Faculty Senate Finance Committee Report Academic Year 2009-2010

Submitted by: Senator Figliola, Chair

During the 2009-2010 academic year the committee studied new issues and addressed concerns of faculty members.

Task 1: Compensation Report Study

The committee responded to concerns on transparency in faculty, staff, and administrative compensation by working with the newly formed University Compensation Group and by working with Institutional Research, as it has in the past, in providing a more detailed annual compensation report. Significant improvements negotiated over the past two years have lead to more detail on raise justifications. Continued efforts are to push for total annual compensation reporting, both in permanent and temporary hires, which is possible today even if it requires separate reporting.

Task 2: University Budget Flow Study

The Committee was represented on the newly formed University Budget Accountability Committee. The charge of this Committee is to study the flow of funds within the University from big pot to Colleges, Divisions, Centers and Institutes. The involvement does bring faculty representation into the discussion, particularly with the continued anticipated pressures on future budgets. This year, the flow of money was outlined and the allocation of funds has been reviewed in large scope. Future discussions will involve more substance related to money flow on campus and to the academic units.

The Committee was asked to review the use of Lab fees returned back to the Colleges. This is an ongoing effort that is not as clear as it would seem simply because money can be transferred out of a category going to one Unit to accommodate added funds into another category. The Committee is interested in whether there have been net gains to departments to accommodate the true expense of offering labs and that answer is not yet answered. It appears that the bulk of the fees are returned directly back to departments generating the fees and in a couple cases returned to departments less some college overhead but we do not know how other budget items were adjusted.

The Committee was asked to review the University return of licensing and trademark royalties. Royalties are tracked by a national clearinghouse and returned to the Clemson athletic enterprise. Annual returns are about $1M. The athletic department returns between 3 to 5% to the general fund. However, many trademarks are not sports related. The University Counsel Office assumption is that trademark royalties from sportswear vendors are sports related. The remainder of returns accounts for about 15% of royalties. The Committee decided that the amount of revenue involved did not justify trying to overcome the inertia built-in to the current Athletic-University relationship at this time.
Task 3: Compensation Strategy

With the formation of the University Compensation Group this year, a University-wide compensation metric has been put into place. An improvement over ad-hoc methods, the basis for such metrics is not so obvious and not necessarily focused on faculty retention. The Committee has been accumulating information on compensation strategy from an economics and a national viewpoint. The best Universities appear to compensate their top faculty at levels on par with top university administrators. Top administrators appear to be very well compensated at large universities and these salaries are available from national publications. A more pragmatic view is that faculty should be compensated at levels consistent with their focus areas based on a common metric used across the University (straw-man example: public, Research 1, AP poll Top-40) and there should be an annually updated plan to accomplish and maintain this. Regarding faculty retention, there must be a better way to address faculty compensation than salary adjustment to match counter offers, a practice of questionable value. Clearly, this study requires more time and should be continued in the future.