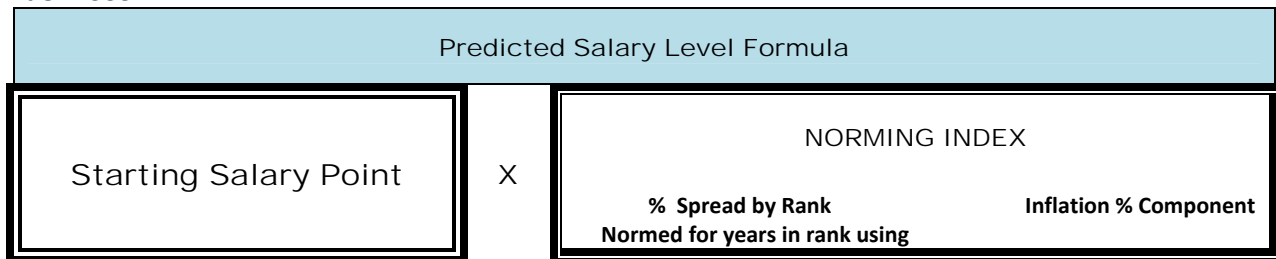


Charge to Committee: Article 25.2 (c) "A committee will be formed to determine the definition of "Predicted Salary Level" for the purpose of addressing the compression funds. The committee will be composed of three (3) representatives from UFF and three (3) representatives from the Administration. ¹The committee's recommendation must be presented to the bargaining teams of the respective parties for consideration and agreement no later than May 15, 2012. The definition shall:

- (i) Consider market equity based upon an application of 90% of the CUPA median, based upon rank and discipline, and
- (ii) Consider comparative compensation of departmental peers for time in rank, and
- (iii) Include rates of adjustment for assistant and associate professors that will be capped for the comparative compensation of departmental peers at 7 years in current rank, and
- (iv) Define salary as including TIP, and PEP, but excluding administrative supplements."

After many meetings, much data collection and analysis, and thoughtful deliberations, and after thorough consideration of a respected external model, USC-Aiken, and of a presentation made by Dr. Tim O'Keefe, Associate Dean College of Business, with regard to the 2006 UWF approach, and taking into consideration a unanimous UWF Faculty Senate Resolution on Salary Compression, the UWF Committee on Predicted Salary submits the following unanimous recommendation. The following definition (*adapted from UWF 2006 model and USC-Aiken 2011 model*) is a time-series normative model for determining compression by rank and years in rank. The **Predicted Salary Level** is composed of the following:

- **Salary compression** is defined as *the phenomenon where the salaries of newly hired employees approach, meet or exceed the salaries of those employees with greater rank and/or seniority.*
- **Calculation of Faculty salary compression** is accomplished through the use of a compression differential. The compression differential is the difference between the actual salary and the predicted salary of a given Faculty member.
- **Formula for Predicted Salary** is Average **Starting Salary Point** of an Assistant Professor multiplied by the **Norming Index**. See:



Where:

Norming Index = A table by rank and years in rank generated using a methodology adapted from the UWF 2006 model and USC-Aiken 2011 model and using the following three parts: a) % Spread by Rank, b) Inflation % Component, and c) Projected Uncompressed Salary Ratios.

- a) % Spread by Rank = The % variance between ranks using the average of CUPA medians for all UWF Peer and Aspirant Institutions using only the CIP² codes at UWF or, where those CIP codes are not represented by UWF Peer and Aspirant Institutions, using most recent CUPA medians for CIP codes from all Master's Public Institutions.
- b) Inflation % Component = 10 year moving average of the Social Security Cost of Living Adjustment (COLA).
- c) Projected Uncompressed Salary Ratio shall reflect contractual provisions relating to rates of promotional increases at UWF and expected progression toward promotion within seven (7) years to the rank of Associate or Full.

A Description of the Computation Method for the Norming Index is appended as Attachment A. The resulting table of **Norming Index** values by rank and years in rank is appended in Attachment B.

