

**“Draft--University of Florida Faculty Senate
Committee on Faculty Compensation
May 2009**

The following comments, diagrams, and recommendations constitute the Spring 2009 report of the Senate Committee on Faculty Compensation. General comments are given below and are followed by a series of graphs providing both intra- and inter-university comparisons. Explanatory notes are provided for each figure (Section E).

A. Data Sources:

1. Unless otherwise noted all data are from the 2007-2008 academic year.
2. Average salaries by rank are from either AAUP or AAU tabulations. These data are self-reported by each institution and are, as a consequence, largely identical. AAU data submitted by UF were not made available.
3. In all cases the inter-university comparisons are exclusive of medical colleges.
4. Multiyear data comparisons are from both public AAU and AAUP sources.
5. Evaluation of UF raises for 2008-09 are based on data provided by UF HRS.

B. Salary Comparisons. All comparisons of university-wide average salaries, either internal or external, are dominated by discipline-based salary differences. For example, although compilations of university-wide averages typically show a discrepancy between male and female salaries, these differences are small when compared to discipline-based differences. Any evaluation of gender or other internal inequities, therefore, needs to be done by discipline in order to properly evaluate the extent of bias, if any. A typical comparison between UF and UNC-CH, for example, is inherently flawed if university-wide average salaries are used because significant differences in disciplines exist between the two universities, e.g., UNC-CH does not have colleges of engineering and agriculture. Even college-to-college comparisons must be done with care because at UNC-CH Fine Arts are within Liberal Arts and Sciences, rather than a separate college as at UF. As with gender comparisons, comparisons with ‘peers’ needs to be done on a discipline basis.

There appears, therefore, to be value in developing a basis for conducting discipline-based, inter-university, salary evaluations in the future. The UF receives data from the annual Oklahoma State Salary Survey and AAU data exchange, both of which are discipline based. Specifically, both are reported by rank and CIP number (CIP=Common Instructional Program). To make useful comparisons to UF (or any individual university) it is necessary to define budget units on campus in terms of one (or more) CIP designations. UF’s CIP

designations are available at the UF IR website and each budget unit is encouraged to review these designations to assure they are appropriate for their unit.

C. Comments on distribution of raises from fall 2008

1. Net increase in all faculty salaries for 08-09 as of March 2009

Total dollars: \$22.5M (4.4% of \$520.5M base)

Allocation: Merit = 2.38% (\$12.4M)
 Promotional Raises = 0.25% (\$1.3M)
 SPPP Raises = 0.25% (\$1.3M)
 Market Equity = 0.58% (\$3.0M)
 Other Raises = 0.94% (\$4.9M)
 Bonuses not included

2. Merit Raise Distribution (all units):

Average Merit Raise in % = 2.53 (~6000 faculty)

Maximum Merit Raise = 27.8%

Minimum Merit Raise = 0.0 % (~190 faculty or ~3%)

3. Average Merit Raise per budget unit

IFAS = 3%

E and G = 3%

Medicine = 2%

4. Non-merit pool increases

The market equity allocation negotiated by the UFF was apparently applied across all UF budget units at 0.25% of total salary budget.

Roughly 4x that amount was listed as "other" raises, which appear to be totally discretionary.

SPPP and promotional increases were identical at 0.25% of the total salary budget; however, the equivalence of these increases has not been stated as a policy.

5. Average, non-medical salaries for UF for 2007-08 are:

Professor	\$109,300.
Associate Professor	\$73,000.
Assistant Professor	\$62,500.

D. Recommendations:

1. The Senate should set aside funds to purchase data from AAUP in future years, which will provide access to the data in sortable formats (e.g., EXCEL) and the ability to acquire specialized datasets.

2. A more formal arrangement should be made between the Senate and the UF administration to routinely share internal salary data (for campus) as well as data

submitted to the AAU. Most AAU data used in this report are from the University of Colorado (Boulder) and Oregon State University web sites, which provide salary analysis relative to AAU institutions.

