

The University Senate of Michigan Technological University

Proposal 27-15 (Voting Units: Full Senate)

“Fixed vs. Variable Compensation for Senate Officers and Senate President as Financial Manager of the Senate’s Budget”

I. Introduction

Last fall, through Proposal 6-15, the Senate accepted the Administration’s offer to adjust the Senate’s budget with the addition of \$5,546.75, earmarked for a net \$3,500 in annual bonus payment for the Senate’s vice president, to be paid to the vice president or vice president-elect any time after July 1. This set a precedent for fixed, versus variable, compensation for Senate officers.

Proposal 27-15 will replace the current variable-compensation system for the Senate president and secretary with a fixed-compensation system. It will simultaneously transfer responsibility for managing the Senate’s budget from the provost to the president of the Senate. If accepted, the proposed changes will go into effect after the next Senate elections.

II. The Current, Variable-Compensation System

Currently, the Senate president receives 33 percent release time, and the Senate secretary receives 16 percent release time. The dollar amount corresponding to the release time goes to the officer’s department. The Senate president also receives the greater of one-ninth of his or her academic year salary or \$10,000.

III. Worst-Case Scenario for Costs Under the Current System

Currently, the two most highly paid people who are eligible to serve as Senate president and secretary (tenured faculty who are not department chairs, deans, etc.) make \$175,000 and \$165,000.

33% of \$175,00 = \$58,275 to this president’s department for release time.

One-ninth of \$175,000 = \$19,444 compensation for this president.

16% of \$165,000 = \$26,400 for this secretary.

Total Cost = \$58,275 + \$19,444 + \$26,400 = \$104,119.

The Senate’s entire budget for 2014-2015 is \$100,913.

IV. The Proposed, Fixed-Compensation System

It is proposed that fixed compensation for the Senate president and secretary be based on the average of the 2013-2014 salaries of the senators and alternates eligible to serve in these positions (i.e., tenured faculty) during the fall of 2014, as described below; and (2) that this compensation be periodically reviewed and, as appropriate, adjusted for inflation.

The average, 2013-2014 salary of the 25 tenured faculty members serving as senators or alternates during the fall of 2014 was \$95,901.

25% (down from 33% in the current system) of \$95,901 = \$23,975 to the president's department for release time; round to \$24,000.

One-ninth of \$95,901 = \$10,656 compensation for the president. Round down to \$10,000.

15% (down from 16% in the current system) of \$95,901 = \$14,385 to the secretary's department for release time; round to \$14,000.

Total Cost = \$24,000 + \$10,000 + \$14,000 = \$48,000

With these funds (\$24,000 and \$14,000), the Senate president and secretary will negotiate the optimal, release-time arrangement with their department chairs. Any funds not used by the president's and secretary's departments for release time will remain in the Senate's budget for other purposes, such as bringing speakers to campus.

V. Financial Manager of the Senate's Account

Historically, the financial manager for the Senate's account has been the president of the University. Recently, this responsibility was transferred to the provost.

It is proposed that with the change from variable to fixed compensation for Senate officers, responsibility for managing the Senate's account be transferred to the president of the Senate.