Faculty & Staff Salary Adjustments

Armstrong State University

22 April 2016

Christopher Corrigan
Vice President, Business & Finance

Dr. Robert Smith
Provost and Vice President, Academic Affairs
Recommendation of the Salary Adjustment Committee December 2014

- Achieve 100% of CUPA average salaries by 1 July 2017
  - 1 July 2014 – 90% (complete)
  - 1 July 2015 – 93% (complete)
  - 1 July 2016 – 97%
  - 1 July 2017 – 100%

- Triggers for discussing possible changes in the schedule of adjustments:
  - State Budget Reduction
  - Enrollment Decline
  - Unanticipated One-time Budget/Financial Obligations
Salary Increase History

**FY 2012**
- Market Adjustments - $454K
- Merit Adjustments - $0

**FY 2014**
- Market Adjustments - $140K
- Merit Adjustments - $0

**FY 2015**
- Market Adjustments - $685K
- Merit Adjustments - $337K

**FY 2016**
- Market Adjustments - $316K
- Merit Adjustments - $216K

Note: Since 2012, $2.1M applied to market and merit adjustments
FY17 State Funded Salary Increase

- State appropriated funds were provided for approx. 2.56% increase ($934K)
- University funds are required to complete a 3% increase ($158K)
- Increases must be distributed on a merit basis – 0% to 5%
- Across the board increases are not permitted
FY17 State Funded Salary Increase (cont)

- Eligibility for merit increase:
  - Hired before 1 Jan 2016
  - No other salary increase since 1 Jan 2016
  - For staff – not rated “unsatisfactory” on last performance eval
  - Faculty or Staff – no performance related issues as determined by Dean or Department head
Merit Salary Increase Process & Tentative Dates

- Distribute adjustment sheets and instructions to VP’s
  - May 6, 2016

- Department Heads provide proposed increases to VP
  - May 13, 2016

- VP’s submit increases to HR
  - May 20, 2016

- Salary Letters distributed to employees
  - Not later than June 10th, 2016

- New salaries effective – 1 July 2016
2016 Staff Salary Study

- Based on current market data
- Overall, the market salary comparables increased by about 5% since 2013 when the last study was completed
- CUPA averages varied by pay band
- The average staff salary is currently 91.1% of CUPA average
- 157 individuals are below 90% of the CUPA average based on this study
  - it would cost $586K to move them to 90% of the average.
2016 Faculty Salary Study

- Based on CUPA data as of 31 December 2015
- CUPA averages varied by CIP code
- The average faculty salary is currently 94.0% of CUPA mean compared with 93.9% in the 2013 study
- 78 individuals are below 90% of the CUPA midpoint based on this study and it would cost $251K to move them to 90% of the CUPA mean
2016 Faculty Salary Study

Armstrong
Salary as Percent of Comparators

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary as Percent of Comparators</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>94.2</td>
</tr>
<tr>
<td>2011</td>
<td>95.3</td>
</tr>
<tr>
<td>2013</td>
<td>93.9</td>
</tr>
<tr>
<td>2016</td>
<td>94.0</td>
</tr>
</tbody>
</table>
2016 Faculty Salary Study

2016 ASU Salary as Percent of Comparators
By Rank

<table>
<thead>
<tr>
<th>Rank</th>
<th>ASU</th>
<th>Professor</th>
<th>Associate Professor</th>
<th>Assistant Professor</th>
<th>Instructor</th>
<th>Senior Lecturer</th>
<th>Lecturer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>94.0</td>
<td>95.4</td>
<td>94.6</td>
<td>92.2</td>
<td>88.0</td>
<td>100.8</td>
<td>94.4</td>
</tr>
</tbody>
</table>
Costs for adjustments to 97% and 100% of CUPA averages

- Staff Salaries (from 2016 Salary Study)
  - 97% of CUPA average $1.44M
  - 100% of CUPA average $1.92M

- Faculty Salaries (from 2016 Salary Study)
  - 95%* of CUPA average $755,000
  - 100% of CUPA average $1.45M

*97% data not available
Student FTE Trends

Total Student FTE for Fall Term

Fall Enrollment
2017 Fiscal Environment

- Small Enrollment increase projected for FY17 (0.5%)
- Zero percent tuition and fee increase
- Increased general operating funds from State Appropriation – 0.5%
  - Overall, undesignated E&G revenue is up 0.7%
- Some cost increases: Health plan premiums, Liberty Center Facilities costs, University portion of merit increase

Any market based salary adjustments must come from cuts in other parts of the budget.
FY2017 Salary Adjustment Plans

- Merit increases averaging 3% will help overall, but will not address all of those whose salaries are below the 90% of CUPA averages.

- $200,000 allocated in the FY17 budget to adjust those faculty and staff the furthest from the minimums (90% of average)
  - We intend to apply the limited market adjustment funds in a way that prioritizes both the lowest paid and those farthest away from the minimum.
Next Steps for Market Salary Adjustments

- Recommend establishing “guiding principles” for reviewing and adjusting market based salaries
- Firm goals must be weighed against the potential costs (which will likely continue to increase)
- Some potential principles:
  - Perform market salary studies every two years and publish and discuss results
  - Prioritized funding to move those below 90% of CUPA average to at least the minimum
  - As new revenue becomes available, budget funds so that all new hires are hired at the minimum (90%) salary