

# The University Senate of Michigan Technological University

## Resolution 9-20

(Voting Units: Full Senate)

### “Senate Resolution on the State of Compensation at Michigan Technological University”

Introduced by: The University Senate Executive Committee

#### I. Introduction

Over the past decade plus, the University has consistently prioritized spending in areas other than employee wages and benefits. This trend has seen employee benefits decline year after year, as employee costs for benefits have increased and wages have stagnated. During this period employee compensation and pay equity for underrepresented groups have not kept pace with these losses and increased costs, let alone with cost of living increases. Consistently prioritizing other initiatives at the expense of supporting faculty and staff is demoralizing for faculty and staff, and it is self-defeating for the University. Not only does it harm morale and productivity among employees, but it also impacts retention and recruitment of quality faculty and staff; all factors which lessen the competitiveness and resiliency of the institution, and ultimately, the standing of the University ([History of Total Compensation at Michigan Tech, 2008-2017](#)).

#### II. Resolution

As:

- University operating revenue increased by \$2,652,895 from [FY2019](#) (\$157,899,386) to [FY2020](#) (\$160,552,281).
  - The University raised tuition and fees on resident undergraduates by 2%, non-resident undergraduates by 4.4%, and graduates by 6% ([FY2020 General Fund Budget](#); [FY2019 General Fund Budget](#)).
  - Michigan Tech has the highest resident undergraduate tuition and fees in the state of Michigan at \$17,293 per year (the state average is \$13,356) (House Fiscal Agency, State of Michigan, [Budget Briefing: Higher Education](#)).

- Michigan Tech receives the second highest rate of in state appropriations per-student of any public Michigan University at \$7,510 FYES (Fiscal Year Equated Students) (State of Michigan, [Fiscal Year 2018-19 Higher Education Appropriations Report](#)).
- Michigan Tech has the second highest General Fund revenue per-student among public universities in Michigan (FY2017-18) at just over \$30,000 FYES (House Fiscal Agency, State of Michigan, [Budget Briefing: Higher Education](#)).
- The University cut employee benefit expenditures by \$1,040,199 from FY2019 (36,073,270) to FY2020 (\$35,033,071).
  - University employee benefit spending has declined by 15.5% between FY2008 (\$35,802,819) and FY2019 (\$30,250,230) (CPI adjusted) ([U.S. Bureau of Labor Statistics](#)).
  - Non-student employees at Michigan Tech have increased from 1,332 in 2008-09 to 1,485 in 2018-19 ([Michigan Tech Compendium](#)).
  - As of January 2019, dental and vision benefits changed dramatically for employees with dependents. The University moved to a fixed subsidy format for benefits, shifting the full cost of dependent coverage for dental and vision to employees, disproportionately affecting those with larger numbers of dependents ([History of Total Compensation at Michigan Tech, 2008-2017](#)).
- The University Administration [denied](#) University Senate [Proposal 37-19: Proposal to Change the University Defined Contribution Plan to a 10% Base Contribution with a 2.5% 1:1 Match](#) without a counter proposal or indication of any future plan to improve employee retirement benefits.
  - The current University contribution of a 7.5% maximum match represents a 41% decline since 2008 and Michigan Tech employees continue to contribute more of their earnings to achieve a similar retirement account value compared to employee retirement benefits at peer institutions ([History of Total Compensation at Michigan Tech, 2008-2017](#)).
- The University Administration [denied](#) University Senate [Proposal 39-19: Proposal to Constitute a Representative University Benefits Planning Committee](#); a proposed committee meant to embody “the principles of shared governance and transparency” that

would meet the continuing need for a University level committee “charged with reviewing, evaluating, and recommending strategies for the long-term planning of benefits at Michigan Tech.”

- In calendar year 2018 the University offered a unit maximum 1.5% merit increase to faculty and staff. Meanwhile inflation was 1.9% in 2018, effectively resulting in a 0.4% pay cut to University faculty and staff ([U.S. Bureau of Labor Statistics](#)).
- Inflation is expected to be 2.5% in 2019 (U.S. Inflation Forecast 2019-2024), and again, the University is offering a unit maximum 1.5% merit increase to Faculty and Staff in 2019, effectively resulting in a potential 1.0% pay cut to University faculty and staff.
- At the same time, in August of this year, the Board of Trustees approved a [2.5% raise and a 5.5% bonus](#) for President Koubek. Whereas, the majority of non-union faculty and staff received at most the aforementioned 1.5% raise.

Be it resolved that the Faculty and Staff of Michigan Technological University formally ask the following:

- The University will approve an immediate 2.5% cost of living raise for faculty and staff to offset the expected cost of living increases for fiscal year 2020; and all raises in subsequent years will at a minimum match inflation.
- The University Administration, working in consultation with the University Senate, will compile this Senate term a detailed 5-year plan for creating a competitive salary and benefits package for faculty and staff. This plan will include goals benchmarked against our peer institutions.
- The University Administration will constitute a representative University Benefits Committee this Senate term that will, in the spirit of shared governance and transparency, be tasked with working with the University Administration on long-term improvements in benefits planning.
- The University Administration will investigate and address compensation inequities for underrepresented groups