**Report of the Faculty Senate Budget Committee**

**UW Faculty Salaries**

**April 2011**

Contributing Members:

Robert Godby (Chair) – Economics and Finance   
Dan Adams – ASUW  
Steve Bieber – Statistics  
Warren Crawford – Cooperative Extension   
Maohong Fan – Chemical and Petroleum Engineering  
Lynne Ipina – Mathematics  
Laura Jackson – American Heritage Center  
Stacy Lane – Staff Senate  
Deborah McCarthy – Library  
Jerry Parkinson – Law

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**Background:**

For the year 2011, the Faculty Senate Budget Committee (hereafter referred to as “the budget committee”) was charged with consideration and identification of faculty priorities with respect to the university’s biennial budget request, to be presented to the state legislature in Fall 2011. In a meeting of the committee members and members of the UW administration in February 2011, several priority areas previously identified by UW’s Division of Academic Affairs and University Deans and Directors were presented to the committee. These budget priorities were ranked from high to low. The highest ranked priorities identified by the institution were:

* Campus compensation increases.
* Stable funding for the School of Energy Resources.
* Library collection increases.

Additionally, other areas funded by state General Fund appropriation were identified by priority including: (H=high priority, M= medium priority, L = low priority)

* Graduate education funding (M).
* Instructional technology and support (M).
* Research computing infrastructure (H).
* Employee and student assistance (M).
* Creation of a start-up funding pool at the university level (L).
* New capital construction (project dependent priority).
* Gift matching funds (H).

Through interactions with faculty senate, faculty, and staff, the budget committee determined that while many of these areas were of great importance to campus constituents, the issue of greatest concern was the issue of compensation, because of recent salary freezes and fiscal austerity initiatives. Although facilities and support are critical to the delivery of high quality teaching and research, recruitment and retention of the highest quality faculty and staff is necessary to achieve the University’s mission and goals. To inform upcoming discussions of compensation between faculty and the administration and to help in setting faculty priorities, the budget committee determined the best contribution that could be made in the limited time available would be in defining and collecting relevant data regarding compensation levels on campus relative to comparator institutions. To that end the following information and analysis was performed by the committee in cooperation with the University Office of Institutional Analysis (OIA). The Focus of the committee’s analysis included four areas of consideration:

1. Consideration of relevant benchmarks to determine not only compensation adequacy, but also adequacy of teaching and research facilities and support.
2. Identification of faculty compensation levels relative to current benchmarks.
3. Determination of compensation compression issues.
4. Benefits comparisons.

It is hoped that the input and information provided in this report will help inform the planning process as faculty engage with the University administration in framing the new biennial appropriation request to be presented to the state legislature in the Fall of 2011.

**Institutional goals:**

Budget planning and prioritization must be consistent with institutional goals. The University of Wyoming Mission Statement begins with the following sentence:

*“The University of Wyoming aspires to be one of the nation’s finest public land-grant research universities. “*

As a committee, considerations of budget priorities were directed by this goal. *The* *Creation of the Future: University Plan 3 2009-2014* (hereafter “UP3”) identifies the need to build excellence in human capital – the faculty, staff and administration of the institution. To that end Action Item 65 (p. 26) identifies the institution’s compensation goals:

**Action Item 65 *Faculty salaries at or above the fiftieth percentile of those prevailing at public research universities.*** *UW’s President; Vice President for Academic Affairs; and Vice President for Government, Community, and Legal Affairs will continue to pursue funding strategies that enable faculty salaries, when averaged by discipline and rank, to reach or exceed the fiftieth percentile of salaries prevailing at public research universities. To complement this endeavor, the Vice President for Academic Affairs will consider, through consultation with the Faculty Senate and academic deans, an increase in the mandatory raise associated with promotion to full professor, from 10 percent to 20 percent.*

To evaluate if the University has met its goal with respect to the current Academic Plan and therefore whether any appropriation requests were necessary to meet this standard in the coming appropriation, the budget committee focused its efforts in the four areas previously identified. Each is described below.

1. **Benchmarking**

The benchmark identified in Action Item 65 is unfortunately of limited use given institutional practices. Conversations with UW administrators suggest that even in Old Main the actual definition of the exact benchmark referred to is not specific enough to be of much guidance. The mission statement refers to aspirations among land-grant institutions yet the Action Item above refers to public research institutions in general. In principle, one would wish to include more than just land-grant institutions because the university competes with land-grant and non-land-grant institutions in recruiting and retaining faculty. Institutional practice for recruitment and retention has been to benchmark compensation levels relative to the Oklahoma State University *Faculty Salary Survey by Discipline* (hereafter referred to as the “OSU survey”). This survey typically includes data from over 115 universities (respondents vary by year) that include Association of Public and Land-Grant Universities (APLU), universities that have participated in previous surveys and others that award doctoral degrees. Survey results present salary averages by discipline and rank. UW practice has been to compare average salaries by department and rank to these survey averages by discipline and rank to determine salary adequacy by department, particularly as used for Central Position Management (CPM) exercises and faculty recruitment. While an institutional salary average can be computed easily, comparison to the OSU data is difficult given the policy described in Action Item 65 because the OSU results are not identified in percentile ranks but averages, and elementary statistical theory suggests that averages may not be consistent with the 50th percentile level. Additionally, the survey does not necessarily include a set of comparator institutions consistent with UW's mission given that the average used for comparisons by department and across all salaries is typically the all-institution average listed in OSU survey tables.

Further, while salary goals currently are defined by Action Item 65, in practice and most often university salaries have been defined as a "percentage of market." For example, the stated goal in the late 1990s and early 2000s was to achieve 95% of market salaries across ranks. Clearly the use of OSU data could gauge such a defined goal, and regularly has been used to define such a benchmark in the determination of how average UW salaries compare to market levels. Also, while gross salaries are an important part of defining compensation levels, they are not the only relevant factor in determining adequacy. Total compensation includes benefits levels, and accurate determinations of compensation adequacy should include not only benefits, but also relative costs of living and taxation levels across comparator institutions. Since the OSU survey does not include such information or adjustments, it is also problematic as an adequate benchmark for compensation comparisons.

In summary, given the guideline of reaching the fiftieth percentile in Action Item 65 of UP3, the practice of using OSU surveys is problematic for statistical reasons. Given the University's mission, the practice of using the OSU survey may be problematic as it may include institutions that are not relevant to UW’s aspirations, while omitting some that are. Further, since the real problem faced by UW is ensuring that total compensation is adequate to attract and retain high quality faculty to meet the University's aspirational goals, consideration of other factors such as benefits levels, tax rates and costs of living at other institutions may also need to be considered and the data included in the OSU survey is not complete in this regard, nor can it be adjusted to include these factors since reported OSU averages do not include data regarding the specific schools used to formulate the averages.

After discussion within the committee and in consultation with some administrators, the budget committee determined it would be very useful to define a specific set of benchmark institutions that could be used in making institutional comparisons not only for faculty compensation, but in other areas relevant to support needs necessary to achieve the university’s mission. Research indicated that some administrators, colleges, departments, and even trustees each have different sets of defined comparator institutions they have used in evaluating programs, facilities and as comparators for accreditation exercises. Optimally, any newly defined set of relevant comparator institutions for use in gauging UW compensation and resource levels would have to be consistent with those already in use.