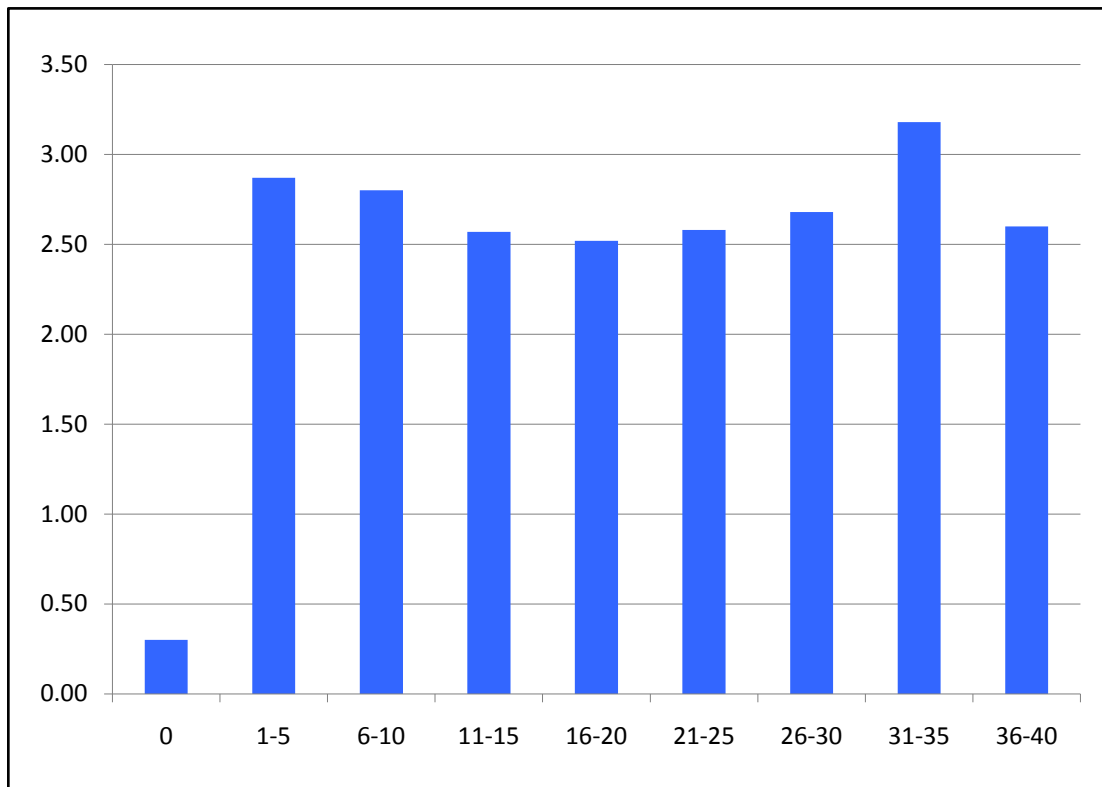
3. The senate should initiate, or urge the administration to initiate, an effort to review CIP numbers for all budget units on campus based on self-evaluation by each budget unit. This is important for accurate salary analysis as well as for the upcoming transition to the RCM budget model.

4. The UF must take stock of the data reported here (and in previous years) and make some important decisions regarding our competitiveness for hiring and retaining faculty. We are now on par or below institutions in the south Atlantic region based on AAUP data, while we continue to substantially lag our AAU public, flagship competitors, whether land grant or not, in both salary and student-teacher ratios. The double deficits of overall salary level and student/teacher ratios make the fiscal challenge extremely imposing and one that will not likely be addressed successfully with the “business as usual” model under which the university currently operates. We suggest that a joint Presidential-Senate task force be convened to address this issue with a mandate to develop alternative models for the funding and delivery of an education that is enhanced, rather than diminished, at all levels, yet yields a more competitive salary structure for the UF as a whole. The current budget crisis presents a unique opportunity to look at rebuilding over the next few years and embracing a less traditional, and at least equally effective, educational model that may be developed concurrently with implementation of RCM.

