

To: Faculty Senate
From: Budget and Economic Status Committee
Stephanie Smullen, Chair
Members: Fritz Efaw, Lawrence Etkin, John Garrett, Kay Lindgren, Ed
McMahon, Sean Richards, Cheryl Robinson
Date: April 11, 2006

1. Merit raises should not be given when adjustments are not made for cost of living for all employees. Merit pay is desirable, however, the pool for cost of living adjustments should not be the same as the pool for merit pay.
2. Proposed budget figures for expenditures from additional tuition revenue are available (see attached 2006-2007 Budget Summary.doc). These figures assume that the state will provide 1% (\$565,000) for raises and the remainder will come from tuition monies. If the legislature is able to give additional funds to UTC, the committee recommends that these funds are allocated in this order:
 1. \$565,000 for additional 1% raises
 2. \$400,000 for faculty compression adjustments (in addition to the funds for compression adjustment listed as a use for tuition funds).
 3. \$791,000 for additional 1.4% raises to fully adjust for 2005 Cost of Living increase of 3.4%
 4. Merit pay
 5. Other increased expenditures
3. The committee has discussed the inequities inherent in awarding \$2000 for promotion from Assistant to Associate and 10% (\$6200 on average) for promotion for Associate to Full Professor. The \$2000 fixed amount was set when both promotions had a fixed salary increase and has not been changed in many years. The committee proposes that the increases for both promotions be percentages, allowing them to rise as salaries increase. The percentages should be:
 - 8% of Assistant Professor salary for increase from Assistant to Associate
 - 10% of Associate Professor salary for increase from Associate to Full
4. The Staff pay adjustment plan accounts for years of service by reducing the total adjustment amount (difference in salary and comparable CUPA salary) to a percentage ranging from 80% to 98%, specifically:

| Years of service | Percent of total adjustment |
|------------------|-----------------------------|
| 0- 3 | 80% |
| 3- 7 | 85% |
| 7-15 | 90% |
| 15-20 | 95% |
| Over 20 | 98% |

A spreadsheet is attached (Faculty\$Adjustments.xls) that gives the Total \$ adjustments needed by Department and Rank using these percentages and 2004-5 salary and years of service figures. Full salary compression adjustment requires about \$2 million. Since it is expected to take a number of years to fully address the compression, the distribution of dollars for partial adjustments is provided. Entering the dollars available in the yellow box at the top of the table computes the distribution of funds for partial adjustments.

5. The committee based its recommendations on 2004-05 CUPA figures and comparable UTC salaries. The CUPA 2005-06 figures recently became available. The attached spreadsheet (CUPA Comp-AllPublic2004&2005.xls) has 3 worksheets with the CUPA/UTC 2004-05 comparisons, CUPA/UTC 2005-06 comparisons and a summary of the two years.

Clarification for items 4 and 5.

All adjustments and averages presented are for 9-month faculty. The committee does not have CUPA data for 12-month faculty, so they are not included in these tables. It seems reasonable to assume that their salaries are similarly compressed.