In an effort to define a set of comparator institutions that could be used in future comparisons, the budget committee asked departments and colleges for the names of universities they use as current and aspirational comparators; those institutions they compete with for faculty recruitment; institutions that recruit or have recruited department graduates; or those schools that are used as comparators in accreditation. The committee also collected lists from the UW Board of Trustees and a list used by the UW Division of Administration Office. Collating and comparing these lists resulted in a set of comparator institutions that the budget committee feels could be of better use than the OSU survey currently used in benchmark comparisons. The list of institutions is given in Table 1 and draws heavily upon a list already used by the UW Division of Administration Office, with five additional institutions identified by several departments as relevant comparators. The list includes several land-grant institutions, and includes only public research institutions making it consistent with both the UW’s mission statement and Action Item 65. It is dominated by very high research activity universities as defined in the OSU survey. All but one participates in the OSU survey.

**Table 1: Recommended Set of Identified Comparator Institutions**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | | Included in OSU Survey | | | OSU Research Class | |
| Arizona State University | | |  |  |  | | Y |  |  | RU/VH |  |
| Colorado State University | | |  |  |  | | Y |  |  | RU/VH |  |
| Georgia Institute of Technology (\*) | | | |  |  | | Y |  |  | RU/VH |  |
| Indiana University-Bloomington (\*) | | | |  |  | | Y |  |  | RU/VH |  |
| Iowa State University (\*) | | |  |  |  | | Y |  |  | RU/VH |  |
| Kansas State University | | |  |  |  | | Y |  |  | RU/VH |  |
| Michigan State University (\*) | | |  |  |  | | Y |  |  | RU/VH |  |
| Montana State University | | |  |  |  | | Y |  |  | RU/VH |  |
| New Mexico State University | | |  |  |  | | Y |  |  | RU/H |  |
| North Carolina State University | | | |  |  | | Y |  |  | RU/VH |  |
| Ohio State University (\*) | | |  |  |  | | Y |  |  | RU/VH |  |
| Oregon State University | | |  |  |  | | Y |  |  | RU/VH |  |
| Pennsylvania State University (\*) | | | |  |  | | Y |  |  | RU/VH |  |
| Purdue University (\*) | | |  |  |  | | Y |  |  | RU/VH |  |
| Rutgers-State University of New Jersey-New Brunswick(\*) | | | | | | | Y |  |  | RU/VH |  |
| Stony Brook University-State University of New York (\*) | | | | | | | Y |  |  | RU/VH |  |
| Texas A & M University (\*) | | |  |  |  | | Y |  |  | RU/VH |  |
| University at Buffalo-State University of New York (\*) | | | | | | | Y |  |  | RU/VH |  |
| University of Arizona (\*) | | |  |  | |  | Y |  |  | RU/VH |  |
| University of California-Berkeley (\*) | | | |  | |  | Y |  |  | RU/VH |  |
| University of California-Davis (\*) | | | |  | |  | Y |  |  | RU/VH |  |
| University of California-Irvine (\*) | | | |  | |  | Y |  |  | RU/VH |  |
| University of California-Los Angeles (\*) | | | |  | |  | Y |  |  | RU/VH |  |
| University of California-San Diego (\*) | | | |  | |  | Y |  |  | RU/VH |  |
| University of California-Santa Barbara (\*) | | | | | |  | Y |  |  | RU/VH |  |
| University of Colorado-Boulder (\*) | | | |  | |  | Y |  |  | RU/VH |  |
| University of Florida (\*) | | |  |  | |  | Y |  |  | RU/VH |  |
| University of Idaho | |  |  |  | |  | Y |  |  | RU/H |  |
| University of Illinois at Urbana-Champaign (\*) | | | | | |  | Y |  |  | RU/VH |  |
| University of Iowa (\*) | | |  |  | |  | Y |  |  | RU/VH |  |
| University of Kansas (\*) | | |  |  | |  | Y |  |  | RU/VH |  |
| University of Maryland-College Park (\*) | | | |  | |  | Y |  |  | RU/VH |  |
| University of Michigan (\*) | | |  |  | |  | Y |  |  | RU/VH |  |
| University of Minnesota-Twin Cities (\*) | | | |  | |  | Y |  |  | RU/VH |  |
| University of Missouri-Columbia (\*) | | | |  | |  | Y |  |  | RU/VH |  |
| University of Montana | | |  |  | |  | Y |  |  | RU/H |  |
| University of Nebraska-Lincoln (\*) | | | |  | |  | Y |  |  | RU/VH |  |
| University of Nevada - Reno | | |  |  | |  | Y |  |  | RU/H |  |
| University of New Mexico | | |  |  | |  | Y |  |  | RU/VH |  |
| University of North Carolina-Chapel Hill (\*) | | | | | |  | Y |  |  | RU/VH |  |
| University of Oregon (\*) | | |  |  | |  | Y |  |  | RU/H |  |
| University of Pittsburgh (\*) | | |  |  | |  | N |  |  | N/A |  |
| University of Rhode Island | | |  |  | |  | Y |  |  | RU/H |  |
| University of Texas-Austin (\*) | | | |  | |  | Y |  |  | RU/VH |  |
| University of Utah | |  |  |  | |  | Y |  |  | RU/VH |  |
| University of Virginia (\*) | | |  |  | |  | Y |  |  | RU/VH |  |
| University of Washington (\*) | | |  |  | |  | Y |  |  | RU/VH |  |
| University of Wisconsin-Madison (\*) | | | |  | |  | Y |  |  | RU/VH |  |
| Utah State University | | |  |  | |  | Y |  |  | RU/H |  |
| Virginia Polytechnic Institute and State University | | | | | |  | Y |  |  | RU/VH |  |
| Washington State University | | |  |  | |  | Y |  |  | RU/VH |  |
| **University of Wyoming** | | |  |  | |  | Y |  |  | RU/H |  |
| **\*** Association of American Universities | | | | | | | |  |  |  |  |
| RU/VH: Research University/Very High Activity | | | | |  | |  |  |  |  |  |
| RU/H: Research University/High research Activity | | | | |  | |  |  |  |  |  |

Although time did not allow for further research into salary outcomes at these institutions, the budget committee strongly recommends that the institution at least attempt to determine such salary levels. At the time this report was prepared, the Division of Administration had made a staff request to determine if the preparers of the OSU survey could create a salary report limited to the institutions in Table 1 that participated in the most recent survey.

The identification of the specific set of institutions used as a comparator group could also allow additional adjustment of salaries for taxes or regional cost of living levels. Specifically, a detailed comparison of *real after-tax* salaries could be made to define whether the University of Wyoming’s compensation levels are adequate relative to market and its aspirations. Certainly such comparisons could be useful in faculty recruiting when prospective hires often need to be educated regarding the financial advantages of employment in Wyoming. Even if it is determined that the set in Table 1 is more an aspirational than currently pertinent comparison set, comparison of salary results from this set could be made to those reported in the OSU to define the difference between current salary benchmarks and the aspirational set we aspire to be a part of.