E. Graphical presentations

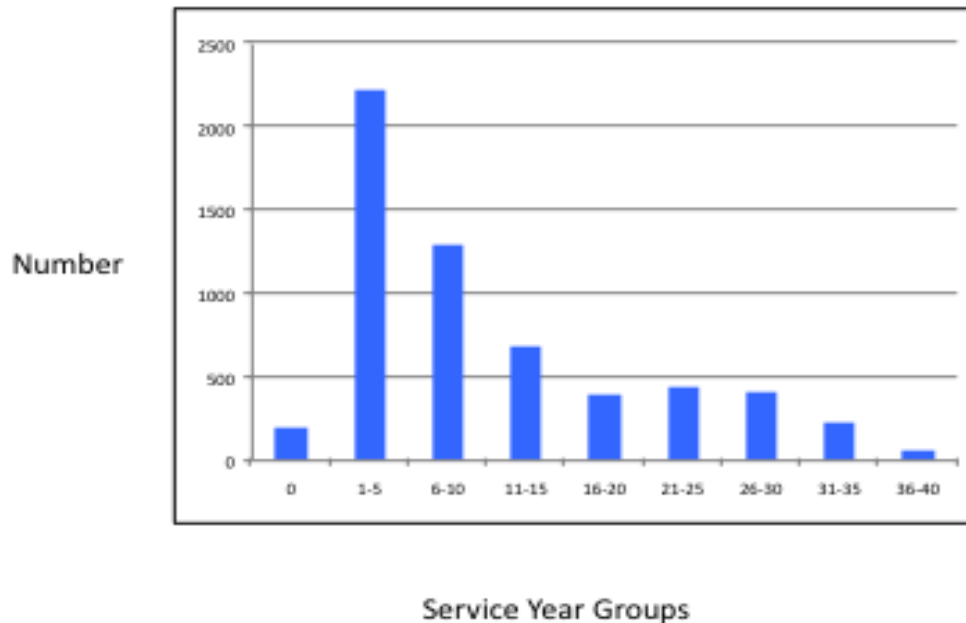
The following pages present both intra- and inter-university comparative data in graphical form for a range of salary issues. As noted above, all inter-university comparisons are based on data from the 2007-08 year; 2008-09 data (from UF HRS) are used for internal comparisons.

Raise % Compared to Service Years Across All Units



The data show that for 2008-09 there was little bias in the allocation of raises (y-axis as percent) based on years of service (grouped in 5-year increments on the x-axis). Because years of service generally correspond to age, these data suggest that compression was not exacerbated by the application of merit criteria across all budgetary units this year and that age-bias was not prevalent. The fact that only one of the categories reaches 3% reflects the fact that raises in the Medicine budget unit averaged ~2% of the August 2007-08 state payroll, rather than 3%. The increases awarded to faculty with 0 years service lies outside of the guidelines for distribution of merit raises provided by the Provost's office.

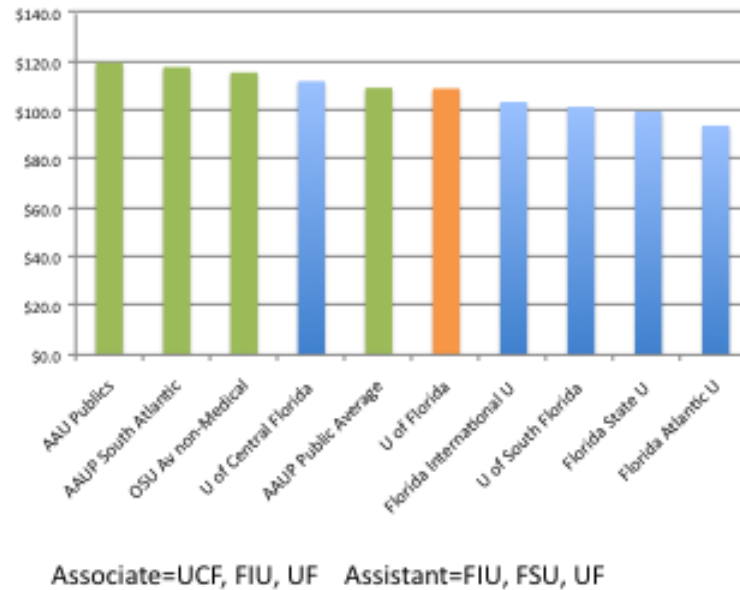
Service Year Populations for UF Faculty



These data show that the current faculty is strongly concentrated in the window of 1-10 service years. This observation suggests:

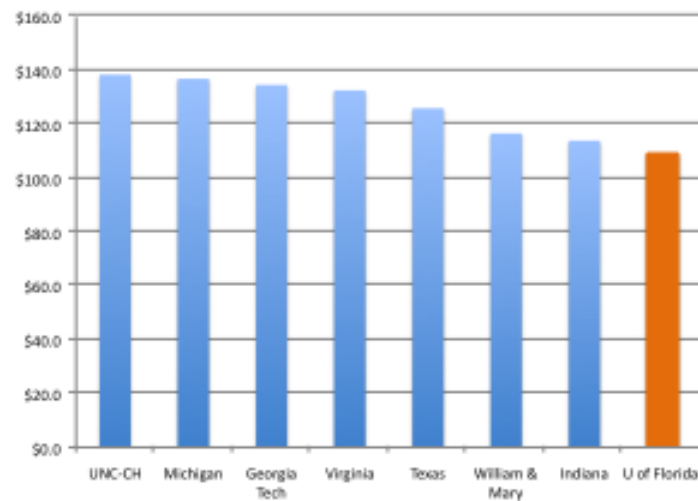
1. There has been a significant loss of experienced faculty at UF over the past several years. The cohort of faculty remaining from the strong hiring that characterized the 1980s is quite small. This loss is likely indicative of a variety of issues, including DROP. As the data in the following graphs indicate, this loss of senior faculty is also likely to reflect the lack of an acceptable financial career path as either a professor or an administrator. This lack of retention must be addressed if the UF's aspirations to become a top tier university are to be fulfilled. Continually replacing experienced (and likely most successful) faculty on relatively short time scales is an expensive proposition that will likely restrict the university efforts to reach top tier status.
2. The current high proportion of faculty in the 1-10 year service range also suggests a growing cost of annual salary increases, if this population is to be retained.

