

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Annual Report of Salaries -- Fiscal Year 2001  
**Date:** October 9, 2000

**Recommended Action:**

Receive the annual salary report.

**Executive Summary:**

This report is presented to the Board each fall after the salaries for the current fiscal year are established. The Board of Regents received \$18.2 million in state appropriations for salary increases for fiscal year 2001. The Board had requested \$27.4 million in order to provide full funding of salary increases from state appropriations. No funding was received for health insurance increases.

Institutional salary policies based on the state salary policy and approved by the Board provide that faculty and professional and scientific staff increases would average 3% plus incremental steps which generally provides increases of 4%. The institutional salary reports indicate that average pay increases for both faculty and professional and scientific staff were within the parameters established in the Board's policy.

Regent Merit System employees, both organized and nonorganized, received increases of 2.6% plus step increases. In addition, eligible merit system employees on step 9 move to step 10 on January 1, 2001. It is estimated that total increase to merit system staff will be about 4%.

The Board's first Key Result Area (KRA) in its strategic plan states that the Board of Regents will become the best public education enterprise in the United States. Recruiting and retaining quality employees is a vital component of this KRA. The ability to offer competitive salaries as well as provide increases equivalent to or greater than peer institutions is essential to recruitment and retention.

Regent universities compete in a global marketplace for faculty. The institutions can remain competitive within their own peer groups and broader global marketplace only by paying competitive salaries in each discipline.

Historically, the faculty salary survey data from the American Association of University Professors (AAUP) has been used to compare faculty salaries at peer institutions. The AAUP survey excludes clinical faculty.

Information about average percentage increases in faculty salaries were obtained by the universities through contacts with their peer institutions. These increases are applied to the AAUP average salaries from 1999-00 to arrive at the estimated average salaries for the current year. Based upon estimates obtained from peer institutions, the universities maintained their relative positions in their 11-member peer groups--SUI at 8<sup>th</sup> place; ISU at 9<sup>th</sup> place; and UNI at 6<sup>th</sup> place. See comparison tables in Attachment A on page 7. In the Big 10, SUI stayed in 5<sup>th</sup> place, and ISU moved from 2<sup>nd</sup> place to 3<sup>rd</sup> place. See comparison tables in Attachment B on page 8.

According to the reports submitted by the universities, about 2% of faculty and 4.5% of the P&S staff received increases of zero to less than 1%. Approximately 20% of faculty and 16% of P&S received increases in excess of 5%. Each university gave slightly greater percentage increases to female faculty than to male faculty.

The Regent universities also compete broadly for professional and scientific staff especially in areas such as science and technology. As with faculty, recruitment of quality staff hinges on the ability to offer competitive salaries and maintaining those salaries through pay increases that are competitive in the marketplace.

The College and University Personnel Association reports in its Administrative Compensation Survey that the overall median increases for all administrative job types in public institutions was 4.6% in 1998-99 and 4.7% in 1999-00. The average increases for P&S staff at the Regent universities for the same period ranged from 3.9% to 4.5%.

Average salaries and average increases at the special schools are shown below:

	Faculty Salaries		P&S Salaries	
	Average Percentage Increase	Average Faculty Salary	Average Percentage Increase	Average P&S Annualized Salary
ISD	4.4%	\$41,035	4.2%	\$45,641
IBSSS	5.5%	\$41,209	4.0%	\$41,996

The salary scale for the faculty at the special schools is similar to salary scales used in the K-12 public schools. Faculty move down the scale as they gain experience and may move horizontally on the scale as they attain additional education. The average faculty increases at the special schools include increases for a number of faculty gaining additional education and moving to a different track on the pay scale. Without these changes, the increases would have been approximately 4.2% at ISD and 4.4% at IBSSS according to projections made by the superintendents in the spring. P&S increases at ISD include additional pay for sign language proficiency at a level above the required level.

**Background and Analysis:**

When the Board approved the institutional salary policies in May, it also approved the faculty salary and extra-curricular pay scale for 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.

**FACULTY**

Estimated average increases given to faculty in the universities' peer groups ranged from 2% to 7.5%. Excluding the University of Wisconsin with a 7.5% increase, the increases in the University of Iowa and Iowa State University peer groups ranged from 2% to 5%.

In the past two years, the faculty increases given at the Regent universities have ranged from 4.0 to 4.5%. According to the AAUP, the national average increase in faculty salaries in each of the past two years in public institutions has been 4.8%. The survey data for the current year will be published in March 2001.