**Recommendation 1: The University of Wyoming should make every attempt to compare UW faculty salaries by rank and discipline to the set of institutions defined in Table 1, or a similar set of institutions. Further, if data can be procured, the salaries of the institutions in Table 1 should be adjusted for tax and cost of living differences before comparison to UW’s.**

**Recommendation 2: The University of Wyoming should redefine the salary benchmark used in UP3 from a percentile to a percent of market. The new benchmark should be no less than the market average given UW’s aspirations and mission.**

Data is not usually available to define salary percentiles. Since it is more commonly the case that salary data is available from groups of universities and defined as in the OSU data by single average over a given set of institutions, the university should endeavour to use a salary benchmark that is most easily measurable given common data sources. No specific market target is defined, however if it is the case that the aspirational set in Table 1 is dominated by the premier schools in the OSU set, it is likely that not less than a 100% benchmark with OSU data would be appropriate since this group represents the schools with the best faculty and therefore likely better faculty compensation levels among the OSU schools surveyed.

1. **Identification of Faculty Compensation Levels Relative to Current Benchmarks**

While salary data for the schools identified in Table 1 was not available for this report, OSU data was provided by UW’s OIA. The OIA-provided data included 2009-2010 OSU-survey outcomes and a breakdown of UW average salaries by department and by rank for that academic year. This was used to verify existing UW benchmark salary computations by rank. The data was also used to perform a salary-compression analysis outlined in the next section. Additionally, OIA staff provided research links to publicly available benefits information, and UW’s Division of Administration Office purchased access to the College and University Professional Association for Human Resources (CUPA-HR) Survey of Benefits dataset. While time did not permit a full and detailed analysis of benefits available to UW faculty and staff, the data did allow the committee to verify and compare UW’s benefits levels with other institutions, particularly health and insurance coverage and retirement benefits. A complete analysis and comparison of the health-care benefits is outside the scope of this report; however an analysis was performed to compare what benefits are available across the 51 comparator institutions identified in Table 1. Retirement programs and contribution rates were also compared, including social security eligibility.

As noted previously, the OSU data includes data collected from 115 participating and mostly public research institutions. For each discipline an average salary is reported across surveyed institutions by rank. Ranks include Full, Associate and Assistant Professors, as well as newly hired Assistant salaries by discipline (if institutions reported any hiring). OSU institutions are sub-classified by research activity level (shown in Table 1), and average salaries by rank and discipline are also reported in these subcategories; however UW uses the overall averages of all participating institutions to compare salary outcomes by department and rank to the disciplines identified in the survey. Comparisons of reported UW average departmental salaries by rank reported below were made to OSU all-institution averages by discipline since departments on campus vary with respect to research intensity. Results of this analysis are reported in Table 2 across ranks and Table 3 across colleges.[[1]](#footnote-1)

OSU-provided data is now a year out of date. One could wonder whether comparisons and conclusions made to UW are still relevant. CUPA-HR data shows that in the past year salaries across public institutions nation-wide have shown a 0% increase at all ranks, with the exception being new faculty positions, which have shown an average 2% increase. Thus, in general the 2009-2010 salaries are likely very good indicators of current salary levels by discipline. As UW has, in large part, been in a salary freeze over the past two years, changes in UW salaries for 2010-2011 would primarily be due to retirements, new hires and promotions. For the purposes of this report we are assuming that little change has occurred in the OSU salary market, or in salary conditions on campus and that the conclusions shown here are very good indicators of what to expect when OSU data becomes available in late April 2011.

Table 2 reports two averages to market – 1) the average across departments (column average), which was computed by taking a department and rank specific average salary relative to OSU-average of all institutions by discipline and rank, and 2) the simple average computed by taking the ratio of the two salary columns shown in the table. Assuming that the average in the market across all institutions reported by OSU was the fiftieth percentile, UW would not be meeting the target salary outcome identified in Action Item 65 for any rank. By rank, UW varies from 98% of market on average at the assistant level, to 91% of market at the full professor level, with associates averaging 96% of market, when averaging across departments at each rank. Computing the simpler average reported salary by rank across UW and comparing it to the average by rank in the OSU survey, full professors are still at 91% of market while associates fall to 94% and assistants to 96%. Given the fact that the Very High Research Activity institutions tend to have the highest salaries in the OSU survey report, and given the fact that the comparison group identified in Table 1 is dominated by such universities, it is reasonable to conclude that relative to that group described in Table 1, UW salary outcomes at every rank are lower than the percentages reported in Table 2.[[2]](#footnote-2)

**Table 2: UW Salary Comparisons to OSU by Rank (2009-2010 data)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Rank** | **Number of Faculty** | **Number of Departments** | **Average Salary (Average of Department Averages)** | **OSU Average Salary across UW Disciplines** | **UW% of Market Average\*** |
| **Professors** | 213 | 53 | $104,290 | $114,021 | 91% (91%) |
| **Associate Professors** | 196 | 56 | $75,980 | $81,103 | 96% (94%) |
| **Assistant Professors** | 172 | 53 | $66,734 | $69,293 | 98% (96%) |
| Total | 581 | 60 |  |  |  |

\* Simple average of department percentages to market for each rank. Parentheses show ratio of the two salary columns.

Table 3 reports UW college salary averages. These clearly vary by college and rank, with only Education attaining 100% of market across all faculty in that college. When data is disaggregated within colleges, it is clear that there is dispersion in market outcomes by rank. For example, in the College of Education assistant professors are 16% above market average in their disciplines and associates 16% below.[[3]](#footnote-3) The average aggregating across UW by colleges is at 93% of market. Clearly some colleges are far worse than others - Law and Business do not meet the 90% average salary threshold based on OSU comparisons.

As can be seen from the results in Tables 2 and 3, none of the salary outcomes by department averaged by rank or college affiliation meet 100% of the OSU-defined market benchmark.

**Table 3: UW Salaries Relative to Market by College**

|  |  |  |  |
| --- | --- | --- | --- |
| **College** | **Average % of Market** | **Minimum % of Market (rank, number)** | **Maximum % of Market (rank, number)** |
| Education | 100% | 84% (assoc, 26) | 116% (asst, 15) |
| Arts & Sciences | 97% | 92% (full, 94) | 101% (asst, 77) |
| Engineering | 95% | 92% (full, 31) | 99% (asst, 18) |
| Agriculture | 92% | 90% (assoc, 25) | 97% (asst, 26) |
| Health Sciences | 91% | 84% (full,11) | 95% (asst, 14) |
| Business | 85% | 78% (asst, 20) | 93% (full, 16) |
| Law | 82% | 80% (full, 11) | 91% (asst, 2) |
| **UW Weighted Average\*** | **93%** | **91%** | **96%** |