Professor: SUS Carnegie Type I 2007-08



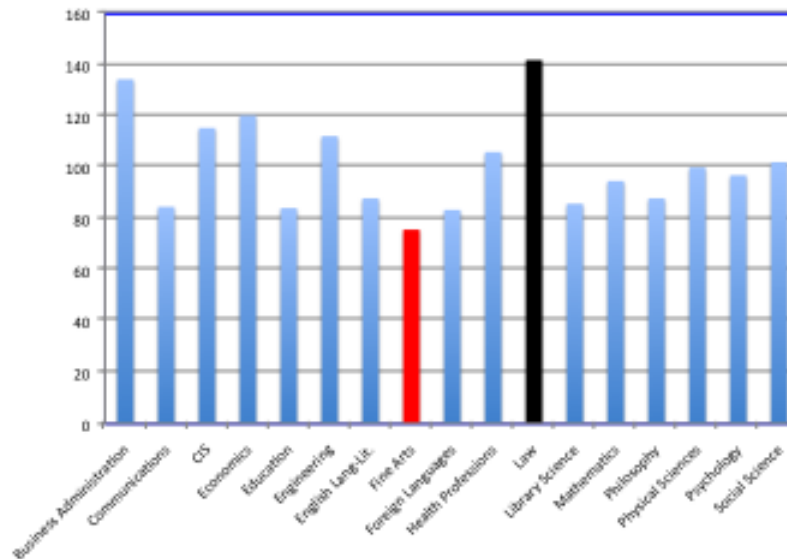
Composite showing average (non-medical) salaries (in thousands) for the rank of Professor for UF, other Florida Carnegie Type I universities, and regional and national averages as labeled. Data available at the AAUP website provides additional breakdowns for gender and other ranks for all institutions. Data by rank for AAU institutions are provided later in this report (pgs. 10 and 11). The order of listing for Asst. and Assoc. Professors correspond to their relative rank in this group, i.e., UF assistant and associate professors rank 3rd among Florida's state universities. The Carnegie I rating is used only to limit the number of Florida universities included in the comparison. The AAUP publics database, for example, includes all Carnegie categories. These data show that UF salaries are at or below the averages of all universities both nationally and regionally and reflect the overall low level of salaries for Florida's universities.

Average Professor Salary (1000s) for Top Tier Publics
(non-land-grant)



A comparison of average salaries (in thousands) for the rank of professor at top tier public institutions used as benchmarks for UF during the past several years is provided above. As noted previously, these institutions are not the disciplinary equivalents of UF because they are not, among other things, land grant universities. Comparisons of average salaries, therefore, may be biased to varying degrees that are dependent on the actual disciplines represented in each average.

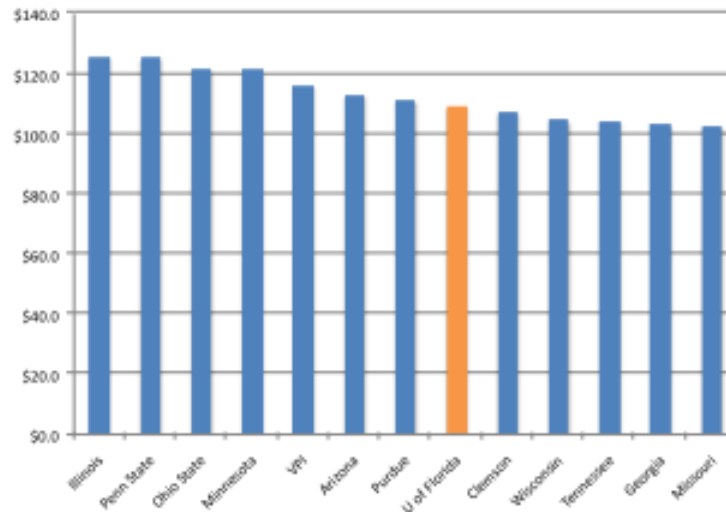
05-06 Discipline Averages as % of Overall Average