¹ Joint Committee members were: UFF representatives Dr. Susan Harrell, Justice Studies; Dr. Richie Platt, Management and MIS; and Dr. Susan Walch, School of Psychological and Behavioral Sciences; and Administration representatives Betsy Bowers, Internal Auditing; Dr. Susan Stephenson, Budget and Planning; and Dr. Hal White, Senior Administrative Fellow and Professor of Justice Studies.

² CIP code: Classification of Instructional Program.

Starting Salary Point (*defined below*) We are offering a unanimous recommended definition of Starting Salary Point and a compromise definition as a fallback if and only if the recommended definition is deemed inconsistent with Article 25.2.

Recommended Starting Salary Point:

- a) Where available, the starting salary is defined as the mean starting salary of all newly hired UWF Assistant Professors by discipline (as defined by CIP code) within the past three (3) years plus **one hypothetical new hire** by CIP Code at 100% of the most recent CUPA Median Salary for Peer and Aspirant institutions for Assistant Professors (where those CIP codes are not represented by UWF Peer and Aspirant Institutions, the most recent CUPA medians for those CIP codes from all Master’s Public Institutions shall be used).
- b) For this iteration of the formula, ***newly hired within the past three years*** refers to **Assistant Professors hired or under contract (or with a signed offer letter received in the Provost’s Office on or before May 15, 2012) to be in pay status from August 1, 2009 through September 1, 2012**, excluding those hired at a visiting Assistant Professor level, thus actually embracing hires for four academic years.

$$\begin{array}{l} \text{Starting Salary} \\ \text{Point for UWF} \\ \text{Assistant Professor} \\ \text{(per CIP code)} \end{array} = \frac{\text{(Newly hired UWF New Assistant Salary}_1 + \text{UWF New Assistant Salary}_2 + \dots + \text{UWF New Assistant Salary}_n + \text{one hypothetical new hire as represented by the Assistant Professor Median Salary value (As defined in Starting Salary Point))}{n+1}$$

After much discussion regarding the charge to the Committee included in Article 25.2, and the ambiguity about whether or not the Committee was constrained to include “an application of 90% of CUPA” in its recommendation, and whereas the Article did not specify which CUPA data to use, the Committee alternatively suggests using 90% of CUPA for the hypothetical new hire as an fallback compromise for this negotiation period instead of the recommended solution presented above in the event, and only in the event, that the recommended definition is deemed inconsistent with Article 25.2 of the UWF/UFF contract. The fallback compromise uses the same basic formula expressed above except for the value of the one hypothetical new hire in the definition of the Starting Salary Point.

Fallback Compromise Definition for Starting Salary Point:

- a) Where available, the starting salary is defined as the mean starting salary of all newly hired UWF Assistant Professors by discipline (as defined by CIP code) within the past three years plus **one hypothetical new hire** by CIP Code at 90% of the most recent CUPA Median Salary for Peer and Aspirant institutions for Assistant Professors (where those CIP codes are not represented by UWF Peer and Aspirant Institutions, the most recent CUPA medians for those CIP codes from all Master’s Public Institutions shall be used).
- b) Newly hired as defined under the **Recommended Starting Salary Point subsection b above.**

Attachment A

The following represents the Committee’s understanding of the computation method for the **Norming Index** as described by Associate Dean Dr. O’Keefe.

Projected Uncompressed Salary = The uncompressed salary of a hypothetical UWF Faculty member by rank and years in rank based upon contractual provisions relating to rates of promotional increases at UWF and expected progression toward promotion within seven (7) years to the rank of Associate or Full Professor.

Norming Index Table

- a) Starting with the average salaries used to establish the % spread by rank, normalized salaries by rank are computed over 35 years assuming annual salary increases based upon the **% inflation component** and preserving the % spread by rank relationship over time.
- b) The ratio of the projected uncompressed salary to the normalized Assistant Professor salary produces an expected relationship between an uncompressed Faculty salary and the salary of starting Assistant Professors at any given year in a 35 year career.
- c) The Table is organized by rank and years in rank assuming seven (7) years as Assistant, seven (7) years as Associate and 21 years as full Professor.