\*Weighted by faculty in each school/college

**3) Compression Outcomes relative to Market**

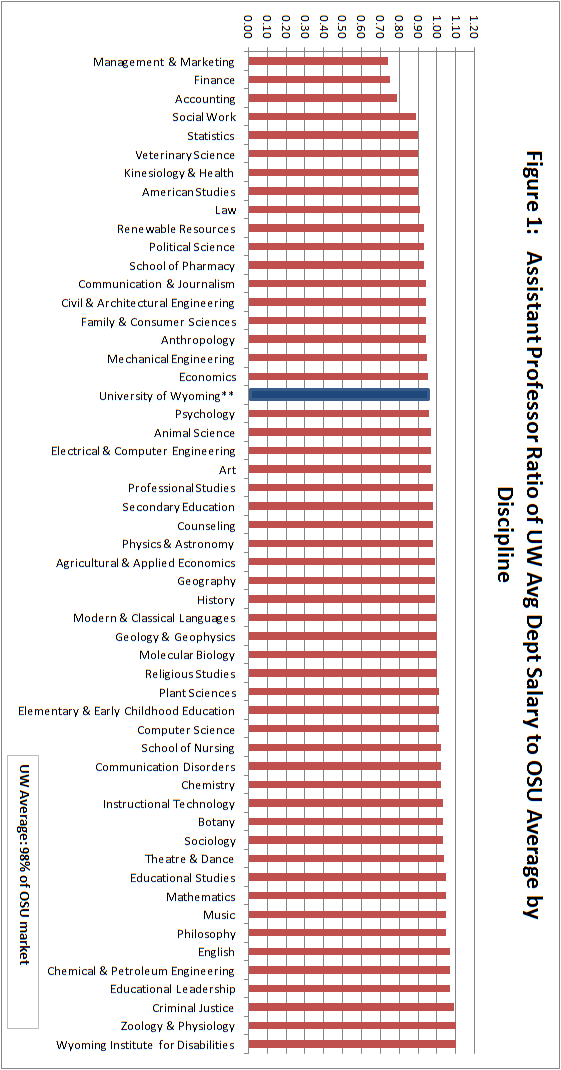
For the purposes of this report, two types of salary compression can be defined:

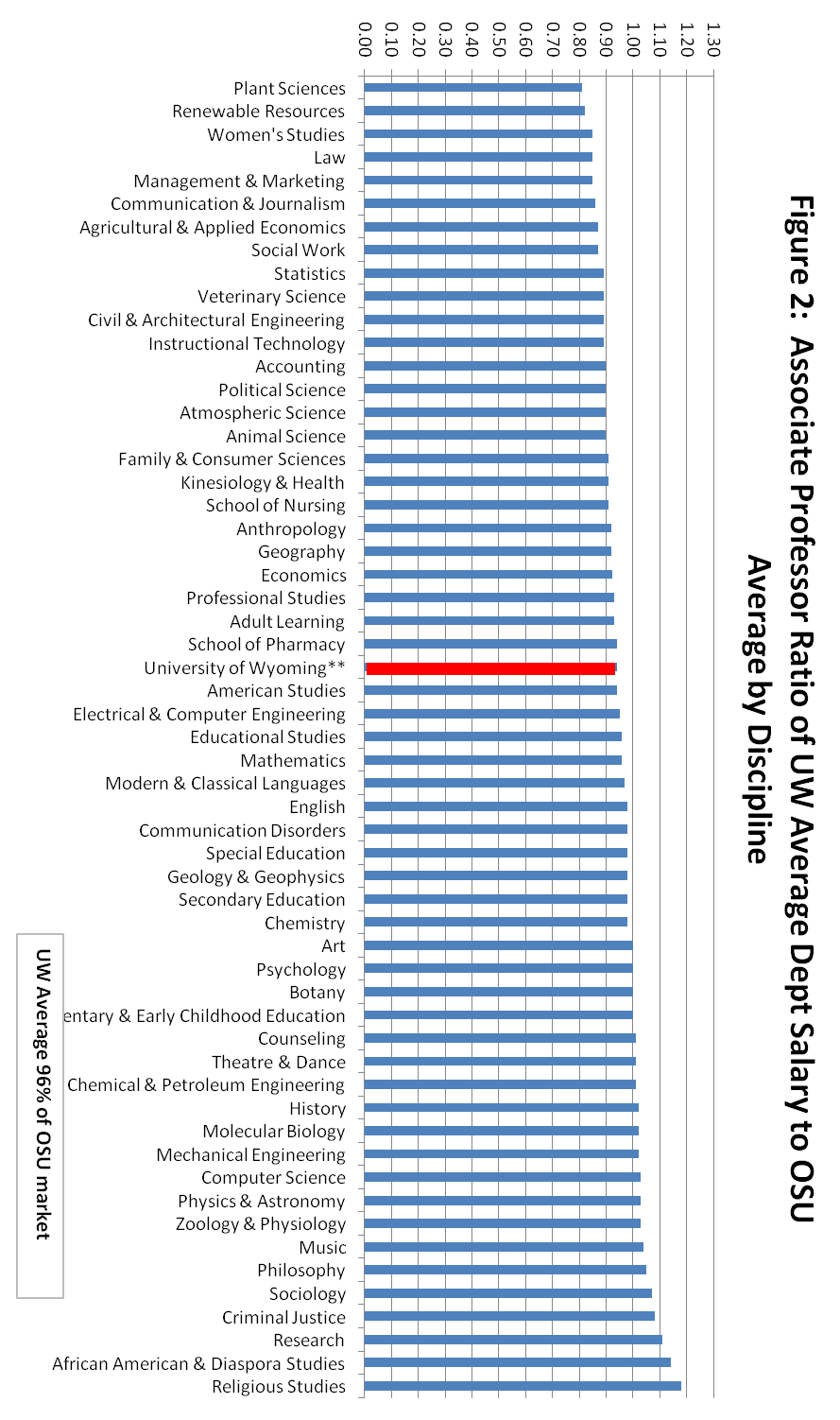
1. *Compression relative to market.* We define this type of compression as occurring when for higher ranks the ratio of UW average salary by discipline relative to benchmark salary (percent to market) is lower than for lower ranks. This can be seen occurring in Table 2 by the fact that assistant professors are nearest to market salary defined by OSU averages, while full professors are farthest away. This is also of concern among new assistant professors who have been hired during the recent salary freeze at UW. Given that the only segment of public institutions’ salaries that has been growing has been at the new-assistant level, it is possible that even some of the newest hires on campus have faced compression to market recently.
2. *Compression within the institution across ranks.* We define this type of compression as occurring when the average UW salary at a higher rank within a department is lower than the average salary reported across a lower rank within the same department. There was only one instance of a department in the 2009-2010 data that showed any higher rank having a lower average salary than the lower ranks in the same discipline. This occurred only in Plant Sciences where the average associate professor salary across two individuals was lower than the average reported across three assistants.

