2014 Faculty Salary Study Methodology

Institutional Research used the faculty salary adjustment formula recommended by the Faculty Senate Executive Committee (FSEC) that specifically addresses compression to develop a model to determine faculty salary adjustments. This is the FSEC formula:

\[
Salary = a \times (1 + x_1 \times 0.02 + x_2 \times 0.04)
\]

- \(a\) = Average CUPA salary by four-digit CIP Code for peer institutions (when information for peer institutions was not available we used all public Master’s institutions)
- \(x_1\) = \(z\) (standardized) score based on years in rank multiplied by 0.02
- \(x_2\) = overall Faculty Annual Report (FAR) score minus 3.5 (above expectations) multiplied by 0.04

(0.02 and 0.04 were coefficients used to proportionally address years of rank and merit).

Study methodology:

- Included Teaching and Research Faculty at all ranks with one or more years of service at RU except for Full-Time Temporary (FTT) faculty. This was a departure from the FSEC recommendation to include only tenured associate and full professors.
- Used CUPA data except in those instances where it was not available. When the peer group data were not available, we defaulted to “All Master’s-Public” and in a few cases to “All Public Institutions.”
- Placed caps on the amount of adjustments to ensure that no faculty member’s salary adjustment exceeded 10% of his/her 2013 contracted base salary or the appropriate peer CUPA 60th percentile.
- Used a figure of 20.24% (provided by RU’s Budget Director) to calculate cost for additional FICA and benefits.

Institutional Research developed a model that proportions adjustment amounts based on the total dollar amount entered. In other words, IR takes the dollar amount provided by the university leadership, enters it into the model, which in turn provides the adjustment amount given the constraints outlined above for each faculty member included in the study.
# 2014 Faculty Salary Study – How to Read Faculty Sheets

### Dr. Sample Faculty

<table>
<thead>
<tr>
<th>Rank</th>
<th>2013 Base Salary <em>(minus stipends)</em></th>
<th>CUPA 10th Percentile</th>
<th>CUPA 60th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$100,000</td>
<td>$95,000</td>
<td>$125,000</td>
</tr>
</tbody>
</table>

| CUPA Average Salary                  | $120,000                            |
| Years in Rank *(Adjustment may be negative)* | 20                                |
| Overall FAR Score                     | 3.900                               |
| Calculated Salary *(Lesser of total adjustments or 60th percentile)* | $124,700                           |
| Calculated Adjustment *(calculated salary minus base salary)*     | $24,700                             |

| 2013 Base Salary *(minus stipends)* | $100,000                            |
| Proportioned Adjustment *(calculated adjustment scaled to $800,000)* | $2,500                             |
| Adjusted Base Salary *(base salary plus proportioned adjustment)* | $102,500                           |
| 10th Percentile Remaining                  | $0                                  |

### NOTES:

2011 Faculty Salary Study Adjustment: $1,500

*Generated March 27, 2014*
Ideal Salary Model
Salary Ranges by Discipline & Rank
The Faculty Senate Executive Council conducted a faculty salary survey to learn faculty members' preferences with respect to salary adjustments. Faculty members' top preference was to address issues of compression and inversion. Other priorities included increasing salaries of faculty with the lowest percentile ranking among peer institutions (2nd choice) and awarding merit pay based on FARS (3rd choice). Faculty strongly supported increasing salaries proportionally to move faculty toward more competitive salaries at peer institutions. There was also support for increasing promotion amounts from assistant to associate and associate to full. Faculty were opposed to allowing deans to develop their own model for distributing the funds.

Based on the comments, there seemed to be a strong consensus that any adjustments to compression and inversion should include controls for merit and years at rank. Many responses also seemed to suggest that a multivariate approach is needed.

Because most compression and inversion occurs at the associate and full professor rank, the Faculty Senate Executive Council recommends including only tenured associate and full professors in the next round of faculty salary adjustments. We further recommend that anyone with salary above the 60th percentile of our peer group be excluded and that anyone be excluded for whom the salary adjustments would be a decrease.

Recommendation:

The Faculty Senate Executive Council recommends that the next round of faculty salary adjustments utilize the following multivariate model, which would (1) address issues of compression and inversion, (2) increase salaries of faculty with the lowest percentiles, and (3) award merit pay based on FARS, all while making those adjustments proportional based on available funds:

\[ S = a + (x_1 * a) * 0.02 + (x_2 * a) * 0.04 \]

OR

\[ S = a * (1 + x_1 * 0.02 + x_2 * 0.04) \]

where:
- \( S \) = what salary should be
- \( a \) = average CUPA salary by CIP code and by rank for peer institutions
- \( x_1 \) = z-score based on years at rank, using data for all faculty at RU within that rank
- \( x_2 \) = overall FAR score - 3.5
  - Note: In order to be eligible for merit adjustments, faculty must have an overall FAR score of 3.5 (above expectations) or higher
  - Note: Subtracting 3.5 gets everyone with 3.5 FAR scores to “0” in merit pay
- \( b_1 \) and \( b_2 \) = coefficients to proportionally address years at rank and merit according to value placed on those emphases

Distributing Funds for Salary Adjustments:
Compute the differential between faculty members' current salaries and “S” and find the sum of all needed adjustments. Divide the funds available by the funds needed to compute the proportion adjustment possible. Multiply that proportion times each faculty member's differential to determine each faculty member's raise.