Charge to the Faculty Senate

1. Action Requested:

Change the pay period for new faculty from September through June to August through May.

2. Current Policy:

Current policy is that all new faculty receive their first paycheck the end of September and their final for the academic year (should they choose the 10 month pay period) is received the end of June.

3. Background:

Given that faculty have always needed to be present on campus by the middle of August at the latest and certainly are preparing for fall classes long before the semester begins, it is appropriate to begin paying new faculty at the end of August instead of the end of September. Delaying monetary compensation more than one month after the official start day is not a common practice in higher education. This has become a recruiting issue in addition to a personal financial burden. Faculty are surprised that they will not receive their first pay until the end of September. Faculty will generally receive their last paycheck from former institutions in May or June, the end of the fiscal year, and will not receive compensation for July and August. This, coupled with the fact that USI does not provide moving expenses places an unnecessary burden on new faculty as they transition to USI from graduate school or previous employment. With the semester beginning earlier in August as of 2011, this situation becomes even more urgent. Also noting that faculty obligations end in May, it is not reasonable that one should have to wait until the end of June to receive the remainder of that contract’s salary, unless they opt to have their salary spread over twelve months. This change would not increase the amount of funds paid out during the fiscal year or affect the operating budget for the fiscal year, because the amount of pay for the fiscal year would remain the same, based on the faculty yearly contract. USI would simply be adjusting the date at which the compensation begins. If a faculty member opts for a twelve-month pay schedule, the first-year pay for new faculty would be spread from August to June, and the new contract pay period would begin in July with the new fiscal year.

Clearly this is an issue worthy of consideration. This past fall, new faculty were allowed to request a 1/2 month salary cash advance to be received the end of August which was then taken back across the next several months starting in September. While this is helpful, it is not a solution. Faculty are here in August working and should be paid in August. Administrators are paid the end of their first month; faculty should as well.

This charge was discussed most recently at the Liberal Arts Council (Chairs and Deans of Liberal Arts) and received the unanimous support of the Council to be sent forward as a Senate charge.

4. Potential resources:
One resource to consider is the state law. In some states, it is illegal to have someone work for 1 ½ months without pay. What I have found so far is not clear regarding salary employees - http://www.employmentlawhandbook.com/WageHour/State/Indiana.html but is worthy of further exploration.

**Frequency of Wage Payments**

An employer must pay employees their wages no less frequently than twice per month. An employer must pay all wages earned within 10 days of the end of a pay period. Salaried employees do not need to be paid at least twice per month. An employee can request to be paid at least every two weeks. An employer must pay employees for wages earned in a pay period within 10 days of the end of the pay period. [Indiana Code 22-2-5](http://www.employmentlawhandbook.com/WageHour/State/Indiana.html)

5. Senate Comments:

(I know this is for your comments, but I do have one). This issue was put forth as a charge last year, but to our knowledge was not addressed. Last year’s submitted charge asked that the pay period for all faculty be shifted. Given that this truly impacts new hires, we opted to re-write it to help those it hurts the most and to assist with the hiring process.

Faculty Senate asks that the EBC work with HR to develop a solution to this problem.

Committee members and HR Director discussed at length the issue that new faculty had to wait such a long time for their first paycheck. Due to the long wait, the university has made available a cash loan for new faculty. Evinger reported that approximately ½ of the new faculty took advantage of the program.

If payroll were to move to a semi-monthly calendar, the issue of new faculty waiting for such a long time for their first check would be resolved. Evinger has met with her staff to discuss and assess implementation of a semi-monthly pay schedule. Temporary staffing would be required to set up and implement this change. Also additional permanent staff would need to be added to handle an additional pay period each month. Changing to a semi-monthly pay could improve pay roll processing as the university could move to electronic time sheets which would reduce the amount of manual data processing required in the current system. It was discussed that moving to a semi-monthly pay schedule could also remedy the summer pay issues as well. Further, the committee discussed that implementation might be a gradual roll out beginning with new faculty hires.

Recommendation:

The Faculty Senate forwarded the following recommendation of the Economic Benefits Committee to Ron Rochon (Provost) and Donna Evinger (Director of Human Resources):

The Committee supports moving to a semi-monthly pay schedule and recommends that HR or Senate conduct a survey to ascertain if the majority of the faculty would also be in support of this change. It is important that HR have the needed resources to successfully implement this change if it is adopted.
Human Resources and the Provost’s Office should work to beta test semi-monthly pay periods with new faculty hires. The motion was unanimously approved at the September 7, 2012 Faculty Senate Meeting.

The committee further recommends that HR include in the new employee packet and employment interviews information about the “short term loans available to new faculty.

A survey of interest in the move to a semi-monthly pay schedule will be added to the next Faculty Survey conducted by the Office of Planning, Research and Assessment.