The universities gave slightly greater increases than the average to female institutional officials and faculty in fiscal year 2001. Average salary increases are as follows:

Faculty and Institutional Official Salary Increases -- FY 2001

	SUI	ISU	UNI
Overall Average	4.2%	3.8%	4.0%
Average – Male	4.15%	3.8%	3.9%
Average – Female	4.2%	3.9%	4.3%

Excluding salaries from the professional colleges (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 \$71,237 at SUI; \$67,716 at ISU; and \$54,090 at UNI. (A nine-month equivalent salary means that 12-month faculty salaries are prorated for comparison purposes.)

Average nine-month equivalent salaries by gender are SUI -- \$77,164 (males) \$59,015 (females); ISU -- \$71,949 (males) \$56,582 (females); UNI -- \$57,506 (males) \$48,979 (females).

PROFESSIONAL AND SCIENTIFIC

Professional and scientific employees include classifications such as administrative assistants, accountants, student advisors, research associates, registered nurses, engineers, and scientists.

At the University of Iowa, about 71% of the professional and scientific salaries are below \$50,000. At Iowa State University, about 68% of the Iowa State University professional and scientific salaries are below \$50,000. At the University of Northern Iowa, about 76% of the University of Northern Iowa professional and scientific salaries are below \$50,000.

Average professional and scientific increases by gender are shown below:

Professional and Scientific Increases -- FY 2001

	SUI	ISU	UNI
Overall Average	3.9%	3.9%	4.0%
Average – Male	4.1%	3.8%	4.0%
Average – Female	3.8%	3.9%	4.0%

Average P&S salaries for the Regent universities for fiscal year 2001 are shown below.

Professional and Scientific Average Salaries FY 2001

	Average Salary	Average Male	Average Female
SUI	\$44,933	\$48,874	\$42,198
ISU	\$46,893	\$50,726	\$42,706
UNI	\$44,396	\$48,706	\$39,943

#### REGENT MERIT SYSTEM

As part of negotiations for the 1999-2001 agreement with AFSCME, the pay matrices for organized merit system staff were lengthened from eight steps to ten steps. The matrices were increased by 2.6% on July 1, 2000. More than 50% of the Regent Merit System employees are on step 9. Eligible employees will receive merit step increases on their anniversary dates. Employees on step 9 for at least one year will move to step 10 on January 1, 2001. The overall cost of providing pay increases to the merit staff for the current fiscal year is estimated at 4%.

More detail is provided in the Annual Governance Report of the Regent Merit System (G.D. 14).

#### TEACHING AND RESEARCH ASSISTANTS

At the University of Iowa, the minimum salary for half-time appointments for teaching and research assistants is \$14,130, which is a 3% increase from fiscal year 2000. This increase was negotiated pursuant to a collective bargaining agreement.

Stipends for half-time appointments for teaching and research assistants for fiscal year 2001 range from \$9,270 to \$16,650 at Iowa State University and from \$6,240 to \$9,360 at the University of Northern Iowa.

- At Iowa State University, the salary minimum was increased by 3%. The maximum was increased by 5.7%.
- At the University of Northern Iowa, the minimums and maximums of the teaching and research assistant salary ranges were increased by 4%.

ESTIMATED TOTAL COMPENSATION AVERAGE

Average estimated total compensation for fiscal year 2001 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. Clinical faculty is included in this table. The health insurance cost increases effective January 1, 2001, are not reflected in the estimated salaries shown below.

Estimated Average Total Compensation -- FY 2001

	Faculty by rank				P&S	Merit
	Professor	Associate	Assistant	Overall Avg.		
SUI	\$139,630	\$105,922	\$90,114	\$115,325	\$58,593	\$36,598
ISU	\$106,705	\$80,291	\$67,282	\$86,550	\$61,435	\$39,791
UNI	\$91,616	\$70,521	\$58,535	\$69,613	\$58,026	\$39,551
ISD*				\$51,259	\$45,640	\$30,421
IBSSS*				\$51,867	\$51,212	\$30,098

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

It is recommended that the Board receive the report.

