

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Annual Report of Salaries -- Fiscal Year 2002
Date: October 8, 2001

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 state allocation to the Regents for incremental funding of the state's salary policy is \$28.8 million, with additional reimbursement funding for a component of health insurance premium charged by the state of \$1.1 million. The general fund compensation and benefit increases total \$34.7 million. This amount is exclusive of annualized health insurance premium from FY 2001 increases. A significant area of increased cost, for which state funding was insufficient, involves substantial health insurance premium 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 for nonorganized and organized staff. Bargaining agreements result in some variations among the institutions.

Regent Merit System employees, both organized and nonorganized, received increases of 3% across-the-board plus step increases. It is estimated that total increase to merit system staff is 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 national marketplace for faculty. The institutions can remain competitive within their own peer groups and broader national 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 was obtained by the universities through contacts with their peer institutions. These increases are applied to the AAUP average salaries from 2000-01 to arrive at the estimated average salaries for the current year. The current year rankings as compared to last year's rankings are shown below.

| | PEER GROUP RANKING | |
|---------------|-----------------------|------------------------|
| | 2000-01 | 2001-02 |
| SUI | 8 th of 11 | 8 th of 11 |
| ISU | 9 th of 11 | 11 th of 11 |
| UNI | 7 th of 11 | 7 th of 11 |
| | ATHLETIC CONFERENCES | |
| | 2000-01 | 2001-02 |
| SUI - BIG 10* | 5 th | 5 th |
| ISU - BIG 12 | 3 rd | 4 th |

*Includes the 10 public institutions in the Big 10.

According to the reports submitted by the universities, about 5% of faculty and 6% of the P&S staff received increases of zero to less than 1%. Approximately 22% of faculty and 20% 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 Professional Association for Human Resources reports in its Administrative Compensation Survey that the overall median increases for all administrative job types in public institutions was 4.7% in 1999-00 and 4.9% in 2000-01. The average increases for P&S staff at the Regent universities for 1999-00 ranged from 3.9% to 4.0%. Increases for the current year ranged from 3.8% to 5.6%.

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 | 5.1% | \$43,365 | 5.1% | \$48,681 |
| IBSSS | 5.5% | \$43,986 | 3.0% | \$42,960 |

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 4.3% at ISD and 5.2% at IBSSS according to projections made by the superintendents in July. 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 July, 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 0.5% to 6.7%.

In 1999-00, faculty increases given at the Regent universities have ranged from 3.8% to 4.2%%. This year the range is from 3.8% to 5.6%. According to the AAUP, the national average increase in faculty salaries in 1999-00 in public institutions was 4.8%. The AAUP survey for 2000-01 indicates the average increase was 5.3%. The survey data for the current year will be published in April 2002.

More detail on the ranking of faculty salaries in peer groups and the two athletic conferences is provided in Attachments A and B.

The universities gave slightly greater increases than the average to female institutional officials and faculty in fiscal year 2002. Average salary increases are as follows:

Faculty and Institutional Official Salary Increases -- FY 2002

| | SUI | ISU | UNI |
|------------------|------|------|------|
| Overall Average | 3.8% | 3.8% | 5.6% |
| Average – Male | 3.7% | 3.7% | 5.5% |
| Average – Female | 4.0% | 3.8% | 5.9% |

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:

Average Nine-Month Equivalent Faculty Salaries – FY 2002

| | Overall Average | Male Average | Female Average |
|-----|-----------------|--------------|----------------|
| SUI | \$73,284 | \$79,304 | \$61,234 |
| ISU | \$69,701 | \$73,885 | \$58,831 |
| UNI | \$56,056 | \$59,637 | \$50,664 |

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 64% of the Iowa State University professional and scientific salaries are below \$50,000. At the University of Northern Iowa, about 43% 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 2002

| | SUI | ISU | UNI |
|------------------|------|------|------|
| Overall Average | 3.8% | 3.9% | 5.6% |
| Average – Male | 3.8% | 3.8% | 5.5% |
| Average – Female | 3.8% | 4.0% | 5.8% |

Average P&S salaries for the Regent universities for fiscal year 2002 are shown below.