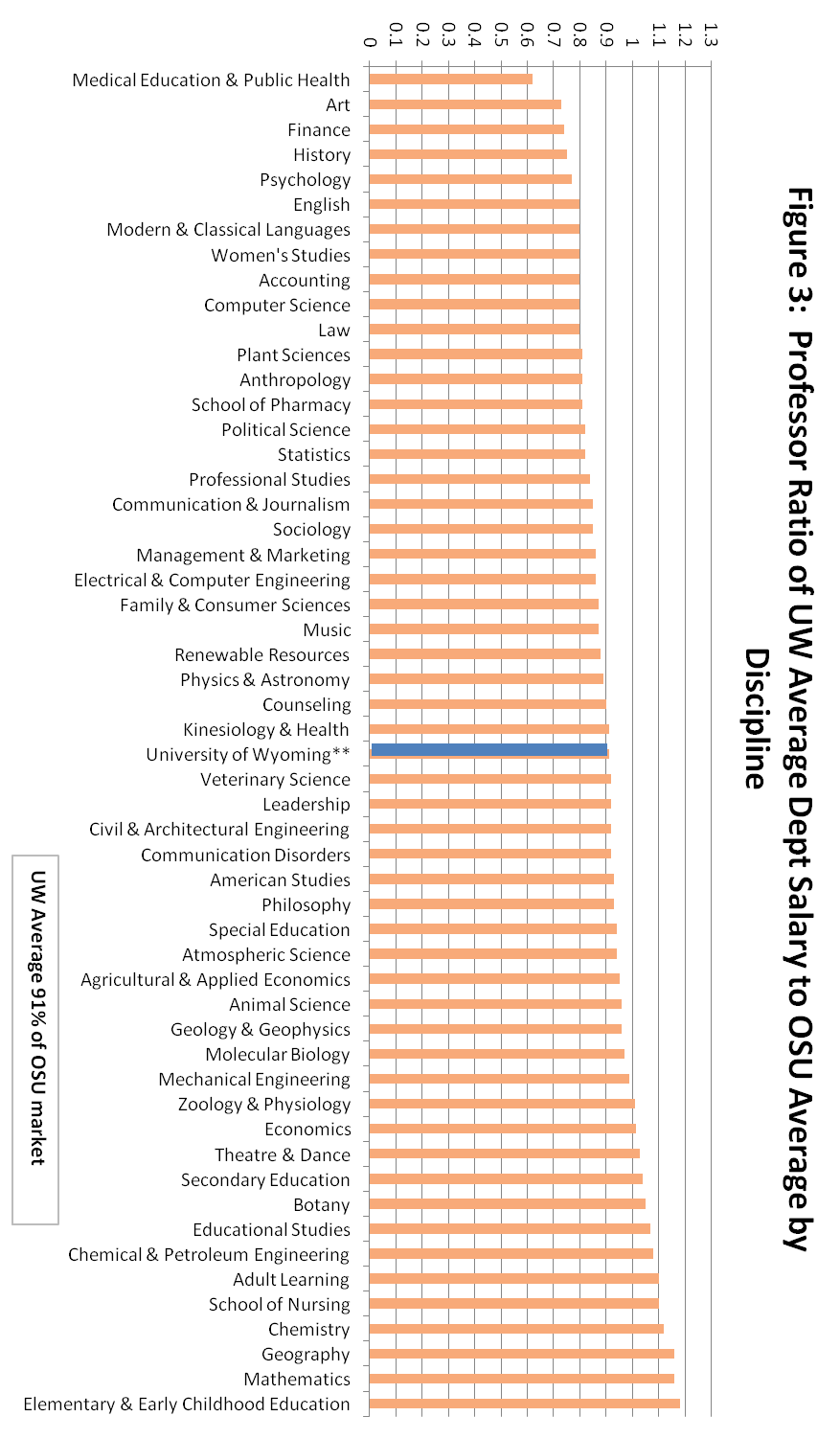
Given that compression across ranks on average is almost non-existent at UW, this issue is not addressed in this report and the compression analysis presented focuses on compression to market. It may be true that since department average salaries by rank (as opposed to individual salary data) were used to determine whether there was a problem at UW of rank-compression, such compression may be more widespread than the data indicates.[[4]](#footnote-4) Overall, this type of compression appears to be a less-important problem on campus.[[5]](#footnote-5) Into the future, however, this problem could worsen if new assistant salaries rise more quickly than those in the higher ranks. For example, the average associate professor salary at UW was 10.9% higher than the average assistant professor salary for the 2009-2010 data. Presuming that the usual 10% increase occurs for promotion, these faculty steps are what would be expected and normal, depending on faculty composition.[[6]](#footnote-6) If, however the assistant salaries rise more quickly than associates in the near future, rank-compression could occur between new and more experienced associates in the same departments. This is a concern the institution should continue to monitor.

Full professor average salaries are 28.7% higher than Associate professor salaries and, while this would indicate little cause for concern regarding rank-compression between these two ranks now, it may also reflect more recent full-professor salary adjustments. Those increases and the effect they have had on the difference between full and associate salaries would be more likely to be preserved by the recommendation outlined in Action Item 65 (increasing the Associate to Full promotion to 20%); however it is unclear when or if this recommendation will go into effect. Without this change it seems likely that future problems with rank compression could become more severe due to the current level of associate professor salaries now relative to assistants on campus. As associates are promoted to full professor given current salary levels, without an increase in the current practice of 10% salary increase for the promotion from associate to full the difference will fall between average full and associate salary levels, increasing the likelihood of rank compression occurring in the future. Further, this will likely put downward pressure on UW’s salary relative to market at the full professor rank and risks causing UW’s salaries at that level to fall further behind the market. Given this rank is also the rank furthest below market and the fact that full professors are often the core of the institution’s premier research efforts, this could be cause for future concern.

**Recommendation 3: The University of Wyoming should adopt the 20% compensation increase defined in Action Item 65 for Associate Professors promoted to Full Professor as soon as possible.**







Market compression is persistent on campus, though it is largely a department-dependent outcome. As noted previously, the degree to which faculty salaries are closer to market varies inversely with rank with higher ranks being further from market. It also varies by department with many on campus higher than the market average for their discipline in some or all ranks. Figures 1 to 3 describe how departments vary in average salary relative to OSU market salaries by rank.

By rank, the number of departments with lower than average market to OSU salary ratios varies. A clear majority of departments at the assistant professor level are higher than the UW average level, while full professors see a slight majority of departments where this is the case. Only at the associate level is there a majority of departments where average salaries are lower relative to market than the UW average. This again is reason for concern as current associates will in future be the core of the full professor ranks and this implies there is a likelihood that a majority of departments could fall below market average at the full professor level unless efforts like that in Recommendation 3 are not adopted.

**Table 4: Percentage of Departments and Associated Faculty by Rank below 90% of Market**

|  |  |  |
| --- | --- | --- |
| **Rank** | **Number of Departments\*** | **Number of Faculty in Identified departments** |
| Full | 25 (47%) | 109 (19%) |
| Associate | 12 (21%) | 36 (6%) |
| Assistant | 4 (8%) | 18 (3%) |
| **UW reference** | **60 departments** | **581** |

\*53 departments have assistant and full professors, 56 include associates.

If severe market compression is defined to be those departments below 90% of market salary, Table 4 describes the number of affected faculty and departments as of 2009-2010. As indicated in Table 4, market compression varies with rank as previously determined, with the highest ranks on campus showing the greatest degree of market compression.

Tables 5 through 10 describe the dispersion of departmental average salaries by rank in more detail. Of greatest concern potentially in Tables 5 to 7 is the fact that almost half (47%) of the departments at UW have average full professor salaries below the 90% level. This again reflects the fact that on average full professors on campus only earn 91% of their comparative market average salary as defined by the OSU sample. Conversely, Assistant salaries appear to be much more competitive, with only 8.1% of departments reporting salaries below the 90% comparator. These are mainly confined to the College of Business where three out of four departments report average salaries below 80% of market. Of continuing concern is the fact that over 20% of associate professors are below 90% of market and 64% below 100%, suggesting again that as promotions occur there will likely be increasing market compression at the full professor level.