As noted on the previous page and in the general comments, salary differences across disciplines are large when compared to differences between universities or between gender- or ethnic-based groupings within an individual university. The data are from AAUP for the 05-06 year and are calculated relative to the overall average of the salaries (in thousands) of the disciplines listed. Law (black) and fine arts (orange) represent the extremes of average salaries by discipline nationally, with a total range of ~100%. Though not current, these data undoubtedly provide some insight into relative, discipline-based salaries at any individual institution and the need to take discipline into account when compiling salary data for colleges or universities.

For UF the range of average salaries is similar for non-medical units, however, Business Administration (\$129,000) is higher than Law (\$103,000); both exceed Fine Arts (\$65,000).

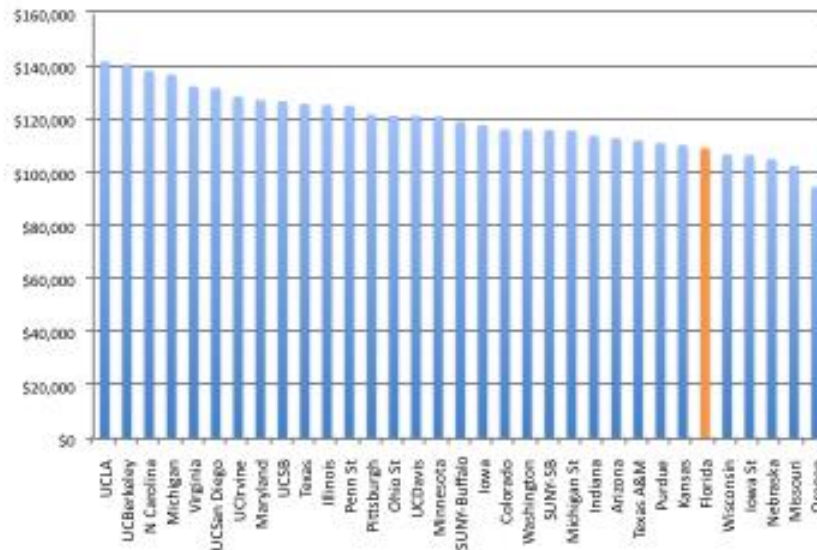
Average Professor Salary at Land Grant Flagships
(in 1000s)



Based on the disciplinary differences shown on the preceding page, salary comparisons for UF may be more accurately depicted by comparisons to other land grant, flagship universities. The plot above is for the rank of professor and shows UF to be slightly more competitive in terms of salary in this population than in the population of non-land grant, flagship institutions. Nonetheless, two significant observations remain:

1. UF is still significantly below many of our land grant peers. To raise the UF to the level of Ohio State, Penn State, Illinois, etc. will require large sums of salary dollars, e.g., ~\$10,000 per professor. As noted in the age demographics presented earlier, this cost will rise significantly in the near future as the 1-10 year service group advances in rank because averages for the asst. and assoc. ranks have are also below the averages by rank at the same institutions.
2. The UF must determine whether it is willing and able to compete financially with the public AAU top tier universities that are not land grant institutions because the salary differential for professors is roughly +\$30,000 per faculty member compared to the universities with the highest average salaries (page 7).