Professional and Scientific Average Salaries FY 2002

| | Average Salary | Average Male | Average Female |
|-----|----------------|--------------|----------------|
| SUI | \$46,529 | \$50,539 | \$43,453 |
| ISU | \$48,241 | \$51,786 | \$44,405 |
| UNI | \$46,151 | \$50,570 | \$41,810 |

REGENT MERIT SYSTEM

The 2001-03 agreement with AFSCME provided a 3% across-the-board increase plus step increases for contract covered employees in the merit system. The Board approved this same salary policy for nonorganized staff in the merit system. 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. 16).

TEACHING AND RESEARCH ASSISTANTS

At the University of Iowa, the minimum salary for half-time appointments for teaching and research assistants is \$14,718, which is a 4.2% increase from fiscal year 2001. This increase was negotiated pursuant to a collective bargaining agreement.

Stipends for half-time appointments for teaching and research assistants for fiscal year 2002 range from \$9,270 to \$17,280 at Iowa State University and from \$6,590 to \$9,890 at the University of Northern Iowa.

- At Iowa State University, the salary minimum was not increased. The maximum was increased by 3.8%.
- At the University of Northern Iowa, the minimums and maximums of the teaching and research assistant salary ranges were increased by 5.6%.

ESTIMATED TOTAL COMPENSATION AVERAGE

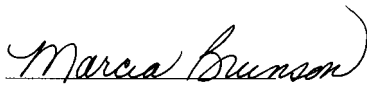
Average estimated total compensation for fiscal year 2002 is shown below. Total compensation includes salary, retirement including FICA, health and dental insurance, long-term disability and life insurance as well as unemployment and workers compensation costs. Clinical faculty is included in this table. The health insurance cost increases effective January 1, 2002, are not reflected in the estimated salaries shown below.

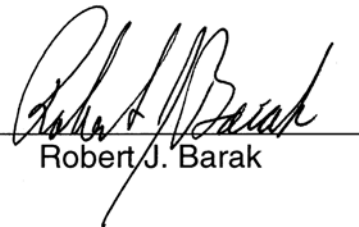
Estimated Average Total Compensation -- FY 2002

| | Faculty by rank | | | | P&S | Merit |
|--------|-----------------|-----------|-----------|--------------|----------|----------|
| | Professor | Associate | Assistant | Overall Avg. | | |
| SUI | \$141,833 | \$106,169 | \$93,698 | \$118,370 | \$61,372 | \$39,107 |
| ISU | \$110,376 | \$83,383 | \$70,125 | \$89,895 | \$63,752 | \$43,579 |
| UNI | \$95,379 | \$73,591 | \$61,323 | \$72,649 | \$60,458 | \$42,848 |
| ISD* | | | | \$55,415 | \$43,531 | \$30,608 |
| IBSSS* | | | | \$56,175 | \$54,618 | \$33,030 |

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

It is recommended that the Board receive the report.


Marcia R. Brunson

Approved: 
Robert J. Barak

REGENT INSTITUTIONS COMPARISON GROUPS
AVERAGE FACULTY SALARIES, 2000-01
BASED ON AVERAGES AS PUBLISHED BY THE AAUP
ESTIMATED FACULTY SALARY INCREASES, 2001-02

