

MEMORANDUM

To Board of Regents
From: Board Office
Subject: Annual Salary Report -- FY 2003
Date: October 7, 2002

Recommended Action:

Receive the annual salary report for FY 2003.

Executive Summary:

This report is presented to the Board each fall after the salaries for the current fiscal year are established.

Underfunding of salary increases

The state allocation to the Regents for incremental funding of the state's salary policy for FY 2003 was \$25.0 million. This amount is \$8 million less than the funding needed to implement the state's salary policy. In August, the Department of Management notified the Regents and other state agencies that incremental FY 2003 salary funding will not be considered a continuing appropriation. Legislation utilized non-recurring non-general fund sources (Regent demutualization proceeds) to fund the FY 2003 salary increases.

State Salary Policy

The state's salary policy for FY 2003 was established primarily, as in past years through its collective bargaining agreement. The state collective bargaining agreements basically provide for increases of "3% plus incremental steps in the pay matrices".

Institutional Salary Policies

Institutional salary policies based on the state salary policy and approved by the Board provided that faculty and professional and scientific staff increases would average 3% plus incremental steps, which generally provide for average pay increases of 4%. Bargaining agreements result in some variations among the institutions.

**UNI Report
Delayed**

Due to the wage delay in place for faculty, P&S and institutional officials at the University of Northern Iowa, the University will not be able to provide salary increase data until the increases go in to effect on November 1. The salary report for UNI will be presented at the January meeting of the Board.

Faculty Increases

Average increases for faculty for FY 2003 are as follows:

SUI – 3.76%
ISU – 3.1%
ISD – 3.2%
IBSSS – 3.7%

P&S Increases

Average increases for professional and scientific staff are as follows:

SUI – 4.0%
ISU – 2.9%
ISD – 2.5%
IBSSS – 3.5%

Regent Merit Staff

The AFSCME agreement provided for a 41 cent per hour increase (on average a 3% increase) and for step increases valued at 4.5%. Those employees at the top step would receive their step increases on February 1, 2003, with other staff receiving their increases on eligibility dates throughout the year. Additionally, a new pay matrix for merit staff was effective July 1, 2003. It was necessary to bring a number of merit employees to the minimum of the new pay matrix. Supervisory and confidential merit employees were given increases equivalent to the organized staff. The average increase (including steps, across the board and movement to the new matrix) for staff in the Regent Merit System for FY 2003 was:

SUI – 7.1%
ISU – 5.8%
ISD – 5.2%
IBSSS – 5.4%

Teaching and Research Assistants

At the University of Iowa, the minimum salary for half-time appointments for teaching and research assistants is \$15,330, which is a 4.2% increase. This increase was negotiated pursuant to a collective bargaining agreement.

Stipends for half-time appointments for teaching and research assistants at Iowa State University range from \$10,008 to \$18,900. The salary minimum was increased by 3.9% and the maximum by 9.4%.

Faculty Salary Rankings

Annually faculty salaries are compared with those salaries in the university peer groups and the athletic conferences. The comparison is based upon survey data published in "Academe" by the American Association of University Professors. More detail on the ranking of faculty salaries in comparison is provided in Attachments A and B. Rankings for FY 2002 and FY 2003 are shown below:

	PEER GROUP RANKING	
	FY 2002	FY 2003
SUI	8 th of 11	9 th of 11
ISU	11 th of 11	11 th of 11
	ATHLETIC CONFERENCES	
SUI – Big 10 (public)	5 th	7 th
ISU – Big 12	4 th	5 th

Background and Analysis:

When the Board approved the institutional salary policies, it also approved the faculty salary and extra-curricular pay scales for the special school faculty and P&S salary scales for the three universities, the special schools and the Board Office. The Board also approved the pay matrix for supervisory Regent Merit System staff.

Average Faculty Salaries

Excluding salaries from the professional (Medicine, Dentistry, and Law at SUI and Veterinary Medicine and faculty associated with the Agricultural Experiment Station and the Cooperative Extension Service at ISU), average nine-month equivalent salaries are:

	Overall Average	Male Average	Female Average
SUI	\$75,878	\$81,940	\$63,430
ISU	\$72,170	\$76,451	\$60,911

Faculty Salary Increases

Estimated average increases given to faculty in the universities' peer groups ranged from zero to 4.6%. Faculty at half of the institutions in the Big 12 did not receive salary increases.

According to reports submitted by the universities about 12% of faculty at ISU and 20% at SUI received increases in excess of 5%. Each university gave slightly greater increases to female faculty.

National survey data published in "Academe" indicated the average increase was 3.8% in FY 2002. In FY 2002, the average increase at SUI was 3.8% and at ISU, 3.1%. Survey data for the current year will not be published until the spring of 2003.

Average P&S Salaries

Average P&S salaries for FY 2003 are shown below:

	Overall Average	Male Average	Female Average
SUI	\$48,212	\$52,817	\$44,828
ISU	\$49,466	\$53,257	\$45,433

Survey Data

The College and University Personnel Association for Human Resources reported in its Administrative Compensation Survey for FY 2002 that the overall median increase for all administrative type jobs in public institutions was 4.5%. The average P&S increase at SUI in FY 2002 was 4.0% and at ISU, 3% in FY 2002. Survey data for the current year will be published in the spring of 2003.

