

Faculty Compensation and Benefits Committee

Report on Administrative and Faculty Employment Growth at Ohio State

June 2016

The FCBC decided to document and bring to the attention of the university community three employment trends at OSU during the past 15 years that are perceived by many faculty members as troubling:

- Large growth in employment of upper-level administrators;
- Large growth in employment of associated, research, and clinical faculty;
- No growth in employment of tenure track faculty.

The rapid growth in administrative and non-tenure-track employment is in stark (and troubling) contrast to the absence of growth in employment of tenure track faculty over the same time period. These trends are concerning because the tenure track faculty is at the core of OSU's research, teaching, and service missions. We hope that this report will stimulate a discussion of the issue, and we welcome comments on the findings and methods.

To document the trends, we use data provided by the Office of Human Resources (OHR) on employment in Autumn of the years 2000, 2005, 2010, and 2015. Identifying administrators is a challenge because of the many different ways administrative positions are named and classified across colleges and units. And there is inevitably some subjectivity in determining which positions should be considered "upper-level." We describe our approach below, and provide further documentation in Appendix B. It is worth noting that the trends we document here are robust to many alternative definitions of upper level administration.

In order to determine whether the trends for OSU are typical of our peer institutions, we used data from the Delta Cost Project (www.deltacostproject.org/data/download) for OSU and 20 peer public institutions. These data are not as reliable as internal OSU data because of changes in reporting behavior over time, but they provide a suitable basis for rough comparisons. These data are described in Appendix C.

The broad categories of positions that are the basis for measuring upper-level administrative employment at OSU are Unclassified Senior Administrative and Professional (SAP), and faculty serving in administrative positions above the level of department chair. We eliminated professionals (e.g. physician, research scientist, architect, development officer, head coach) and lower-level administrators (e.g. department business manager, unit manager, program manager) from the Unclassified SAP category; see Appendix B for the complete list. The remaining

positions were then combined with faculty serving as upper level administrators (deans, vice deans, associate provosts, assistant vice presidents, etc.).

An important question we considered is whether to impose a minimum salary cutoff in order to be considered an “upper level administrator.” This is another subjective aspect of defining and measuring administrators, but it seems important to recognize that compensation is associated with responsibility. We decided to make the cutoff at the average 9-month salary of full professors at OSU in 2015-16: \$145,000. This is somewhat arbitrary, but can be rationalized by the fact that we are drawing attention to the major disparity in growth of faculty and administrative employment. It turns out that the rate of growth of upper level administrative employment is not sensitive to the choice of a cutoff level of salary, up to \$150,000. For higher cutoffs, the growth rate is lower. In the full sample of positions defined as upper level administrators before applying the salary cutoff, the median salary is about \$114,000 and the mean is \$131,000. \$145,000 is at approximately the 75th percentile of the salary distribution, so imposing this salary cutoff is quite stringent. Appendix D illustrates the sensitivity of the results to alternative values of the salary cutoff. Overall, our approach is quite conservative – we retain only about one quarter of the administrators identified as upper level by position after imposing the salary cutoff.

Throughout the analysis we use Full Time Equivalent (FTE) employment, and we account for split appointments (e.g. a tenured faculty member serving part time as an associate dean) by allocating the appropriate portion to each category.

Figure 1 shows trends in FTE employment of upper-level administrators, tenure-track faculty, associated faculty, and clinical/research faculty. The figure shows rapid growth in administrative employment, at an average annual rate of 5.4% over the 15 year period. Associated and clinical/research faculty grew rapidly as well – by 3.9% and 10.9% annually. In contrast, the number of tenure track faculty was roughly constant from 2000 to 2010 and declined by 10% over the five year period from 2010 to 2015. See Table 1 for a summary of the growth rates. The table also shows that growth in enrollment at OSU (including regional campuses) from 2000 to 2015 was 16.9% (20% at the Columbus campus), or a 1.1% annual rate.

Another way to summarize the trends is in terms of the ratio of tenure-track faculty to other groups. There were 17.1 tenure track faculty for each upper level administrator in 2000, compared to 6.9 in 2015. In 2000 the ratio of tenure track to associated faculty members was 2.4; this declined to 1.2 in 2015. The corresponding ratio for tenure track to clinical/research faculty was 15.1 and 2.6 in 2000 and 2015, respectively.

