

TO: Marvin Ernst, Faculty Senate President
FROM: Verbie Prevost, Katharine Pryor Professor of English
Joanie Sompayrac, Associate Professor of Accounting
DATE: January 9, 2004
RE: Review of Administrative Salaries for Past 5 Years

We have completed our review of administrative salaries for the past five (5) years at UT-Chattanooga. Our review included the following:

- a review of all exempt, non-exempt and faculty salaries for the past five years
- an analysis of the raises and the reasons given for those raises with respect to the exempt staff and several non-exempt staff
- review of PDQs and personnel files for selected exempt staff members
- personal interviews with the Chancellor (Dr. Bill Stacy); the Vice Chancellor of Finance (Richard Brown); and the Director of Human Resources (Dan Webb)

While we had access to and did examine faculty and non-exempt salaries, we did not perform substantial analysis on them because that was not our charge. We focused on our primary charge--analysis of administrative (exempt) salaries for the past five years. Our conclusions are as follows:

1. Over the course of five years, 146 exempt staff persons received a total of 716 raises.
2. According to the data we received, these raises were categorized as follows:
 - a. Across the board raises → 67.9%
 - b. Raises for promotions/increased duties → 17.9%
 - c. Market equity increases → 10.1%
 - d. Other equity increases → 1.5%
 - e. Degree or certification increases → 1.1%
 - f. Increased FTE cited for increases → 1.0%
 - g. Merit increases → 0.4%
 - h. Gender equity increases → 0.1%
3. Several faculty members had raised questions about John Schaerer's position and his recent \$10,000 pay increase. Questions had also been raised about why his salary had not been reduced when the Metropolitan College was dissolved. Dr. Stacy asserted that Dr. Schaerer should not have been financially punished for a decision that was beyond his control, and so his salary remained intact. Further, the recent "increase" in Dr. Schaerer's salary comes from soft money and not from institutional funds, so it does not constitute a raise for purposes of this review.
4. It was our overall impression that the administration was reasonably candid with us during our review of administrative salaries, and we came away from the process with some pretty clear perceptions:
 - a. First, the administration is *not* handing out raises at-will to a select few.
 - b. Several faculty members have received unusually high or potentially inexplicable raises similar to the administrative raises being questioned.
 - c. The standards and/or procedures for classification of exempt/non-exempt employees seem blurred. Although employees may be doing similar work, some are classified as non-exempt while others are classified as exempt.
 - d. The administrators who get market equity raises, the faculty members who get major raises, the employees who manage to get re-classified as exempt, and the exempt employees who manage to get raises each time their duties increase tend to be concentrated in certain departments or colleges.
5. Our major conclusion based on our analyses, observations, interviews and perceptions is that an employee's chance of getting a raise on the UTC campus largely depends on one thing--who one's advocate is. Whether one is an exempt employee, non-exempt employee or faculty member, the assertiveness, persistence and power of one's advocate will ultimately determine the likelihood of getting a substantial raise. This may be of concern to the campus community when one recognizes that the Human Resources Department (charged with payroll and classification duties) reports to the Vice Chancellor of Finance.
6. While the Vice Chancellor of Finance may not improperly influence the operation of the HR Department, the fact that his office has power over the HR function creates the appearance of impropriety. We would suggest that the HR Department at UTC should report to the HR Office at UT System level and not to any Vice Chancellor on the UTC campus.