Faculty Compensation and Benefits Committee

February 18, 2016

Minutes


Guests: Michael Drake, Bruce McPheron, Geoff Chatas, Tim Gerber, Brian Perrera

President Drake, Interim Provost McPheron, and CFO Geoff Chatas visited to discuss topics of interest to FCBC. The discussion centered on executive compensation, rapid growth of administrative employment, and non-existent growth in tenure-track faculty. FCBC members explained that we are concerned about these issues because we believe that morale is low among the tenure-track faculty as a result of the perception that the emphasis at OSU has shifted away from faculty as the central building block of the university, toward administration and top-down initiatives. A summary of comments by the university leaders follows:

- President Drake: He recognizes the faculty’s concerns about high executive compensation at OSU, and is awaiting the results of a review of the issue by OHR, expected to be completed in June 2016. He described the complex nature of contracts for executives, including incentive clauses. He stated that a review of administrative practices at the Wexner Medical Center has resulted in savings of approximately $200 million since he arrived. He is now initiating a similar effort for the rest of OSU, to be implemented by his cabinet. He pointed out that the Wexner Medical Center requires a substantial amount of administration to deal with research compliance issues. He reminded the committee that he designated a substantial amount of the $200 million savings for investment in students, to help make OSU more affordable. He sees the need to direct significant investment to faculty support, including compensation, startup research funds, and facilities. There was discussion of reasons for the lack of growth in the number of tenure-track faculty, and potential solutions. He encouraged the committee to continue probing this issue.

- Interim Provost McPheron: He is initiating an analysis of trends in the number of tenure-track faculty, parallel to our effort. He argued that the recession and the DTI have affected faculty hiring. He claimed that his college (FAES) had suffered large losses in tenure-track faculty compared to other colleges, mainly due to losses in the extension service. He wondered whether the increase in employment of associated faculty was part of a deliberate policy.

- CFO Chatas: He listed some reasons for the growth in administrative employment. Large numbers of administrators were “acquired” by the Wexner Medical Center when they purchased some hospitals a few years ago. A new office to manage OSU’s much-enlarged endowment was necessary. He also mentioned that Senate Fiscal is discussing rebasing the budget.
After the university leaders left, we received a brief update from Brian Perera of the Office of Government Affairs on legislative action on the mitigating rate. There is no specific news, but Representative Schuring is working on a new bill based on the goals of predictability of future values of the mitigating rate and a plan to phase it out at some future date.

There was then an extensive discussion of the points raised during the visit by university leaders. Some of the points made include:

- We should follow up on the hospital purchase FAES/extension issues to determine their impact on administrative and tenure-track faculty employment. More generally, pinpoint which colleges and other units have experienced the largest changes.
- What happened to the resources freed up by the massive wave of retirements in the past few years?
- If progress in DTI hiring is slow, the administration should be willing to reorient its plan and devote some of those resources to current faculty.
- The absence of tuition increases has been responsible for lack of significant raises. We cannot count on future tuition increases because the issue is highly politicized.

The meeting was adjourned.