

To: Faculty Senate
From: Budget and Economic Status Committee
Date: April 1, 2005
Re: 2004-05 Committee Report

Committee Members: Chair, Stephanie Smullen; Fritz Efaw, Larry Etkin, John R. Garrett, Kay Lindgren, Cheryl Robinson, Tom Rybolt, Joe Wilferth; ex-officio, John Friedl

The Budget and Economic Status committee has spent many hours researching and discussing a number of concerns this year. We have recommendations in several areas:

(1) The distribution of Academic funds between colleges must carefully consider student needs. The trends in enrollment and faculty hiring over the past 10 years have been summarized from OPEIR data sheets in the file CollegeDepartments-Fall 90-04.xls.

(2) It is apparent that students will bear an increasing proportion of the cost of a UTC education. It is important that students have a detailed breakdown showing where their dollars are going at UTC. Many state universities (e.g., North Carolina, South Carolina, Colorado) provide such a description.

(3) Increased student enrollment must be accompanied by increased faculty. Adjustments in class sizes, such as increasing the maximum size of classes and limiting the offerings of low enrollment classes will assist in providing classes for the students. The committee realizes that special projects, honor projects, independent study and research are by their very nature "low enrollment classes." This recommendation is not intended to restrict the offering of such classes.

However, there are limitations on class size adjustments. The class rooms do not expand to hold an unlimited number of students. Student assistants for faculty in large classes are not readily available. Without teaching assistants the sizes of many classes cannot be increased without severely reducing student interaction. A general rule can be developed to indicate the number of new faculty needed to serve the increased student population – such as, add 4 faculty members for every 100 students. Such a rule could ease decisions about the distribution of additional tuition funds brought by the increased student enrollment.

(4) The Budget and Economic Status committee has worked for several years to address salary compression issues. The Faculty Senate agreed last year that salary compression should be reduced. The Provost included funds in Academic Affairs' current year's budget and 3-year proposed funding plan to address compression.

The 2004-05 average salaries for each UTC department at each faculty rank and CUPA national averages for all public universities for each discipline at each faculty rank were provided by OPEIR. Adjustments to each salary are made according to this model:

$$\text{CUPA Average} - \text{UTC Salary} + \text{Adjustments} = \text{Salary Gap}$$

Salary compression adjustments are not intended to be used for merit raises. The Adjustments variable is used to address issues of merit and time-in-service. The committee recommends the following adjustments:

- (1) \$250 for each year of service at UTC
- (2) \$1000 for each Exceptional Merit rating given within the past 10 years
- (3) There may have been inequities introduced into the Exceptional Merit rating system due to the 20% quota. To address any possible inequities, each department head could add a maximum of 1 "Exceptional Merit" adjustment. Justification for this additional adjustment is required.

If the individual's UTC Salary + Adjustments exceeds the CUPA Average the Salary Gap will be \$0 – not a negative number.

The Salary Gaps for all individuals are summed to give a Total Salary Gap. Each year the pool of money available for adjustments (less 19% fringe benefits) is divided by the Total Salary Gap to identify the proportion of the gap to be addressed that year.

For example, a faculty member's salary is \$55,000, with 8 years of service and 1 Exceptional Merit Rating. The CUPA Average salary in her/his department is \$60,000.

$$\$60,000 - \$55,000 + \$3,000 = \$8,000$$

If the adjustment pool is \$400,000 and the Total Salary Gap is \$2.4 million, the percentage of the gap addressed is 16.7%. This example faculty would receive an adjustment of $(0.167 * \$8,000) = \$1,333$.

A summary of the funds needed to raise the average salary by rank for all departments to at least 100% of the 2004 National Average is shown below. Detailed departments data is available (CUPA Comp-All Publics 2-1-05Adjustments.xls). All of the compression adjustments shown in this table assume that the value of the Adjustments variable is 0. These figures are based on the departmental averages and not individual salaries.

	<u>N</u>	<u>UTC Ave. Dec, 04</u>	<u>National Ave. Pub. Univs.</u>	<u>% of National Average Dec, 04</u>	<u>\$ to be 100% of National Average</u>
Assistant	81	50,492	53,401	94.6%	284,779
Associate	69	59,760	63,584	94.0%	388,013
Professor	123	71,184	83,422	85.3%	1,749,655
Salary Gap	273	62,157	66,802	93.0%	2,422,447
19% Fringe Benefits					460,265
TOTAL Salary and Fringe Benefit Increase Required					2,882,712

Currently UTC salaries overall are 93% of the national average. Salaries at the assistant and associate level are 94.6% and 94%, respectively. However, salaries at the professor level are only 85% of the national average.

The greater compression at the rank of Professor is largely due to the lack of Cost of Living adjustments over the past 10-15 years. The BLS Inflation calculator shows that a salary of \$10,000 in 1995 is equivalent to a salary of \$12,400 in 2004. To keep up with the Cost of Living requires a 24% raise over the past 10 years. As a rule those at the Assistant and Associate ranks have not been at UTC as long and therefore not seen their salaries reduced as much from the lack of annual Cost of Living adjustments.

NOTE: For comparison between ranks. Promotion from Assistant to Associate normally requires at least 5 years at the Assistant rank and provides a \$2000 salary increase. Promotion from Associate to Professor normally requires at least 5 years at the Associate rank and provides a 10% salary increase.