The hypothetical UWF Faculty salary will equal the normalized % Spread by Rank at three points in the career – the initial year of hire, approximately half way through the time as Associate Professor and half way through the time as full Professor.

COMPRESSION ADJUSTMENT TO FACULTY MEMBER i

$$\text{Compression Differential}_{it} = \text{Actual Salary}_{it} - \text{Predicted Salary}_{it}$$

$$\text{Predicted Salary} = \text{Starting Salary Point} \times \text{Norming Index}$$

$$\text{Norming Index}_{rt} = \frac{\text{Projected Uncompressed Faculty Salary}_{rt}}{\text{Normalized Assistant Professor Salary}_{rt}}$$

$$\text{Starting Salary Point} = \text{Recommended Definition or Fallback Compromise Definition}$$

i Individual Faculty member

r Rank

t Time in rank

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#

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Attachment B

Table of the Norming Index values by rank and years in rank

Compression Adjustment Percentages By Rank and Years in Rank						
Percent Adjustment to Mean Assistant Professor Salary						
Years in Rank	Assistant Professor		Associate Professor		Full Professor	Instructor
1	100.00%		112.24%		130.60%	69.34%
2	100.42%		112.71%		131.15%	69.63%
3	100.84%		113.18%		131.70%	69.92%
4	101.26%		113.66%		132.25%	70.21%
5	101.69%		114.14%		132.81%	70.51%
6	102.11%		114.61%		133.36%	70.80%
7	102.54%		115.09%		133.92%	71.10%
8	102.54%		115.09%		134.49%	71.40%
9	102.54%		115.09%		135.05%	71.70%
10	102.54%		115.09%		135.62%	72.00%
11	102.54%		115.09%		136.18%	72.30%
12	102.54%		115.09%		136.76%	72.61%
13	102.54%		115.09%		137.33%	72.91%
14	102.54%		115.09%		137.90%	73.22%
15	102.54%		115.09%		138.48%	73.52%
16	102.54%		115.09%		139.06%	73.83%
17	102.54%		115.09%		139.65%	74.14%
18	102.54%		115.09%		140.23%	74.45%
19	102.54%		115.09%		140.82%	74.76%
20	102.54%		115.09%		141.41%	75.08%
21	102.54%		115.09%		142.00%	75.39%
22	102.54%		115.09%			75.71%
23	102.54%		115.09%			76.03%

Assumptions:

1. Normative Rank Differentials Compared to Assistant Professor based on average salary by rank using only UWF CIP codes and peer and aspirant institutions
 1. Professor 136%
 2. Associate 110%
 3. Assistant 100%
 4. Instructor 72%
2. Assistant Professor for 7 years; Associate Professor for 7 years; Full Professor for 21 years

3. 9% bump on promotion to Associate; 13% bump on promotion to Full
4. Normal expectations would be for an Associate to reach the 110% norm by 4th year in rank; Full reaches 136% norm by 10th year in rank; Instructor reaches 72% norm by 10th year in rank.
5. NOTE: Using the relationship between assistant, associate and full professors based on CIP codes and peer and aspirant institutions as the normal salary differentials between the ranks makes it impossible to meet both the associate and professor norming assumptions. Holding to the assumption that a full professor will reach the 136% norm by the 10th year in rank requires annual increases that when combined with the 9% bump on promotion to associate immediately puts the associate professor above the 110% norm for associate professors. This situation is understandable given the relatively small differential between the normal assistant at 100% versus the associate at 110% combined with the 9% bump at UWF upon promotion from assistant to associate and regular pay increases while in rank at assistant professor.
6. Inflation rate 2.53% (SSA COLA most recent 10 year average (2002-2011))
7. UWF average annual increase to meet normative objectives 2.96%