Professor: AAU Publics 07-08

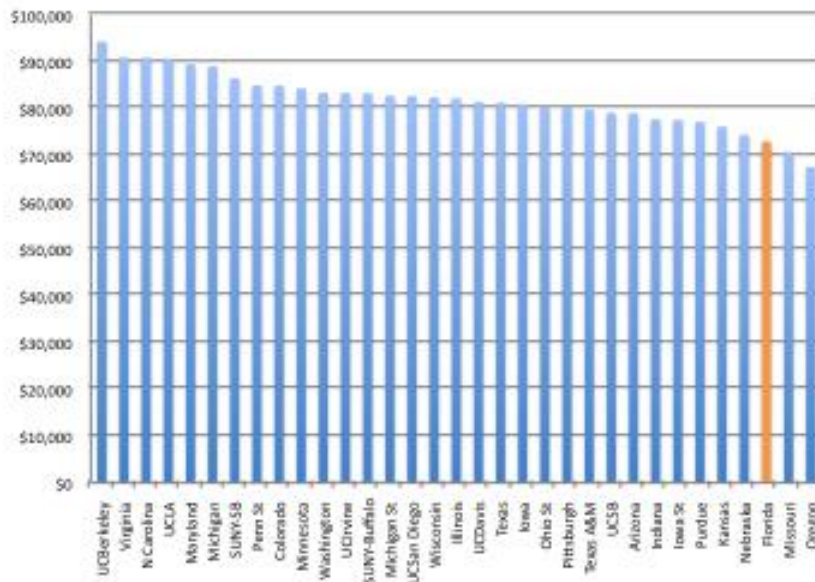


UF Rank by Year: 2004=26; 2006=27; 2008=28

This plot depicts average salary of UF professors compared to all AAU public institutions. Annual comparative data are from the University of Colorado (Boulder) institutional data website (<http://www.colorado.edu/pba/facstaff/facsal/2007-2008/index.htm>), as are the data for associate and assistant professors depicted on the next page. The shortfall at UF compared to the highest salaried institution (UCLA) in terms of dollars (~\$32K) and percentage (23%) is substantial, and probably offers some insight into UF's low retention rate for faculty (see page 5).

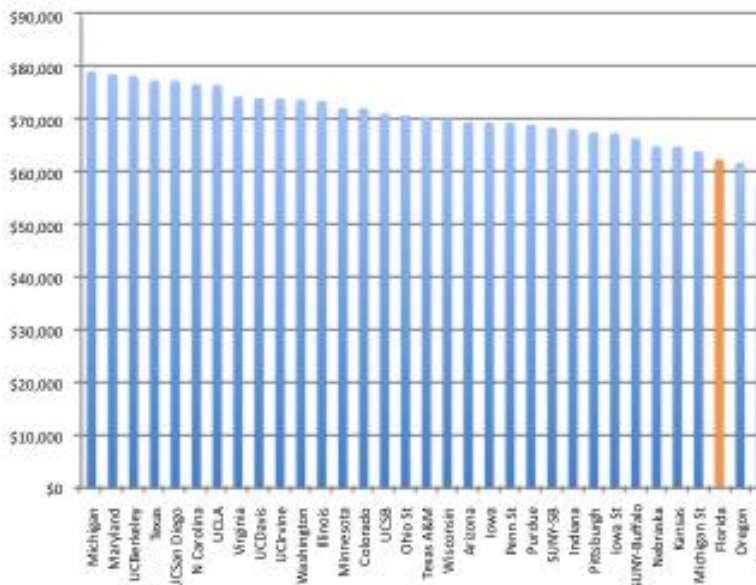
Differentials for associate professors (~\$18,000) and for assistant professors (~\$16,000) are also substantial and show the difficulty UF faces in developing a salary scale comparable to institutions at the upper end of the distribution. Alternatively, to reach the mid-point of the distribution shown above for all ranks of non-medical faculty would require an ~12% increase, equivalent to ~\$32,000,000.