**Table 5: Assistant Professor Department Average Salaries Relative to Market**

|  |  |  |  |
| --- | --- | --- | --- |
| **Departments** | **100% of market** | **95% of Market** | **90% of Market** |
| Number of Departments below market average | 29 | 16 | 4 |
| Number of Departments at or above market average | 24 | 37 | 49 |
| Proportion of Total below | 55% | 30% | 8.1% |
| Lowest vs. Market comparator\* | 74% of market (1)  110% of market (2) | | |
| Highest vs. Market comparator\* |
| Number of Departments at market | 4 at 100% | 2 at 95% | 4 at 90% |

\*Number of departments reporting this average level to market in parentheses

**Table 6: Associate Professor Department Average Salaries Relative to Market**

|  |  |  |  |
| --- | --- | --- | --- |
| **Departments** | **100% of market** | **95% of Market** | **90% of Market** |
| Number of Departments below market average | 36 | 26 | 12 |
| Number of Departments at or above market average | 20 | 30 | 45 |
| Proportion of Total below | 64% | 46% | 21% |
| Lowest vs. Market comparator\* | 81% of market (1)  118% of market (1) | | |
| Highest vs. Market comparator\* |
| Number of Departments at market | 4 at 100% | 1 at 95% | 4 at 90% |

\* Number of departments reporting this average level to market in parentheses

**Table 7: Full Professor Department Average Salaries Relative to Market**

|  |  |  |  |
| --- | --- | --- | --- |
| **Departments** | **100% of market** | **95% of Market** | **90% of Market** |
| Number of Departments below market average | 40 | 35 | 25 |
| Number of Departments at or above market average | 13 | 18 | 28 |
| Proportion of Total below | 75% | 66% | 47% |
| Lowest vs. Market comparator\* | 62% of market (1)  118% of market (1) | | |
| Highest vs. Market comparator\* |
| Number of Departments at market | 2 at 101% | 1 at 95% | 1 at 90% |

\*Number of departments reporting this average level to market in parentheses

Quartile analysis again verifies the previous findings as shown in Tables 8 to 10 where by rank, departments were arrayed from lowest to highest salaries as a percentage of OSU-defined market to define the quartiles. [[7]](#footnote-7) Defining department average salary levels as falling into the bottom, middle or upper quarters of total number of departments by rank indicates that roughly an equal number of faculty at every rank are distributed throughout the quartiles. In other words, there does not appear to be a large unequal distribution of faculty falling within any quartile of salary level relative to market. At the full professor level just over one quarter of faculty on campus are associated with departments that have average salary levels at 100% or better of their market average. At the assistant professor level, almost half the faculty at that rank are associated with departments where average salary for the rank is at market average. Associate professors include 33% of faculty on campus at or above market salary.

**Table 8: Assistant Professor Department Average Salaries to Market Quartile Analysis**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Departments** | **Number of Faculty** | **Average % of market** | **Maximum % of market  (number of faculty)** | **Minimum % of market (number of faculty)** |
| Bottom quartile | 36 | 88% | 94% (1) | 74% (8) |
| 26%-50% | 54 | 96% | 99% (7) | 94% (5) |
| 51-75% | 40 | 101% | 103% (2) | 99% (3) |
| Top: 76%-100% | 48 | 106% | 110% (1) | 103% (3) |

**Table 9: Associate Professor Department Average Salaries to Market Quartile Analysis**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Departments** | **Number of Faculty** | **Average % of market** | **Maximum % of market  (number of faculty)** | **Minimum % of market (number of faculty)** |
| Bottom quartile | 41 | 87% | 90% (3) | 81% (2) |
| 26%-50% | 53 | 92% | 96% (4) | 90% (3) |
| 51-75% | 63 | 99% | 101% (1) | 96% (10) |
| Top: 76%-100% | 44 | 106% | 118% (2) | 101% (3) |

**Table 10: Full Professor Department Average Salaries to Market Quartile Analysis**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Departments** | **Number of Faculty** | **Average % of market** | **Maximum % of market  (number of faculty)** | **Minimum % of market (number of faculty)** |
| Bottom quartile | 47 | 77% | 81% (5) | 62% (1) |
| 26%-50% | 64 | 86% | 91% (1) | 81% (5) |
| 51-75% | 55 | 94% | 99% (4) | 92% (5) |
| Top: 76%-100% | 50 | 108% | 118% (3) | 101% (10) |

Table 11 describes the cost, specifically the accrued salary value associated with not paying faculty on campus market salaries based on 2009-2010 data. The table calculates the fiscal needs to address market salary compression by rank if all compression were to be addressed (100% level), or if all departments attaining average salaries less than 90% or 95% were corrected. These estimates were computed using the difference between the OSU average and the reported average salary by rank, by department for all departments below a specific benchmark (90%, 95% or 100%). This average difference was multiplied by the faculty in the associated department and these department totals were summed across departments whose average salaries were below the OSU benchmark target indicated.

The table also includes an estimate of the benefits costs necessary to correct compression in addition to salary assuming that benefits add approximately 30% additional cost above salary to the institution for any employee.[[8]](#footnote-8) As previously described, three departments in the College of Business have market salaries at the assistant professor level that are below 80% of market, thus the cost to address compression at the Assistant level appears high when compared to the associate values.[[9]](#footnote-9)

**Table 11: Full Professor Department Average Salaries to Market Quartile Analysis**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Market Target  (% of OSU)** | **Full Prof** | **Full+30% benefits** | **Assoc Prof** | **Assoc.+30% benefits** | **Asst. Prof** | **Asst.+ 30% benefits** | **Total (including benefits)** |
| 100% | $2,671,637 | $3,473,128 | $885,567 | $1,151,237 | $775,088 | $1,007,614 | $5,631,979 |
| 95% | $1,736,545 | $2,257,509 | $410,273 | $533,355 | $466,106 | $605,938 | $3,396,802 |
| 90% | $985,465 | $1,281,105 | $204,176 | $265,429 | $303,932 | $395,112 | $1,941,646 |

Based on OSU tables 2009-2010 average salaries by discipline and rank, and 2010 UW salary data

It should be noted though that the computations in Table 11 do not adjust salaries for taxes and cost of living and therefore the estimated values are likely biased upward since both are lower in Wyoming than in most other states, or at least the set of states the majority of OSU-surveyed schools are located in. The cost of living in Wyoming is approximately 99% of national average based on various inflation index measures. Tax rates are more difficult to determine but Wyoming is one of only seven states without an income tax, while two others do not tax dividend or interest income.[[10]](#footnote-10) To clearly identify actual market compression net of taxes and cost of living would require adjustments based on tax rates and cost of living. This cannot be performed using the OSU data since the schools included in each disciplinary reference set are not identified. Such adjustments could be made with more information, particularly for the group selected in Table 1.[[11]](#footnote-11)

To the degree that the university wishes to adhere to market benchmarks as described in Action Item 65 the above analysis is still relevant, but the caveats outlined above suggest how difficult it is to define a salary standard. Clearly the reference outlined in the Academic Plan is inadequate in construction with a reference to a percentile level without definition of benchmark, and it does not include a suggestion of reasonable adjustments for real compensation differences due to tax rates and goods and services cost variations nationally. It is, however, the case that UW salaries do not appear to achieve the levels suggested in the current Academic Plan. Before this is addressed though, it would be a reasonable exercise for the university to redefine the benchmark to allow a better and more transparent salary targeting and it may be reasonable to make appropriate tax and cost of living adjustments.

