NFA and Faculty Senate Forum on Faculty Compensation  
October 28, 2015

Speakers:

Glenn Miller, Professor, Natural Resources and Environmental Science, UNR NFA President, Event Moderator
Jim Richardson, Professor, Sociology and (former) NFA Lobbyist
David Sanders, Professor, Civil and Environmental Engineering and Chair, Faculty Senate
Kent Ervin, Professor, Chemistry and Member, Nevada Deferred Compensation Committee

Jim Richardson - History

Merit was first included in the state budget in 1985. Prior to that, COLA was occasionally granted by the legislature for NSHE professionals. The method of dispersing was decided on campus, with some usually being allocated for a merit pool.

In 1985, after 3-4 years without COLA, a recommendation was made by the Regents to the Governor for a 36.6% salary increase, with a 5% per year merit pool. NFA representatives met with Governor Richard Bryan to urge acceptance of the concept, noting that state classified workers and K-12 teachers all had such a pool of funds for increases above any COLA. The Governor did include a 2.5% merit pool in his Executive Budget he submitted to the Legislature. Eventually the Legislature approved a 16.6% COLA over two years, with a 2.5% merit pool in addition, for a total average raise that biennium of nearly 22%.

The merit pool was performance based and would be given to “teaching faculty,” the definition of which became controversial. It was expanded to include UNCE faculty in 1985-87 biennium and thereafter.

After the 1985 session, an effort was made within the System to include all professional employees in the merit pool of 2.5%, which was to be awarded on a performance basis. Money was added from institutional budgets (usually salary savings), so that all faculty groups could be included.

In 1987 the merit pool was 1.8%; all categories of professional employees had been added to the pool, but additional money was furnished by the Legislature, so the effective percentage was reduced. Additional institutional funds were found to increase the average amount distributed, however.

The 1989 legislative session included much debate over merit and how it would be administered. Eventually, a compromise was reached at 2% for all professional employees except deans and above, who could be given raises but not from state funded merit pool.

This controversy led to an interim study; the report “91-15” is still available from the Legislative Council Bureau, and is certainly worth reading.

Initially, the Interim Committee voted to use bonuses for merit with such awards not becoming part of the base salary. Eventually this position was rejected and in the end the performance-based approach for the universities was approved, as was the use of a step merit system for the community colleges.

In 1985 UNR salaries were ranked in the 5th quintile (lowest level) in the national annual salary report done by the AAUP. It continued to improve until 2008 so that UNR and UNLV both ranked in the second quintile in national comparisons for doctoral granting institutions. But in 2008 merit awards were not granted due to the recession, and since then merit awards have been very sporadic if granted at all. And since then, our ranking has gone in the wrong direction, with both UNR and UNLV now ranked in the third or fourth quintile on salary comparisons.
In 2014 merit was funded by the Governor and Legislature, but apparently that action did not set a precedent; and merit funding was not included in the Executive Budget and not funded for the 2015-17 biennium.

David Sanders – The Present and the Future

The efforts of faculty during the last legislative session contributed toward getting a 1% COLA across the system.

President Johnson has been an advocate for merit and improved compensation for faculty.

The phrase, Sustainable Compensation Model, describes what we are working toward; a model where faculty will be rewarded for their hard work.

Chancellor Klaich will be visiting the UNR campus to discuss faculty compensation and campus budget requests.

We know that there is faculty inversion and compression, and that we need to stay competitive in the market; we need to know where our salary range compare to others in the marketplace?

Bonuses could be appropriate for extreme events, but not the base model for compensation.

The Chancellor’s Committee on Compensation is in the formation stage; we believe it will be comprised of a couple of NSHE institution presidents (including Marc Johnson), faculty, and students.

- Moving forward, compensation will be radically different; two main issues are autonomy within institutions and whether faculty be treated the same system wide.
- Will all institutions be tied together or separate?
- Who will pay for the compensation? In the past, money came from the state.
- Some of the money paying current salaries comes from tuition, which is now kept by the institution.
- Should the responsibility be shared by the institution and the state?

We have increased enrollment and money to hire new faculty. What works for UNR may not work for other institutions; this is related to the autonomy issue – whether it is fair for those who cannot afford to provide their own contribution to compensation.

The UNR salary equity study is still underway. It is also being used for studying compression and market competitiveness. Although President Johnson will be determining the adjustments that need to be made; there will be no adjustments until after the first of the year.

- The Salary and Benefits Committee has seen some of the primary parameters; a group will need to review the study and determine how it matches up with our salaries.

Another issue is past merit; the last “deal” had to do with 2008, 2009, 2010 and 2013 in one group, and 2011, 2012, and 2014 in a separate group, which is now affected by the lack of state merit funding.

- President Johnson has stated that he will honor that commitment to the best of his ability; it may be hard to provide it for 2014.
- He is trying to find ways to fund that year within the context of the equity compensation market study.

Questions

Will the Regents allow each unit to have some autonomy?