Associate Professor: AAU Publics 07-08

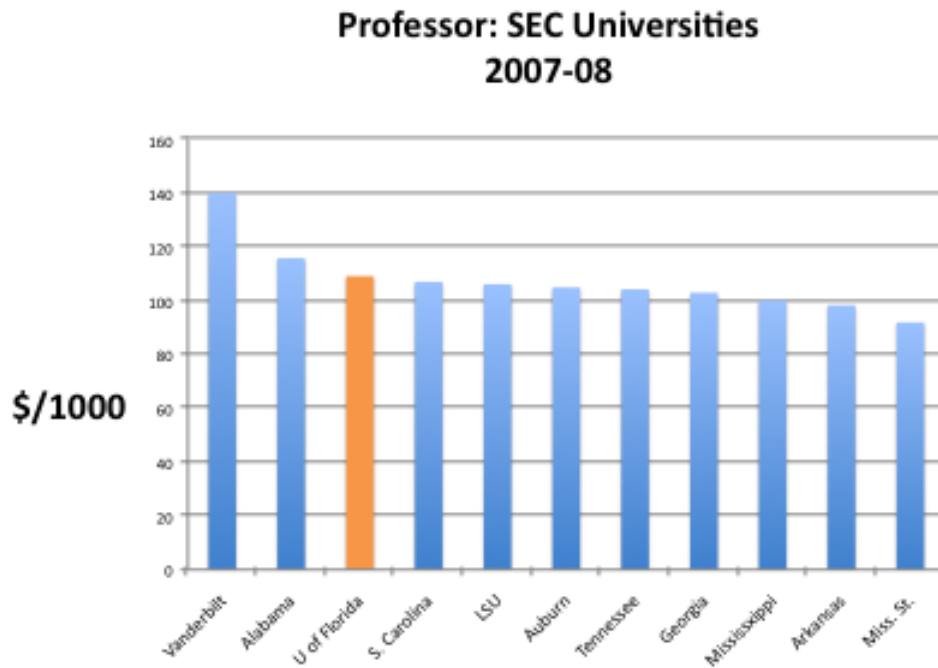


UF Rank: 2004=27, 2006=25, 2008=31

Assistant Professor: AAU Publics 07-08



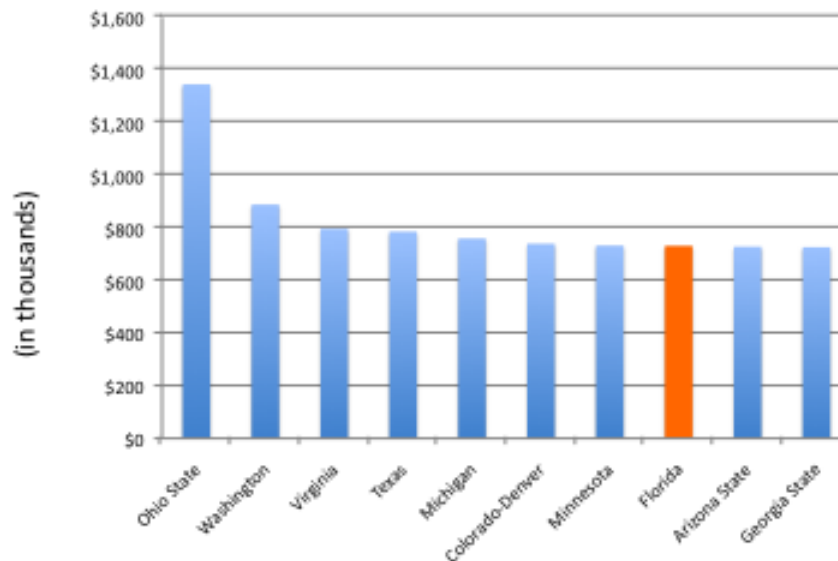
UF Rank: 2004=29, 2006=28, 2008=31



U. Kentucky did not report any salary data for 07-08

A regional comparison of UF professor salaries based on membership in the SEC athletic conference is presented above. Salary differentials pointed out previously hold true here in the sense that the University of Mississippi is the only non-land grant, flagship institution that falls below UF. The University of Alabama and Vanderbilt (private) are the other non-land grant institutions and the two institutions with higher average professor salaries than UF. SEC salaries in general fall below the South Atlantic average reported by AAUP (~\$118,000).

Total Presidential Compensation: Top 10 Publics



Data from Chronicle of Higher Education

Another issue commonly raised in salary discussions is the relative differential in compensation between the rank-and-file faculty and the administrative faculty. Administrative salaries, in general, should be higher than average rank-and-file faculty, if the university wants to provide an administrative career path option for its faculty. The questions that needs to be explored by UF, however, are:

1. Is the President's compensation representative of administrative salaries in general and appropriate for the institution? Though decided directly by the BOT, Presidential and administrative salaries in general, do have an impact on the performance and morale of rank-and-file faculty. UF has one of the most obvious discrepancies between administrative and rank-and-file faculty salaries of any AAU institution. Though the total dollars involved in this difference are relatively small, the appearance is a factor in morale and a constant object of discussion.
2. Should access to higher salaries be limited to administrative faculty and, if not, to what extent should there be parity in compensation for faculty who do not enter administration. The SPPP program should be re-evaluated in an effort to provide a targeted level of compensation of contributing, senior faculty.

Fringe Benefits. Another important aspect of faculty compensation involves the fringe benefits package. These benefits may be direct as in subsidies for health insurance or indirect as in sabbatical leave programs. Changes in both areas will occur at UF this fiscal year and are outlined below.