**Library and American Heritage Center Faculty Salaries**

The University of Wyoming has designated librarians and archivists as extended-term track faculty. The Association of Research Libraries compiles the *ARL Annual Salary Survey* and this provides the comparator data for this group. Specific descriptions for Library faculty are contained in Unireg 7-631 and for archivists by Unireg 7-490.[[12]](#footnote-12) Tables 12 and 13 describe AHC and Library salaries. The librarians and archivists show similar trends to the tenure-track faculty, and may appropriately be included in the general discussion about faculty salaries. Benchmarking this group is problematic as job descriptions across research library vary greatly in tenure, research expectation and job description. Further work is likely required for this group.

**Table 12: American Heritage Center Faculty Salary Comparisons**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Position** | **Number of faculty** | **ARL Average Salary** | **UW Average Salary** | **UW % of market average** |
| Director | 1 | $199,120 | $103,152 | 52% |
| Associate Director/Dean | 1 | $116,470 | $88,272 | 76% |
| Department Head | 5 | $80,207 | $53,287 | 66% |
| Non-Supervisory Librarian >14 years' experience | 0 | $64,786 | n/a | n/a |
| Non-Supervisory Librarian 10-14 years' experience | 0 | $57,478 | n/a | n/a |
| Non-Supervisory Librarian 5-9 years' experience | 2 | $53,472 | $43,104 | 81% |
| Non-Supervisory Librarian <5 years' experience | 4 | $47,226 | $36,306 | 77% |

**\***American Research Libraries (ARL) Survey, 2009-2010 data.

**Table 13: UW Library Faculty Salary Comparisons**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Position** | **Number of faculty** | **ARL Average Salary** | **UW Average Salary** | **UW % of market average** |
| Department Head | 7 | $76,507 | $72,078.86 | 94% |
| Non-Supervisory Librarian >14 years' experience | 5 | $65,282 | $58,388.80 | 89% |
| Non-Supervisory Librarian 10-14 years' experience | 7 | $58,522 | $53,404.00 | 91% |
| Non-Supervisory Librarian 5-9 years' experience | 6 | $54,029 | $47,138.33 | 87% |
| Non-Supervisory Librarian <5 years' experience | 1 | $48,332 | $46,000.00 | 95% |

**\***American Research Libraries (ARL) Survey, 2009-2010 data.

**Academic Professionals**

Academic professionals are a very important faculty group on campus. They play a particularly important role in the college of Arts and Science, but their participation in the campus faculty is not limited to that college. Time did not permit an analysis of Academic Professional salaries for several reasons. The job description of Academic Professionals and indeed their role on campus is possibly unique among the institutions in the OSU survey or among the institutions we would aspire to compare to. OSU data does not include a faculty salary that compares to academic professionals’ positions on campus. It is unclear what salary benchmark is appropriate for this comparison. There may actually be several. One possibility is to compare them to faculty at Wyoming’s community colleges. It is important that this issue and the issues regarding Library personnel are further investigated and we suggest this could be approached by future Budget committee efforts.

**Considerations Regarding Faculty Raises in the 2012-2013 Budget and the Future**

How to address the issues of market compression is difficult. The discussion above describes some of the problems, while at least outlining how compression could be addressed with respect to the financial resources necessary to potentially adjust department salaries that are below their disciplinary benchmarks. Further, the issue of keeping up with the market is difficult given salary practices at UW and appropriations made by the state. The University of Wyoming has historically had salary increases approved by the state legislature. These appropriations are generally made to the University as part the biennial block grant appropriation. Occasionally additional raise pools have been made available to address specific issues. The most recent was an additional pool made to address senior faculty market and rank-compression six years ago. In the more recent past the university has attempted to be linked to state employees to ensure that when regular market-adjustment wage increases were made to that group, similar increases would be made at UW. Since state employees usually receive regular salary increases to maintain state salary levels, this linking of faculty salaries was an attempt to move the university to predictable salary increases from the one-time appropriation methods historically used. This approach is, however, problematic since the staff and faculty at UW are not composed of the same type of labor as state employees and it is not clear that the two markets experience similar market and wage changes. This could imply that state increases may not be enough to maintain UW salaries relative to market. This effort did create the benefit of regular wage adjustments though, which is something that cannot be guaranteed when salary increases at the state’s flagship institution are made only by special appropriations.

While it has been claimed that at UW wage increases are merit based only, the majority of faculty and staff increases on campus over the past decade have essentially been made to address cost of living adjustments. These are necessary in any industry when inflation (even mild inflation) is present. Overall, to retain good personnel at any institution regular increases are necessary to “keep up” with market inflation and with specific labor market compensation levels. It is fundamentally important that UW does everything it can to move the institution to a system that allows regular and predictable salary increases to maintain not only the local purchasing power of faculty salaries but to maintain salaries relative to market if good faculty are to be retained.

One method of addressing market-compression then would be to ensure regular wage increases are made to follow regular market inflation. At UW, faculty are affected by two types of market inflation – market inflation in the region and market inflation in the national pool of university educators and researchers. The latter is what we termed previously market-compression. We recommend that UW immediately being to ensure that regular cost of living and market adjustments, or “keep up” increases are made to faculty. This would limit market-compression from occurring at the University. Market inflation could be defined by market benchmarks such as the OSU data previously cited, or salary data regarding a benchmark group like that defined in Table. 1. Such defined and regular increases for market and regional inflation do not take place explicitly on campus. Regional inflation rates are easily measured by existing data collected by the state. The most appropriate to use would be the Wyoming Cost of Living Index (WCLI), which is released bi-annually and defines state-wide and regional inflation rates within the state.

Associated with the issue of regular market-adjustment and cost of living wage increases, or “keep-up” adjustments is a practice that causes considerable misunderstanding and morale issues on campus: the issue of Administrative “skims” from the wage pool to cover necessary merit, market, promotion and equity increases. The typical salary pool increase at UW is defined as a percent of the total salary pool, where the total salary increase pool includes monies appropriated for all faculty and staff salary increases in the biennium. This amount is often cited in media and by the administration as the “average wage increase.” Unfortunately, a majority of faculty never receive this increase as prior to department and college recommendations for allocation the pool is reduced by “skims” taken to cover the above compensation issues. The practice of skims then is often interpreted by faculty as a loss in wages and it is unclear to most faculty how they are used. This creates considerable morale issues on campus.[[13]](#footnote-13) We recommend in future that wage increases be defined and made in two categories on campus:

**Recommendation 4: It is recommended that future UW budget requests seek two separate salary raise adjustment pools. The first pool (Administrative) would comprise salary raise monies to handle promotion, special individual and faculty market, gender inequality, and compression adjustments. The second pool (Cost of Living) would comprise salary raise monies for merit based cost of living raises and for adjustment of faculty salaries to remain competitive with the university benchmark salary levels.**

The impact of this recommendation would be the elimination of the administrative skims from general salary appropriation pools. When this occurs now, it is only human nature to interpret such skims as monies “taken” from the fund that will compensate them.[[14]](#footnote-14) The recommendation above suggests that necessary funds for promotion and other market adjustments be dealt with entirely separately from the funds to be distributed among most faculty and staff. One administrator refers to such a plan as dividing the raise pool into “keep up” and “catch up” pools. The Administrative pool in effect creates an entirely separate pool that represents the purpose of the previous skimming process; to make promotion, market, gender inequality, and compression adjustments. This pool would be completely administered by appropriate level UW officers (Provost, Deans; for the academic portion). The separation of “keep up” or cost of living raises from these administrative raises would increase faculty understanding of the process by eliminating the often confusion element of skimming. The cost of living raise pool would not be or need to be skimmed, but would be differentially allocated to academic units on the basis of merit discussions held at the Dean/Department Head level. Faculty would be made aware of the amount that had been appropriated for “keep up” efforts (the cost of living pool), as this would be the level of increase relevant to most faculty. Administrators would deal exclusively with the separately defined pool “catch-up” pool. References to the total average increase an entire salary appropriation made by the Legislature should be avoided. These only cause confusion and misunderstood salary adjustments.