Figure 2, based on data from the Delta Cost Project, shows that the number of tenure track faculty per 100 FTE students at OSU has been lower than average among our public peers over

the past 25 years, with the gap increasing over time. Administrative employment per 100 FTE students was very similar at OSU and our peer institutions through 2008, but diverged sharply thereafter, remaining constant for the peers while increasing rapidly at OSU. Note that this is total “executive/administrator and manager” employment as defined by each institution, including OSU. So we are not able to focus on upper level administrators in this comparison. The third panel shows that the ratio of tenure track faculty to administrators was similar at OSU and our peers in the early 1990s, and then diverged, especially after 2008. The ratio remained roughly constant at 4.6 at the peer institutions, but declined at OSU from 4.4 in 1990 to 2.0 in 2012. It should be noted that the Delta Cost Project data are not as reliable as internal OSU data. Institutions define administrative employment in different ways, and without access to the micro-level data we cannot redefine upper level administrative employment at other institutions to be comparable to OSU. Nevertheless, the implication of the comparison is clear: administrative employment at OSU is not only growing rapidly compared to growth in tenure track faculty, it is growing at a significantly faster rate than in our peer public universities.

The Board of Trustees has identified the trend in tenure track faculty as the only key academic initiative at OSU in which the university is “below goal – action needed” (<https://oaa.osu.edu/board-of-trustees-scorecard.html>). The Trustees state a goal of increasing the number of tenure track faculty by 390 in 2020 from the 2014-15 level of 2,738, a 14% increase. This is an ambitious and very important goal in our view. However, OSU has no plan in place to accomplish this goal, and the issue is not being treated as an urgent concern. We believe that OSU did not carry out an active plan to decrease the size of the tenure track faculty, either in absolute terms or relative to upper level administration. We have heard a variety of proposed partial explanations, which together may account for the trend. But the important point is that the trend happened seemingly without planning or intent. Without a concrete plan to reverse the trend, a reversal will very likely not happen. This issue is too important to be neglected.

One way to illustrate the implications of such unbalanced growth is to make a very rough estimate of the number of tenure track faculty that could have been hired had all the funds used to finance growth in upper level administrative employment been used instead to finance growth in tenure track faculty. From 2000 to 2015 the number of FTE upper level administrators increased by 203, and the number of FTE tenure track faculty declined by 271. By our definition, upper level administrators earn at least \$145,000, while OSU full professors earn \$145,000 on average. We don’t know the average salary of upper level administrators, but suppose for illustration that it exceeds \$145,000 by an amount equal to the average startup package of a full professor. This implies a one-to-one tradeoff between tenure track faculty and upper level administrators, indicating that three quarters ($203/271 = 74.9\%$) of the decline in tenure track faculty employment could have been avoided if there had been no increase in upper level administrative employment.

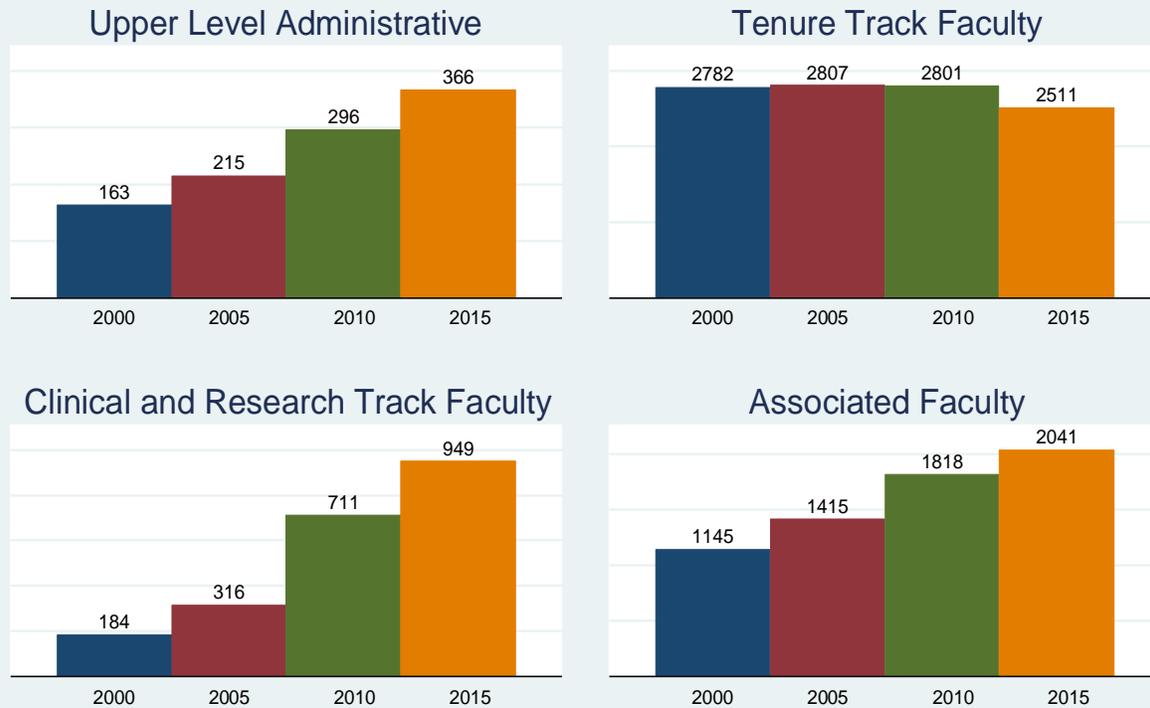
Appendix A presents a more detailed analysis of employment growth by unit and position.

