

## **Faculty Senate**

### **M 2022??: Motion to Recommend Salary Raise Distribution Guiding Principles for FY 2023**

#### **Originator: Budget and Finance Committee**

Whereas,

The sustainability of the human capital (staff, faculty, and administrators) at The University of Memphis is crucial to the continuous growth and maintaining of R1 status.

Whereas,

Inflation is high: ending in December of 2021, the Consumer Price all-items Index (CPI) had an annual increase of 7%<sup>1</sup> with forecasts that it will be higher in the spring.

Whereas,

The final state budget and suggested overall salary raise will be determined in the spring of 2022, and the budget is expected to include a salary raise pool equal to the rate of inflation.

Whereas,

The Faculty Senate passed a compensation motion in 2019 (attached) recommending the following priority list for annual salary raise distributions: across the board raises equal to the rate of inflation, salary compression, equity, and merit raise—in this order.

Whereas,

The increase in the salary pool authorized by the Legislature and Governor last year was not fully funded and faculty and staff salaries were not increased as much as authorized.

Whereas,

The Budget and Finance Committee (B&FC) of the Faculty Senate is anticipating a substantial salary raise for the academic year of 2022-23—given university growth, a CPI of 7%, expected state approval of salary increase, and not fully funded salary increases in 2020-2021, and the expectation of an adequate response from The University of Memphis.

Be it resolved that,

The B&FC, in line with the compensation motion approved by the Faculty Senate in 2019, makes the following guiding principle recommendations for the distribution of the expected and approved salary raise pool as follows:

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<sup>1</sup> “The all items index rose 7.0 percent for the 12 months ending December, the largest 12-month increase since the period ending June 1982.” (US Bureau of Labor Statistics, 2022)  
URL=<<https://www.bls.gov/news.release/cpi.nr0.htm>>

1. The University of Memphis should fully fund and allocate the entirety of the approved salary pool. The portion not completely funded by the state should be funded from internal resources/funds.
2. The total wage/salary pool for the entire university should be allocated into three distinct pools for administrators, faculty, and staff. Salary increases within each group should be funded only from that pool, and funds from one segment should not be reallocated to another without clear reasons and justifications. (Note: although the Faculty Senate focuses on faculty budgetary issues, it also focuses on university budgetary matters insofar as they affect faculty.); and
3. Of any given increase in the salary pool (either as a percentage or a dollar amount) the distribution of the pool for faculty salary increases should be:
  1. An across-the-board raise for Cost-of-Living Adjustment (COLA) of 70% of the approved salary raise pool (or a lesser dollar amount sufficient to cover the increase in the CPI if the increase in the CPI is less than the 70% portion). The COLA component should not be distributed as a fixed percentage of the salary but based on four salary categories biased toward the greater cost of living adjustments (in percent of salary terms) for lower-wage/salary individuals. The different percentages can be applied to the four salary ranges (e.g., 5%, 4%;3% and 2% respectively):
    - below \$75,000 annual salary,
    - between \$75,000-\$110,000 annual salary,
    - \$110,001 to 140,000 annual salary, and
    - above \$140,000 annual salary;
  2. Fifteen percent of the approved salary raise pool should be allocated to the faculty for compression and equity adjustment raises; and
  3. The last 15% of the approved salary raise pool should be allocated to the faculty for merit/market compensation raise to eligible faculty. Faculty with an annual Overall Faculty Performance Evaluation of greater than 4.00 (very good /exceptional performance) may be eligible for merit increases.

Recipients:

M. D. Rudd, President

Tom Nenon, Provost and EVP

Raaj Kurapati, CFO and EVP

Motion ### 1//25/2021

Vote: # For, # Against, # Abstain