- At least one regent has indicated that the Board sees both sides of the issue; universities have to compete on a global scale – and that could have an impact.
• They are sensitive to the “haves” and the “have-nots.”
• We may have to fund part of the merit in the future biennium.
• The state should fund at least part of what we define as our merit pool; then we will hopefully have the autonomy to add to it.
• The hope is that the legislature will find merit to be an extremely high priority.

Regarding Categories, how much higher are the salaries in categories 1 & 2?
• Another page shows how the amounts compare; there is a 2-5% difference.
• We maintained levels 3 and 4 with getting rid of furloughs.

Why don’t we have collective bargaining?
• Small private colleges, some small state institutions and a lot of research universities have collective bargaining; there is some recognition that they need to be compensated appropriately.
• It is a very large jump and takes several years to get through; it should be a topic “in our pockets” as a possible means to achieve sustainable compensation.
• Major research universities such as the University of Connecticut, Rutgers, Oregon State and all of the California State Colleges have contracts.
• Teachers in K-12 have bargained for years; they get COLA as we do, but they get step raises due to their contracts.

Governor Sandoval could have run for Senate, but he chose to stay in Nevada to improve higher education.
• Signals are telling that this will be a session for higher education with compensation addressed.
• It is critical that the critical NSHE issues get into the Governor’s budget.

What kind of presence will we have at the legislature?
• NFA is looking for people to be involved in that process, we need unified institutional and faculty voices.
• David Steele, Executive Director of NFA, was present in the past session.
• In the last session, Jim Richardson sent some emails, Chuck Price did a good job.
• Lobbying is taking place within NSHE and also in UNSOM; primary lobbying done centrally within NSHE instead of by individuals.
• Grass roots efforts are incredibly important; we need to stay as positive as possible, use words like “retention,” and relate our efforts to marketplace competitiveness.

Kent Ervin – Deferred Compensation
The composition of the legislature and the budget matter.

Instead of “Retirement,” should we be saying “Financial Independence” Plans?
• Without PERS or Social Security from a prior position, there is no defined benefit plan for faculty.

Regarding the mandatory Retirement Plan Alternative (401a), it has a contribution rate of 14.5% from the employee and 14.5% from the institution.
• There are no social security contributions or benefits from NSHE faculty employment.
• Retirement health benefits are subsidized for those hired before January, 2010.
• Sufficient retirement income may require supplemental savings.
• There are two tax-favored deferred compensation plans available for voluntary retirement savings:
• TSA 403b – NSHE voluntary savings (TIAA-CREF)
• 457 – Nevada Deferred Compensation (VOYA)
• Health Savings Accounts are available through PEBP High-Deductible Plan for most active employees; they are tax exempt for medical expenses.

Information and Action Link Options:
Increase your voluntary contributions at Employee-Self Service (403b and 457)
  • https://mustang.nevada.edu/hrip/unrlog.htm
• NSHE Retirement Plans
  • TIAA-CREF info and login: www.tiaa-cref.org/nshe
  • Investment performance reports (at NSHE System website)
    http://tinyurl.com/NSHERetire
• State of Nevada Deferred Compensation 457 Plan
  • NDC Program website: http://defcomp.nv.gov/
  • Voya info and login: https://nevada.beready2retire.com/
• Investment guidance and education available at no extra charge from TIAA-CREF and Voya representatives
• Please send concerns or feedback about our faculty retirement plans to Kent Ervin (ervin@unr.edu), faculty representative on the NSHE Retirement Plan Advisory Committee and member of the Nevada Deferred Compensation Committee.

Concluding Comments
Regarding the Compensation Committee Timeframe (Tim McFarling, Associate Vice President for Human Resources) stated that October 1 is the benchmark for the salary equity study.
• A final piece of data was received this week and the report will be sent to Serge Herzog, Director of Institutional Analysis, in the first or second week of November.
• Data will then be shared with the President, Provost, and Faculty Senate.

Chair Sanders noted that he is incredibly excited about the numbers of faculty being hired.
• We are making a huge investment in faculty; we do not want them to leave in 3-5 years.
  • As a high performance university, we need to attract and retain the best faculty.
• Evaluations of potential candidates is underway; it is important to get to know them.
• Last year, it was the work of the faculty who made the difference; we will need that kind of involvement again this year.

Chuck Price, Faculty Senate Past-Chair, noted that the 2014-15 Faculty Senate, faculty, and students around campus and statewide made a difference in the last legislative session by submitting their comments to the legislators.

Jim Richardson noted that we are still a small state and that involvement does make a difference.
• We are a public institution and need to be involved.
• Ask every candidate about their strong support for higher education.
The NFA strongly encourages faculty to become involved in an organized effort to inform candidates on the issues of higher education, including each unit of the NSHE. Contact Glenn Miller at gcmiller@unr.edu if you would like to participate in those discussions with candidates.

Send any issues or comments for the Senate to facsenchair@unr.edu