*Marcia Brunson* Approved: *Frank J. Stork*  
 Marcia R. Brunson Frank J. Stork

REGENT INSTITUTIONS COMPARISON GROUPS  
AVERAGE FACULTY SALARIES, 1999-00  
BASED ON AVERAGES AS PUBLISHED BY THE AAUP  
ESTIMATED FACULTY SALARY INCREASES, 2000-01

COMPARISON GROUPS	Average Faculty Salary 1999-00 (1)	Estimated Average Percent Increase 2000-01 (2)	Estimated Average Faculty Salary 2000-01
University of California, Los Angeles	88,500	4.0%	92,000
University of Michigan, Ann Arbor	81,200	5.0%	85,300
University of North Carolina, Chapel Hill	79,500	4.0%	82,700
University of Wisconsin	75,200	7.5%	80,800
University of Illinois, Urbana	75,200	5.0%	79,000
University of Texas, Austin	74,500	4.0%	77,500
University of Minnesota, Twin Cities	75,200	3.0%	77,500
<b>UNIVERSITY OF IOWA</b>	<b>71,400</b>	<b>4.0%</b>	<b>74,300</b>
Ohio State University, Main Campus	70,400	4.0%	73,200
Indiana University, Bloomington	69,000	4.5%	72,100
University of Arizona	68,300	2.0%	69,700
University of California, Davis	80,200	4.0%	83,400
University of Wisconsin	75,200	7.5%	80,800
University of Illinois, Urbana	75,200	5.0%	79,000
University of Minnesota, Twin Cities	75,200	3.0%	77,500
North Carolina State University	71,100	4.0%	73,900
Ohio State University, Main Campus	70,400	4.0%	73,200
Purdue University, Main Campus	69,900	3.5%	72,300
Michigan State University	68,600	5.0%	72,000
<b>IOWA STATE UNIVERSITY</b>	<b>68,000</b>	<b>3.8%</b>	<b>70,600</b>
Texas A & M	67,900	3.0%	69,900
University of Arizona	68,300	2.0%	69,700
California State University, Fresno	65,800	6.0%	69,700
University of Minnesota, Duluth	60,700	4.0%	63,100
Ohio University, Athens	58,800	4.3%	61,300
University of North Carolina, Greensboro	58,800	4.2%	61,200
University of North Texas	58,000	5.0%	60,900
Central Michigan University	58,000	4.0%	60,400
<b>UNIVERSITY OF NORTHERN IOWA</b>	<b>55,900</b>	<b>4.0%</b>	<b>58,100</b>
Illinois State University	54,100	5.2%	57,000
Northern Arizona University	53,200	2.0%	54,300
University of Wisconsin, Eau Claire	51,500	5.2%	54,200
Indiana State University, Terre Haute	51,200	4.0%	53,200

- (1) Academe, the Bulletin of the American Association of University Professors, Special Bulletin for 1999-00. 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, 1999-00  
BASED ON AVERAGES AS PUBLISHED BY THE AAUP  
ESTIMATED FACULTY SALARY INCREASES, 2000-01

	Average Faculty Salary 1999-00 (1)	Estimated Average Percent Increase 2000-01 (2)	Estimated Average Faculty Salary 2000-01
<b>BIG TEN (PUBLIC UNIVERSITIES)</b>			
University of Michigan	81,200	5.0%	85,300
University of Wisconsin	75,200	7.5%	80,800
University of Illinois	75,200	5.0%	79,000
University of Minnesota, Twin Cities	75,200	3.0%	77,500
<b>UNIVERSITY OF IOWA</b>	<b>71,400</b>	<b>4.0%</b>	<b>74,300</b>
Pennsylvania State University	71,700	3.5%	74,200
Ohio State University, Main Campus	70,400	4.0%	73,200
Purdue University	69,900	3.5%	72,300
Indiana University	69,000	4.5%	72,100
Michigan State University	68,600	5.0%	72,000
<b>BIG TWELVE</b>			
University of Texas, Austin	74,500	4.0%	77,500
University of Colorado	68,600	4.2%	71,500
<b>IOWA STATE UNIVERSITY</b>	<b>68,000</b>	<b>3.8%</b>	<b>70,600</b>
Texas A&M	67,900	3.0%	69,900
University of Nebraska	65,000	4.8%	68,100
University of Missouri	64,000	4.0%	66,600
Baylor University	64,000	3.0%	65,900
University of Kansas	61,500	5.9%	65,100
Texas Tech University	60,000	3.0%	61,800
University of Oklahoma	59,700	3.0%	61,500
Oklahoma State University	59,400	3.0%	61,200
Kansas State University	56,000	5.9%	59,300

- (1) Academe, the Bulletin of the American Association of University Professors, Special Bulletin for 1999-00.  
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)