



Representing Wayne State Faculty and Academic Staff

NEWSBRIEFS

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“The Union’s Figures are All Wrong” The Administration Reacts to the “Swimsuit” Issue

By Charles J. Parrish, President

We did not expect the Administration to be pleased with our report in last month’s *Newsbriefs* that 422 academic administrators received an average raise of 6.47% in 2008. In a state staggered by economic recession and in a university facing a long-term budget crisis, the Administration’s unwarranted generosity for its own kind does not sit well with others. This is especially true for our members as we prepare to open negotiations on a new collective bargaining agreement for faculty and academic staff.

The Administration has vented its displeasure with our report by insisting that our numbers are “all wrong.”

This allegation is especially ironic given the source of our salary figures: we get our numbers from the same people who now dispute them. The figures are not cooked by us, but the response from the Administration to our report is definitely suspect.

Sleight of Hand

Of the 422 entries in our listing of administrative salaries, the Administration’s objections, supplied to me personally by Associate Vice President Robert Kohrman, focus on just 43 items. Thirteen of these are inconsequential: three names

that were missing from the report; two names that had the wrong salaries; and eight names that were duplicated. We had already corrected most of these on our web site shortly after the newsletter went to campus mail. **You can review the report in full at**

www.aaupaft.org.

INSIDE:

*WSU Faculty
Salaries Lag
Well Behind
U of M and
MSU*

page 3

The crux of the Administration’s claim that we “are all wrong” comes down to our reporting of the salary increases of thirty administrators. It is a strange accusation, since the Administration acknowledges (with the minor exceptions noted above) that we accurately reported the 2008-2009 salaries and that the data we used for the previous fiscal year, 2007-2008, was accurate *as of the time it was given to us.*

It turns out, however, that the thirty administrators in question had their salaries raised *again* by the outgoing President Irvin Reid in the winter of 2008, after the salary data for the fiscal year starting in October, 2007, had been reported to us. These farewell raises averaged over \$12,000 per person and totaled \$365,000 in loose change that was apparently just lying around, outside the budgeted amount already allocated for administrative salaries.

The Administration’s complaint with our salary report comes down to this: instead of reporting this farewell raise for what it was— a 2008 salary

con't on page 2

cont'd from page 1

increase— we should have retroactively included this unreported raise in the figures we had presented for the fiscal year starting in 2007. This would have been difficult since the Administration did not give us those figures at that time.

If we had accepted this shell game, which we could not since we only recently became aware of it, then the salary increase for the current fiscal year, 2008-2009, would not look so large because it would have started from a higher base. This slight-of-hand would mean that we would never have reported the generous raises distributed by President Reid in the last year of his administration, before the start of the 2008-2009 fiscal year.

Our method, which we have used for almost two decades and has never been questioned before, is to verify administrative salaries on a calendar-year basis. We wait until December of each year (by which time the administrators' salaries for the fiscal year have been entered into the Banner Payroll System) to file a Freedom of Information request for the salaries so that we can compare them to the previous year's salaries obtained in the same fashion. We wanted the apples we compared from year to year not to taste like oranges in some years.

President Reid's farewell raises were implemented in the winter of 2008, not in 2007. Together with the regular raises provided at the start of the fiscal year in October 2008, the combined salary increase for administrators over the calendar year—that is, from January 2008 to January 2009—is exactly as we reported it: 6.47%.

“This union is committed to maintaining Wayne State University’s status as a Research University. In light of Michigan’s budget crisis, we have to anticipate that state support— at best— will be flat or nearly so in the coming years. Tuition increases will be required, but so will a reallocation of resources away from an already bloated administrative structure and towards the colleges and schools. It should be obvious that we can only draw research and teaching faculty to Detroit and WSU if we pay competitive salaries.”

The example of Vice President Robert Kohrman illustrates the case. In January of 2008 he was depositing a check every two weeks based upon an annual salary of \$142,800 (as reported at the start of the fiscal year in September, 2007). President Reid then gave him a salary increase of \$24,276 (17%) in the winter of 2008, after the figures for that fiscal year had been reported to the union. In September he received another raise of \$8,020 at the start of the new fiscal year. The total raise for 2008 was therefore \$32,296, bringing him to \$175,096. As of January 1, 2009 he was being paid 22.6% more than his salary twelve months before.

If we followed the Administration's suggested methodology, we would have to pretend that Kohrman's unreported raise of \$24,000 had occurred in 2007 rather than 2008, and that only the second “regular” raise of \$8,000 (4.8%) occurred in 2008.