Special Schools

Average salaries at the special schools are shown below.

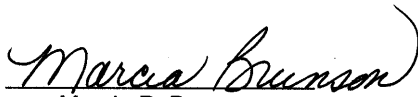
	Faculty Salaries	P&S Salaries (annualized)
ISD	\$44,580	\$49,316
IBSSS	\$42,598	\$43,308


**Total
Compensation**

Average estimated total compensation for FY 2003 is shown below. Total compensation includes salary, retirement including FICA, health and dental insurance, long-term disability and life insurance as well as unemployment and workers compensation costs. The health insurance cost increases effective January 1, 2003, are not reflected in the estimated salaries shown below.

	Faculty by rank				P&S	Merit
	Professor	Associate	Assistant	Overall Avg.		
SUI	\$150,510	\$111,093	\$100,581	\$125,450	\$63,881	\$44,101
ISU	\$113,740	\$85,823	\$73,179	\$92,589	\$65,369	\$45,367
ISD*				\$57,596	\$55,537	\$32,921
IBSSS*				\$56,169	\$51,249	\$31,798

*The majority of ISD and IBSSS merit employees are on nine-month appointments.


 Marcia R. Brunson

Approved: 
 Gregory S. Nichols

REGENT INSTITUTIONS COMPARISON GROUPS
AVERAGE FACULTY SALARIES, 2001-02
BASED ON AVERAGES AS PUBLISHED BY THE AAUP
ESTIMATED FACULTY SALARY INCREASES, 2002-03

COMPARISON GROUPS	Average Faculty Salary 2001-02 (1)	Estimated Average Percent Increase 2002-03 (2)	Estimated Average Faculty Salary 2002-03
University of California, Los Angeles	96,800	1.5%	98,300
University of Michigan, Ann Arbor	87,300	3.5%	90,400
University of North Carolina, Chapel Hill	85,900	na	85,900
University of Texas, Austin	82,000	3.3%	84,700
University of Wisconsin	81,300	4.2%	84,700
University of Minnesota, Twin Cities	80,800	3.0%	83,200
University of Illinois, Urbana	82,300	0.0%	82,300
Indiana University, Bloomington	77,700	3.5%	80,400
UNIVERSITY OF IOWA	77,000	3.76%	79,900
Ohio State University, Main Campus	74,800	4.0%	77,800
University of Arizona	72,900	2.0%	74,400
University of California, Davis	85,600	1.5%	86,900
University of Wisconsin	81,300	4.2%	84,700
University of Minnesota, Twin Cities	80,800	3.0%	83,200
University of Illinois, Urbana	82,300	0.0%	82,300
Texas A & M	77,700	3.0%	80,000
North Carolina State University	77,200	2.0%	78,700
Michigan State University	74,800	4.0%	77,800
Ohio State University, Main Campus	74,800	4.0%	77,800
Purdue University, Main Campus	73,300	3.3%	75,700
University of Arizona	72,900	2.0%	74,400
IOWA STATE UNIVERSITY	71,500	3.1%	73,700

- (1) Academe, the Bulletin of the American Association of University Professors, Special Bulletin for 2001-02. The averages are for the ranks of professor, associate professor and assistant professor.
- (2) Estimated increases obtained by universities through contacts with comparison institutions. Averages exclude clinical faculty per Academe guidelines. Average increases for Board of Regents, State of Iowa universities are actual increases.

REGENT INSTITUTIONS COMPARISON GROUPS
AVERAGE FACULTY SALARY, 2001-02
BASED ON AVERAGES AS PUBLISHED BY THE AAUP
ESTIMATED FACULTY SALARY INCREASES, 2002-03

COMPARISON GROUPS	Average Faculty Salary 2001-02 (1)	Estimated Average Percent Increase 2002-03 (2)	Estimated Average Faculty Salary 2002-03
BIG TEN			
University of Michigan	87,300	3.5%	90,400
University of Wisconsin	81,300	4.2%	84,700
University of Minnesota, Twin Cities	80,800	3.0%	83,200
University of Illinois	82,300	0.0%	82,300
Pennsylvania State University	77,400	4.0%	80,500
Indiana University	77,700	3.5%	80,400
UNIVERSITY OF IOWA	77,000	3.76%	79,900
Michigan State University	74,800	4.0%	77,800
Ohio State University, Main Campus	74,800	4.0%	77,800
Purdue University	73,300	3.3%	75,700
BIG TWELVE			
University of Texas, Austin	82,000	3.3%	84,700
Texas A&M	77,700	3.0%	80,000
University of Colorado	73,800	4.5%	77,100
University of Nebraska	72,000	4.6%	75,300
IOWA STATE UNIVERSITY	71,500	3.1%	73,700
Baylor University	68,200	4.3%	71,100
University of Missouri	68,600	0.0%	68,600
University of Kansas	68,300	0.0%	68,300
Texas Tech University	64,800	0.0%	64,800
University of Oklahoma	64,600	0.0%	64,600
Oklahoma State University	63,600	0.0%	63,600
Kansas State University	61,900	0.0%	61,900

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The averages are for the ranks of professor, associate professor, assistant professor.
- (2) Estimated increases obtained by universities through contacts with comparison institutions.
(Averages exclude clinical faculty per Academe guidelines)
(Average increases for Board of Regents, State of Iowa universities are actual increases)