Table 1: Growth in Full-Time-Equivalent Upper Administrative Employment, Faculty Employment and Student Enrollment at Ohio State

	2000	2015	2000-2005	2005-2010	2010-2015	2000-2015
Tenure track faculty	2,782	2,511	1.9	-0.2	-10.9	-10.2
Administrators	163	366	27.6	31.9	21.5	81.0
Associated Faculty	1,145	2,041	21.2	25.0	11.6	57.7
Clinical & Research Faculty	184	949	53.9	81.1	28.9	163.9
Autumn Enrollment	55,043	65,184	4.8	10.4	1.7	16.9

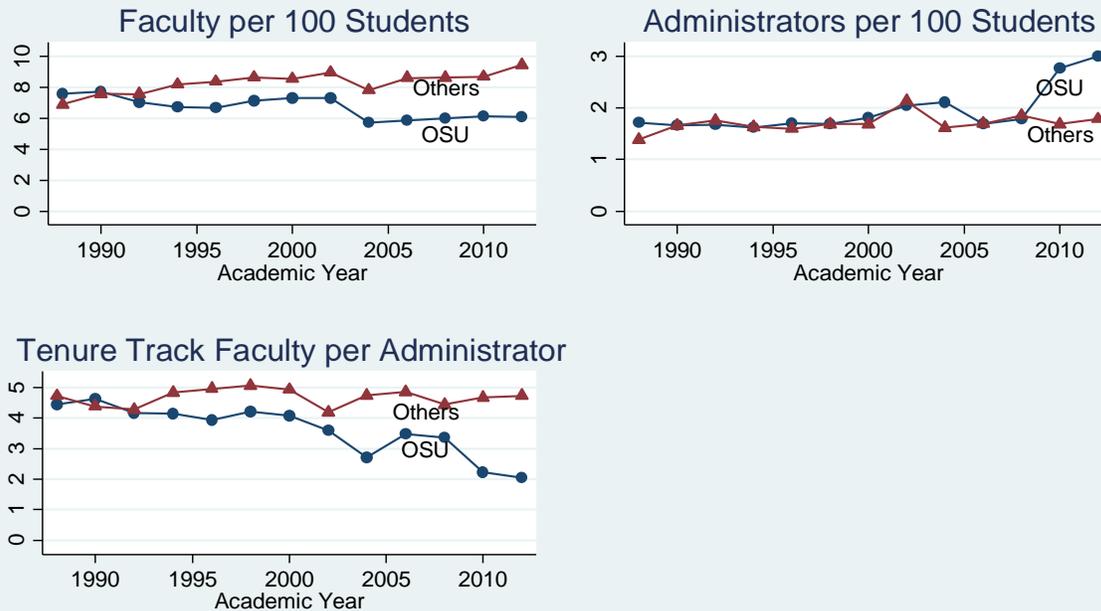
Source: Calculated from data provided by the OSU Office of Human Resources. See the Appendix for description of the data. The first two columns show the number of FTE employees (headcount of enrolled students in the last row) in 2000 and 2015. The last four columns show logarithmic growth rates in percent over the indicated period.

Figure 1: OSU FTE Faculty and Administrative Employment Selected Years



Source: OHR

Figure 2: Tenure Track Faculty and Administrative Employment OSU and Comparison Group



Source: Delta Cost project
 Note: Faculty, administrators and students are measured in full time equivalents

The comparison group in Figure 2 consists of:

- Arizona - Tuscon
- Colorado - Boulder
- Indiana - Bloomington
- Iowa - Ames
- Maryland – College Park
- Michigan – Ann Arbor
- Michigan State – East Lansing
- Minnesota – Twin Cities
- North Carolina – Chapel Hill
- Penn State – State College
- Pitt
- Purdue
- Texas - Austin
- UC Berkeley
- UC – Davis
- UCLA
- UCSD
- Virginia - Charlottesville
- Washington - Seattle
- Wisconsin - Madison