UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION
Item for Information

Subject: Faculty Governance Update

Report to the University of Michigan Regents from the Committee on the Economic Status of the Faculty (CESF), November 20, 2014

The University of Michigan (U-M) derives its excellent reputation in large part from the accomplishments of its graduates and the teaching and scholarship of its faculty. Recruitment and retention of faculty depends on many factors, including academic reputation, family considerations, work environment and facilities, geographical location, as well as competitive salaries and benefits.

The past 5-6 years have been very difficult economically nationwide, have seen college tuitions rise at a rate faster than inflation and family incomes, and have resulted in declining state support for many public institutions, including U-M. Some academic institutions (e.g., University of California) have experienced significant tuition increases, years with a 0% faculty merit raise program, hiring freezes, cuts in benefits, and unpaid furlough days. On the other hand, U-M has been able to keep net tuition (tuition minus financial aid) fairly stable, to maintain a modest faculty merit raise program of about 2 to 3% per year, to continue to recruit new faculty, and to make the decision to maintain faculty retirement benefits at their current levels. The CESF applauds these decisions at U-M that show a clear commitment to excellence in education and to the recruitment and retention of outstanding faculty.

As economic conditions improve nationally, and some state appropriations are being restored, we feel that this is a crucial time for the U-M administration to carefully examine faculty compensation policies to ensure the continued recruitment and retention of outstanding faculty. There are obvious strategic issues, such as the trade-off between expanding the faculty with incremental hires (which may lead to smaller class sizes) and recruiting and retaining high-quality faculty (which maintains and increases the public profile and research reputation of the university). Such decisions should be based on careful consideration of various key indicators, including trends in faculty recruitment and retention rates, per-capita research performance, comparisons of faculty compensation to peer institutions and compensation equity. The importance of investing in competitive

faculty salaries and benefits, relative to investments in non-instructional areas (e.g., facilities, administration and services), should be carefully weighed.

There is a need for data of good quality in all these areas to be collected and shared with all the relevant parties. Keeping the faculty more informed about these issues would undoubtedly lead to a more focused, and perhaps less contentious, conversation about the economic status of the faculty.

We request that the U-M administration work with CESF to study these issues thoroughly. Based on the studies that CESF has done to date, using limited publicly available data, we are convinced that it is feasible for U-M to invest in core instructional areas, like faculty excellence and financial support for students, while stabilizing tuition rates. Such investments can ensure that U-M's excellent reputation continues for many more decades.

Submitted: November 2014



(T E Schneider on behalf of SACUA)