

External Market and Compression Salary Allocations:

Guidelines for Distribution

Joint UWF – UFF Salary Committee, April 2007

The terms of the Reopener agreement stated that 2% of the faculty salary pool as of March 31, 2007, would be divided into two parts. The first 1% was to be used to raise salaries that were below a commonly accepted benchmark. The second 1% was to be used to begin correcting problems of salary compression. This may result when market rates for hiring new faculty exceed the salaries of longer-term faculty who have received only modest annual raises, possibly supplemented by one or two larger promotion bonuses.

The Joint Salary Committee implemented these provisions in the following way:

Part One: External Market Comparisons

1. We identified faculty who were on the payroll on or before May 1, 2006; who had received at least one performance evaluation during the last three academic years; and who had not received notice of nonreappointment or termination. Those who left the bargaining unit before the time the Reopener was signed (October, 2007) were removed, as were a few persons in faculty lines who were appointed on grants or contracts that did not permit such raises.
2. The salary pool available for distribution was 2% of the salaries of these eligible faculty on March 31, 2007. This amount was approximately \$311,342. One-half of this amount, \$155,671, was available for distribution based on market rates and the same amount was used to begin to correct compression.

3. A comparator salary was determined for each eligible faculty member based on that person's rank and discipline. We used 2006-2007 salary data from the College and University Personnel Association (CUPA) for Public Master's Institutions as our comparison as specified in the Reopener. We used median salaries by rank and discipline for instructors, new assistant professors, associate professors, and full professors. UWF lecturers were considered equivalent to instructors and persons with non-professorial titles (e.g., Research Associate) were assigned to appropriate ranks by their respective Deans. Comparators for Librarians were chosen by rank from data published by the Association of Research Libraries.

4. All salaries were adjusted to 9-month equivalents and salary increments due to TIP and PEP awards were removed as specified by terms of the Reopener. (This was done to avoid "penalizing" meritorious faculty whose salaries had been raised in the past due to these awards.) These adjusted actual salaries were compared with the appropriate comparator medians. Total "underpayment discrepancy" was calculated for all eligibles. For those who were underpaid (about 54% of those considered), their discrepancy was divided by the total discrepancy, and this percentage was multiplied by the 1% amount available for distribution. Following this process, 170 faculty received allocations because their salaries were below the CUPA or other comparator median. This amount was added to adjusted salary before compression allocations were calculated.

Part Two: Compression Allocations

The Committee researched various published methods for correcting for compression and decided to model our approach on that of the University of South Carolina Aiken (2005).

This approach identifies the normative comparative relationships by rank of salaries in a discipline based on salaries at hire and increases over time due to annual and promotion raises. For example, at UWF, if average new assistant professors' salaries are set at 100%, 3-year (mid-rank) Associates would be at 119% and 11-year (mid-rank) Full Professors at 150% of that figure. For all ranks except Professor, time in rank at UWF was not awarded beyond six years because promotion could be expected at that point. Note that this approach adjusts for both compression within ranks and compression across ranks (e.g., Assistant vs. Associate Professors).

1. For each person, an expected salary was calculated based on (a) the median Assistant Professor salary for new hires in that department; (b) the percentage associated with the person's current rank and number of years in rank at UWF. If there were no Assistant Professor hires within the last four years in a department, the corresponding CUPA median salary for new assistant professors was used.
2. Each person's expected salary was compared to actual salary (after adding market comparison raises from Part One) to identify compressed salaries. These underpayments were summed across faculty. For each person whose salary was compressed, a percentage was calculated to represent the portion of total compression due to that individual's salary.
3. Following terms of the Reopener agreement, we adjusted compression awards based on performance. Annual evaluations by immediate supervisors were examined for the last three years and each person received a score of 3 (outstanding), 2 (above average), or 1 (average) based on the highest overall rating during that time. (All scales were reduced

to a 3-point scale.) We used overall ratings where available and used the rating for teaching when there was no overall rating.

4. In the interest of equity across the faculty, we capped compression awards at \$2000. This figure was chosen because it approximates 2% of the highest median salary for new assistant professors in the most severely compressed department and because it produced an acceptable range of percentage adjustments across eligible faculty. Each compressed salary was raised to at least 5% but no more than 16% of the amount necessary to correct fully for compression. These allocations were awarded to 173 faculty.

Under these Guidelines, some faculty will receive raises due to external market comparisons, some will receive raises to address compression, some may receive both, and some may receive neither. Increases are effective retroactive to April 1, 2007, and summer salaries will be based on the new rates.

The Joint Salary Committee recognizes that with the available funds we were only able to begin the process of correcting faculty salaries for market equity and compression. The funds have been distributed in accord with the terms of the negotiated Reopener agreement. Market equity adjustments have been based on appropriate external benchmarks. Compression adjustments have been calculated from appropriate discipline-specific targets and merit-adjusted based on annual evaluations. It was our intent that our work be objective, careful, transparent, and consistent with the wording and the intent of the Reopener.

Reference

University of South Carolina Aiken (2005). *Faculty salary study (2004-2005) conducted in May 2005*. Retrieved March 2007 and May 8, 2007, from <http://ie.usca.edu/research/Faculty/Facsal2005.pdf>

For further information about this project, please contact any member of the Joint Salary Committee.

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