| COMPARISON GROUPS | Average Faculty Salary 2000-01 (1) | Estimated Average Percent Increase 2001-02 (2) | Estimated Average Faculty Salary 2001-02 |
|---|------------------------------------|--|--|
| University of California, Los Angeles | 94,600 | 3.0% | 97,400 |
| University of Michigan, Ann Arbor | 83,700 | 4.3% | 87,300 |
| University of North Carolina, Chapel Hill | 84,800 | 2.0% | 86,500 |
| University of Illinois, Urbana | 78,400 | 5.5% | 82,700 |
| University of Texas, Austin | 78,600 | 4.0% | 81,700 |
| University of Wisconsin | 80,300 | 1.5% | 81,500 |
| University of Minnesota, Twin Cities | 77,600 | 3.0% | 79,900 |
| UNIVERSITY OF IOWA | 74,400 | 3.8% | 77,200 |
| Indiana University, Bloomington | 71,800 | 6.7% | 76,600 |
| University of Arizona | 71,000 | 5.0% | 74,600 |
| Ohio State University, Main Campus | 73,900 | 0.5% | 74,300 |
| University of California, Davis | 83,700 | 3.0% | 86,200 |
| University of Illinois, Urbana | 78,400 | 5.5% | 82,700 |
| University of Wisconsin | 80,300 | 1.5% | 81,500 |
| University of Minnesota, Twin Cities | 77,600 | 3.0% | 79,900 |
| North Carolina State University | 75,900 | 2.0% | 77,400 |
| Michigan State University | 71,400 | 5.0% | 75,000 |
| University of Arizona | 71,000 | 5.0% | 74,600 |
| Texas A & M | 72,200 | 3.0% | 74,400 |
| Ohio State University, Main Campus | 73,900 | 0.5% | 74,300 |
| Purdue University, Main Campus | 70,600 | 4.2% | 73,600 |
| IOWA STATE UNIVERSITY | 69,500 | 3.8% | 72,100 |
| California State University, Fresno | 66,700 | 2.0% | 68,000 |
| University of North Carolina, Greensboro | 61,100 | 5.9% | 64,700 |
| Ohio University, Athens | 60,700 | 3.0% | 62,500 |
| University of North Texas | 59,500 | 4.0% | 61,900 |
| Central Michigan University | 59,500 | 4.0% | 61,900 |
| University of Minnesota, Duluth | 59,900 | 3.0% | 61,700 |
| UNIVERSITY OF NORTHERN IOWA | 57,200 | 5.6% | 60,400 |
| Illinois State University | 56,600 | 6.2% | 60,200 |
| Northern Arizona University | 54,500 | 5.0% | 57,200 |
| University of Wisconsin, Eau Claire | 53,300 | 4.2% | 55,600 |
| Indiana State University, Terre Haute | 53,400 | 2.8% | 54,900 |

- (1) Academe, the Bulletin of the American Association of University Professors, Special Bulletin for 2000-01. 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, 2000-01
BASED ON AVERAGES AS PUBLISHED BY THE AAUP
ESTIMATED FACULTY SALARY INCREASES, 2001-02

| | Average Faculty Salary 2000-01 (1) | Estimated Average Percent Increase 2001-02 (2) | Estimated Average Faculty Salary 2001-02 |
|--------------------------------------|--|--|--|
| BIG TEN (PUBLIC UNIVERSITIES) | | | |
| University of Michigan | 83,700 | 4.3% | 87,300 |
| University of Illinois | 78,400 | 5.5% | 82,700 |
| University of Wisconsin | 80,300 | 1.5% | 81,500 |
| University of Minnesota, Twin Cities | 77,600 | 3.0% | 79,900 |
| UNIVERSITY OF IOWA | 74,400 | 3.8% | 77,200 |
| Pennsylvania State University | 73,600 | 4.5% | 76,900 |
| Indiana University | 71,800 | 6.7% | 76,600 |
| Michigan State University | 71,400 | 5.0% | 75,000 |
| Ohio State University, Main Campus | 73,900 | 0.5% | 74,300 |
| Purdue University | 70,600 | 4.2% | 73,600 |
| BIG TWELVE | | | |
| University of Texas, Austin | 78,600 | 4.0% | 81,700 |
| Texas A&M | 72,200 | 3.0% | 74,400 |
| University of Colorado | 70,200 | 4.4% | 73,300 |
| IOWA STATE UNIVERSITY | 69,500 | 3.8% | 72,100 |
| University of Nebraska | 67,100 | 6.3% | 71,300 |
| University of Kansas | 65,200 | 6.0% | 69,100 |
| University of Missouri | 66,300 | 4.0% | 69,000 |
| Baylor University | 65,900 | 4.0% | 68,500 |
| University of Oklahoma | 62,400 | 4.5% | 65,200 |
| Texas Tech University | 61,700 | 4.0% | 64,200 |
| Oklahoma State University | 61,600 | 3.0% | 63,400 |
| Kansas State University | 59,200 | 6.1% | 62,800 |

- (1) Academe, the Bulletin of the American Association of University Professors, Special Bulletin for 2000-01.
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)