded cost-of-living and merit increases. The deans regard the two parts of their proposed policy as inseparable.

**Policy on Faculty Salary Adjustments**

This policy shall cover general adjustments in the salaries of tenure-track and tenured faculty for fiscal years 2006 through 2010.

A. Beginning in fiscal year 2006 and in each fiscal year thereafter, the University shall establish a Faculty Retention Fund (hereafter, the Fund), which shall be at least 0.5 percent of the University's operating budget in the prior fiscal year. The proceeds of the Fund shall be used to enhance faculty salaries beginning in fiscal year 2006 and in each fiscal year thereafter. In each fiscal year, the President, in consultation with the Provost and Vice President for Administration and Finance, shall determine the apportionment of the Fund among the four academic schools and library. Within each school, the dean, with the advice and consent of the department chairs who shall have consulted with their faculty, shall prepare and implement a plan for the adjustment of faculty salaries using the school's share of the Fund. A school can adopt a new distribution plan according to the same procedure.

B. For fiscal year 2006 and subsequent years, the Faculty Senate shall propose to the President a plan for determining how state-funded cost-of-living and merit increases shall be distributed to the faculty of the four schools and library. The President, in consultation with the Provost and Vice President for Administration and Finance, shall adopt a plan for determining how state-funded cost-of-living and merit increases shall be distributed to the faculty of the four schools and library.