1. The UF administration has proposed fairly sweeping changes in FB rates that are scheduled for implementation on July 1, 2009 (see below). The current proposal (pending approval by the federal government) will change how FB rates are calculated and charged to individual grants, contracts, and other budget units (e.g., colleges and departments). Some of the changes reflect choices made by the university and some reflect conditions imposed by the federal government. In particular, the new rates do not distinguish between 9-month and 12-month non-clinical faculty. Some commentary is provided here, but individuals are urged to speak with their budget officers or visit the Info-Gator web site for more information; HRS will be providing more information on their web site as well.
 - A. *Sick/annual leave payouts.* The FB rate (% of salary) for faculty (9-10-12-month) will now include a merged fund to cover both sick and vacation leave payouts (clinical faculty are in a separate pool, see table below). Though inequitable at one level (e.g., 9-month faculty do not accrue vacation), 9-month faculty in general take sick leave at a lower rate than 12-month faculty. The result is that 9-, 10-, and 12-month faculty generate equivalent payout costs upon termination. The inequities of merging 9- and 12-month employees in this case appear minimal under present rules.
 - B. *Health insurance.* The conversion to percentage charges for health insurance vs. the headcount basis used previously for faculty and graduate students may have more dramatic effects on individual cost centers (e.g., departments, grants, centers, etc.). For example, 9-month faculty using grant funds to support themselves or graduate students will see sharp increases of about 50% (from ~18% to ~28% for faculty) for the term of the appointment with no actual change in benefits compared to previous years. The same approach (averaging costs of an individual benefit and dividing that average by the average salary of a group) is also applied to graduate students; post-docs are classified as staff with a separate rate (see table below). Despite uniformly amortizing the costs over large employee classes, contract and grant PIs may see greater changes for specific budgets because of the substantial differences currently paid by the university (i.e., State of Florida) for individual plans, family plans, and those who are not enrolled in university-sponsored insurance (0%). The vast range of salaries (e.g., <\$50,000 to >\$500,000) will also effectively result in subsidies being paid by employees with above average salaries to those with below average salaries (see preceding sections for salary values). For example, an average salary of \$60,000 charged at the new rate will provide \$4,800/yr/person, approximately the cost for an individual enrollee; the break-even salary for a family plan would be ~\$120,000/yr.
 - C. *Existing grants and contracts.* There is no provision for grandfathering existing grants, which will have a negative impact on existing budgets after the planned

implementation of the new rates on July 1. Future grant and contract salary budgets will need to be increased by ~15% (10% direct and 5% indirect) to cover the same faculty FTE compared to 08-09.

In summary, all budget units and classes of employees will experience changes as given in the table below. All faculty seeking external salary support for themselves, graduate students, and/or post-docs should be aware of these changes as they prepare any new proposals. The new rates are now (or will soon be) accessible via the web-based FB rate calculation sites across the university (e.g., <http://research.ufl.edu/research/facts.html>). Overall, these changes will result in a considerable redistribution of salary dollars from individuals (via grants and contracts) to the university and from higher salaried faculty to faculty with lower salaries.

New proposed rates - details

	1	2	3	4	5	6	7	8
Proposed 2009-10	Clinical Faculty	Faculty	TEAMS/USPS Exempt	TEAMS/USPS Hourly	Housestaff & Regular Post Docs	Grad Ast	Other OPS/ Temp Faculty	STAS/FWSP
FICA OASDI	3.19%	5.22%	5.96%	6.06%	0.00%	0.00%	0.00%	0.00%
FICA Medicare	1.45%	1.45%	1.43%	1.42%	1.43%	0.00%	1.45%	0.00%
Health Ins.	5.22%	8.17%	13.43%	22.61%	15.93%	0.00%	0.00%	0.00%
Life Ins.	0.27%	0.30%	0.22%	0.20%	0.05%	0.00%	0.00%	0.00%
Retirement	9.45%	10.27%	10.17%	10.16%	0.02%	0.00%	0.00%	0.00%
Other (Incl. Grad Ast Ins.)	1.19%	0.34%	0.22%	0.32%	0.12%	11.06%	0.00%	0.00%
Worker's Comp	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%
UnComp/Sick Lv Pool	0.14%	0.14%	0.14%	0.14%	0.14%	0.00%	0.14%	0.00%
Leave Cash outs	1.29%	1.46%	1.00%	0.65%	0.00%	0.00%	0.00%	0.00%
Total	22.74%	27.88%	33.12%	42.11%	18.24%	11.60%	2.13%	0.54%

2. Another fringe benefit is represented by sabbatical and other professional developmental leave programs. At present, these programs do not operate uniformly across all budget units, i.e., different colleges/budget units operate with different plans, some of which are controlled by the CBA. The new central initiative (Professional Development/Sabbatical Leave Program) is intended to augment the existing college/unit plans in order to extend a minimum benefit to all faculty. Feedback should be provided to the central administration as the program evolves and, hopefully, becomes more competitive with programs at other institutions in our AAU cohort. In general, the UF program lags similar programs at other AAU institutions in flexibility and remuneration (e.g., Illinois, Penn State, Wisconsin, Minnesota, UCLA, etc.)