It has been argued that Vice President Kohrman was promoted from Assistant to Associate Vice President and that his duties were expanded by taking over institutional research. This was the reason, we are told, for his

22.6% raise and it should have been noted in our presentation. We are happy to do so here, but his primary duties remained essentially the same, that of chief budget officer. Institutional research was transferred to his office in the fall, 2007, and any raise due to the change at that time should have been reported to us in the data we later got from the Administration. It was not.

con't on page 3

WSU Lags Behind Its Two Sister Institutions in the State

<u>University</u>	Associate Professor		Assistant Professor	Instructor	<u>Average</u>
	<u>Professor</u>	<u>Professor</u>	<u>Professor</u>	<u>Lecturer</u>	
Univ. of Michigan	\$142,000	\$93,100	\$71,100	\$57,200	\$102,600
Michigan State Univ.	\$121,900	\$85,900	\$66,900	\$39,300	\$91,000
Wayne State Univ.	\$110,900	\$84,200	\$69,000	\$65,500	\$82,600
 <u>WSU as % of</u>					
Univ. of Michigan	78%	90%	97%	115%	81%
Michigan State Univ.	91%	98%	103%	167%	91%

Source: *Academe*, "On the Brink: The Annual Report on the Economic Status of the Profession, 2008-2009 (March-April, 2009), pp. 60-62.

Failure of Control

Overall, the thirty administrators in question got an 11.7% increase during 2008. How did this situation arise?

It appears that much of the problem stems from the transition between the administrations of Presidents Reid and Noren. All of the special raises in 2008 were initiated by President Irvin Reid, prior to President Noren assuming his post later, on August 1, 2008. The Board of Governors gave him the power over the Budget for the present year. That Budget authorized a raise of between 2.0% and 3.5% for groups other than the members of our bargaining unit.

President Noren had the delegated power to modify the authorized (but unallocated) salary increase of 3.5% for administrators in light of the already generous increases some of them had received from President Reid. He chose not to do so. Instead, when this subject was broached with him in an Academic Senate Policy Committee meeting, his response was that all this was done before he got here.

Bargaining Issues

In response to our *Newsbriefs* article and in anticipation of bargaining, Vice President Kohrman prepared a Power Point slide show, ostensibly for the Board of Governors, that he gave me in our meeting. Thus far, it seems not to have been given to the Board. It is basically an attack on the faculty, rather than a response to the facts presented in our report on administrative salaries.

In the Kohrman slide show there are comparisons between the salaries of WSU faculty members and those paid in other sets of universities, including Michigan public universities and the so-called "Urban Thirteen" of city-based schools. These comparisons are of marginal relevance. The relevant labor market in which WSU competes is a nationwide market among "Very High Research Universities." Only the University of Michigan and Michigan State University in this state are in this category, and most of the Urban Thirteen are not.

The table on page 3 shows the manner in which WSU lags behind its two sister institutions in the state. As can be seen, the average salary of our faculty members is 91% of that paid at MSU and only 81% of that paid to U-of-M faculty. If we included total compensation, WSU's faculty salaries and benefits are 83% of MSU and 80% of U of M.

This union is committed to maintaining Wayne State University's status as a Research University. In light of Michigan's budget crisis, we have to anticipate that state support— at best— will be flat or nearly so in the coming years. Tuition increases will be required, but so will a reallocation of resources away from an already bloated administrative structure and towards the colleges and schools. It should be obvious that we can only draw research and teaching faculty to Detroit and WSU if we pay competitive salaries.

In this regard, the Administration has objected to the graph we presented in the last issue of *Newsbriefs* that showed that the percentage of the General Fund Budget allocated to the schools and colleges had declined from 43% in 1996 to 36% in 2007. The 2008 figures, we are told, would indicate that in the current year the percentage has risen to 39%. That figure would be closer to 36% if financial aid in the schools of law and medicine were removed from the calculation (as they were before 2004). In any case, 39% is still below 43% and even this figure is suspect as it includes some costs that were formerly charged to academic support.

Conclusion

The complaints from the Fourth Floor of the Faculty-Administration Building over our reporting of the 6.47% raise in administrators' salaries are a response to a situation of the Administration's own making. There were three elements that led to these administrative raises, which many in the University community believe to be outrageous in this present economic climate.

First were the raises that President Reid gave during his last days in office. These are acknowledged as real, and the only protest is the lame

one that we should have ignored them by using administrative salary figures for September 2008 rather than January 2008 as we always do.

Second, was the decision of President Noren not to cut the 3.5% administrative raise that was in the July 2008 Budget authorized by the Board of Governors. This might have provided some political cover for the Administration in this fiasco.

A third factor is not so obvious. This is the apparent lack of fiscal controls over the process of administrative raises. If we return to the previous fiscal year, 2007-2008, we can see similar results. The Administration authorized a 2% raise for administrators, and our *Newsbriefs* that spring showed that many of the academic administrators whose salaries we reported did indeed get only a 2% raise. However, some got more and the overall raise was 3.7%, almost twice the increase authorized. This year the authorization was for 3.5% and the final raise, of which Reid's farewell raises were a small part, was still about 6.5%, nearly twice the percentage authorized. This suggests that there have been some very slack controls involved in the process of administrative raises and that this problem is not new.

The Administration is on very shaky ground in contesting the Union's figures. We use the salary data given to us by the Administration itself. They are what they are. We welcome corrections of any mistakes, but if the only criticism is what we have gotten thus far— that the senior administrators don't like the figures—they can keep their displeasure to themselves. Perhaps asserting to one another, and the Board of Governors, that our figures "are all wrong" brings them some satisfaction. It doesn't cut any ice with us.

