

Faculty Compensation and Benefits Committee Minutes  
Meeting on 8 March 2017

Present: Wolf, Carr, Lisa, Goerler, Saltzman, Renga, Doseck, McGoldrick, Seiber, Swenson, Holub, Curtis, Ellis, Lemberger.

Guests: President Drake, Provost McPheron, Emily Caldwell (OSU Communications).

1. Minutes from the FCBC meeting, February 2017, were accepted unanimously.
2. Forty-five minute discussion with President Drake and Provost McPheron, based largely on issues of concern provided to them in advance (copied below).

Issues 1 & 2: President and Provost recognize the centrality of the tenure-track faculty in the excellence of the institution, and also recognize significant contributions of other faculty. They do not want to give a numerical goal for number of tenure-track faculty, but instead want to optimize overall academic excellence with the appropriate numbers of each category of faculty. They note, for example, that tenure-track faculty have more time for research when there are more associate faculty to help with the teaching burden. To provide a firm basis for planning of optimal faculty numbers, the Provost's office will generate a "Snapshot" of the university each March & October that identifies numbers of different categories of faculty in each department. The first Snapshot will be generated this month. (Julie Carpenter-Hubin, Assistant Vice President, OAA Office of Institutional Research & Planning, heads this effort.)

President and Provost want faculty well compensated but decline to specify a numerical goal. The President said that ranking of OSU among AAU institutions, adjusted for cost of living, seems perhaps more meaningful among all the available comparisons. They want OSU to be able to compete to hire the best faculty. They did not mention the rank and file faculty specifically.

Issue 3. The president explained that possibilities exist, such as the sale of energy and efficiencies in procurement, maintenance of vehicle fleet.

Issue 4. Regarding health benefits, the president emphasized that OSU's healthcare benefit program is generous relative to the market, and it would cost OSU money to stay constant in terms of benefits while the trend in the market is for decreasing benefits. Thus, we can expect OSU's benefit program to cover less and/or cost more in the coming years, probably staying more generous than the market, but moving down with the market.

Issue 5. First, the medical center has added \$350 M to its reserves over the past couple of years, so that it now has a cushion of 114 days of operation (120 days is recommended), and a downturn is not a strong current concern. The reserves increased due to increased efficiencies in

procurement and in optimizing care procedures. In addition, it is possible to set up a fiscal firewall between medical center and main campus.

Issue 6. The central administration is aware of high salaries for senior central administrators and is taking steps to bring them into line with the market. Salary increases are small, so that the market is catching up, and replacements are coming in at smaller salaries. They point out that some administrators are worth their high salaries relative to market because of the benefits they bring to OSU. It was pointed out that the ratio of administrators to students and to tenure-track faculty is about double that of a cadre of peer institutions. The response was that they are glad that FCBC has pointed this out, and that our large medical center contributes to this difference.

After the President and Provost left the meeting, we discussed various things.

The thought was floated that perhaps FCBC and the central administration were both collecting basically the same information on administration costs at OSU to cross purposes. Is FCBC wasting its time? On the other hand, FCBC plays the role of watchdog if nothing else.

It seems different groups (e.g., Board of Trustees, HR, central administration) produce different numbers for things like number of faculty in each category, and that is a concern. Central administration is hoping that the semiannual Snapshot will provide numbers that everybody can agree on.

The President said that by moving to a single source for procuring certain medical supplies, OSU was able to get reduced prices, e.g., as much as 15% lower than the usual price. It was proposed in the committee that perhaps we could ask for a 15% reduction in the prices charged by the medical center given how much of the OSU health beneficiaries use the medical center for their healthcare, especially given that efficiencies at the medical center have reduced operating expenses by something in the range of \$100 M/year. A 15% reduction in prices would produce a savings of about \$45 M to the main campus.

Issues for conversation among President Drake & Provost McPheron and the Faculty  
Compensation and Benefits Committee (FCBC)

March, 2017.

Background: Traditionally, FCBC has focused its attention on tenure-track faculty because that is the body upon whose accomplishments the university's reputation largely rests. Also, because comparison data on other comparable institutions are available for that group of faculty. We are happy to be informed of the central administration's efforts on behalf of other categories of faculty at OSU.

1. What is the university's goal for number of tenure track faculty?
2. What is the university's goal for average compensation of tenure track faculty, expressed, if possible, in terms of ranking in the most relevant comparison group (AAU, AAU-Publics, CIC, etc.)?
3. Where will money be found for new tenure-track faculty and salary increases for tenure-track faculty, given that tuition will be held fixed again this year – Discovery Themes money, sale of energy?
4. Decreases in health benefits have essentially cancelled the small salary increases over the past several years. What role does this cancellation have in planning for salary raises?
5. How can the main campus be shielded from a downturn in income at the Medical Center?
6. The rapid increase of highly-compensated senior administrators was noted by this committee in its annual report as early as six years ago, yet the trend has continued while the number of tenure track faculty decreased and compensation was stagnant. What will be our philosophy/policy on senior administrators hiring/ compensation as we move forward, and how will it be more effective?