The recommendation above would require the University to define salary requests of the legislature based on cost of living and market inflation, both of which are observable given salary data available. The second amount would be the amount previously funded by “skims” but as a separate pool would no longer appear to result in lowered amounts for general faculty increases. The amount necessary for this second pool should be easily foreseeable by Old Main given that the majority of the pool would be necessary for promotion increases, which occur predictably. The second pool would be allocated across the President’s, Provost and College Dean’s offices. With respect to legislative requests the University would request the sum of both pools from the legislature through the usual appropriation process, likely as a single amount. Once received faculty the two pools would be clearly communicated to faculty to avoid the miscommunication problems that have been characteristic of current practices.

**4) Benefits Comparisons**

The above analysis has focused on salary compensation only. Time did not permit a full analysis of benefits programs offered by every university in the OSU sample or even by the institutions included in Table 1. A limited comparative analysis was performed with respect to UW and the schools listed in Table 1 to determine if benefits options offered at UW were consistent with those offered at the aspirational and regional comparators identified on campus. The analysis appears in Appendix 1, which appears as an addendum to this report. Wyoming benefits offered are consistent with the majority of schools in the set. UW does not offer a group-life insurance option, unlike most schools. Like most schools UW does not offer an unrestricted tuition plan for dependents or family members. The existence of UW’s restricted tuition plan, though, is uncommon. Overall a limited analysis of medical and dental coverage indicated UW was not different than most other schools with respect to what is offered but employer contribution rates appear to be somewhat higher than most schools in Table 1.[[15]](#footnote-15)

The majority of institutions in the suggested comparator list in Table 1 provide health insurance and other benefits to the domestic partners of their faculty and staff members. To be competitive with those institutions in the recruitment and retention of outstanding faculty and staff, the University of Wyoming must expand its own health insurance coverage to include the domestic partners of its faculty and staff. In May 2009 the UW Board of Trustees approved “a policy that would allow the university administration to implement a voucher program to provide domestic partner benefits, with the understanding that implementation of such a system shall not occur now but must wait until such time as the President of the University determines that it is fiscally viable in light of the current budget reductions.” We understand that the budget reductions of 2009 have been fully implemented and the budget scenarios for both the state and UW are much improved, so we urge implementation of the voucher program at the earliest possible opportunity.

**Recommendation 5: The University of Wyoming should implement a voucher program to provide health insurance coverage to the domestic partners of UW faculty and staff beginning with the 2011-2012 academic year.**

Wyoming does provide significant employee advantages in retirement benefits relative to the comparators in Table 1. Overall, Wyoming’s total contribution for 401(a) or similar deferred contribution is higher than all but a few schools in the table, where almost every school in Table 1 offers a comparable retirement program to those offered at Wyoming.[[16]](#footnote-16) Across all schools except Wyoming in Table 1, the average required employee contribution to retirement is 5.1% (compared to UW’s 1.43%) while the average employer contribution is 8.9% (compared to UW’s 12.69%). Summing these averages the schools in Table 1 create a retirement contribution of 14% of total income while UW provides 14.1%.[[17]](#footnote-17) Overall, an employee would have approximately the same value of retirement benefits across all of these schools at retirement but relative to Wyoming, employees of the other institutions listed would in general have contributed 2.5 times more from their salary. Only three schools in the set in Table 1 have a lower contribution than Wyoming. The Utah schools provide 14.2% of income additional to any contributions made by the employee (none are required). The University of Florida also requires no employee contribution, but contributes only 10.42% of salary, thus an employee contribution of almost 3.7% would be necessary to match UW’s contribution rates. Overall, the salary differences outlined previously should include some consideration of retirement benefit differences, as on average UW employees enjoy an after-tax 2.8% salary advantage net of required retirement contributions.[[18]](#footnote-18)

**Necessary work in the future**

As a committee, this report might be seen as a beginning with respect to what we recommend is a regular salary review across the campus. Minimally, the budget committee should request from OIA salary data to perform a similar analysis to what is shown here, or they could use existing UW data provided by OIA. It is important that faculty and staff remain aware of salary and compensation conditions on campus. Much of the compensation work we suggest below should be done with respect to the benchmark group we have defined in Table 1 since OSU data does not include information in these areas. Other future work we suggest budget committees consider is described in Table 14. Of specific importance are the issues regarding Library, AHC and academic professional faculty, graduate assistants, and the general levels of resources available at UW to support rigourous high quality teaching and research programs.

**Table 14: Suggested Future Work:**

|  |  |
| --- | --- |
| **Task** | **Description** |
| 1. Annual review of UW salary and benefits conditions relative to OSU and benchmark schools in Table 1. | We suggest that annually the budget committee report on salary conditions and benefits trends at UW, including a comparison to historic benchmarks such as OSU data and benchmark schools like those included in Table 1. The budget committee should utilize the assistance of OIA staff where necessary and appropriate. |
| 1. Academic Professional Salaries | As noted in this report, definition of relevant comparison groups and salary benchmarks do not exist for this group. Benchmarks must be defined and analysis of current salaries performed. |
| 1. Library and AHC faculty Salaries | As noted in the report, while we provide preliminary data, comparison to the schools outlined in Table 1 would be appropriate to determine whether job descriptions and compensation levels are consistent with similar faculty at comparison schools. |
| 1. Graduate Assistant working conditions and compensation | Consideration of this group was also not included in this report. Recognizing the important role they play on campus with respect to the institution’s teaching and research mission, we suggest that utilizing the schools described in Table 1 as a benchmark group, that compensation levels, length of graduate assistance award, workload and expectations be reviewed to ensure they are competitive. |
| 1. Resources available for academic program issues and development | This report has not even considered other fiscal issues relevant to the mission of the University of Wyoming. Utilizing specific benchmarks defined by collecting data regarding the schools in Table 1, we suggest that benchmarking UW’s resources is essential if the institution is going to be able to meet its aspirational goals in the future. |

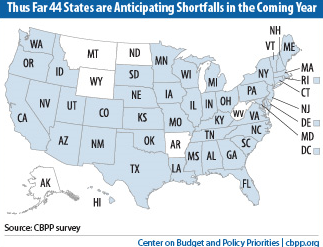
**Conclusions**

Based on the analysis conducted by this committee, the University of Wyoming would be supported by faculty if salary increases were pursued as the highest budgetary priority. Some confusion exists on campus with respect to the institution’s compensation goals. This in part may stem from the most recent academic plan (UP3) where a different definition of salary target was used from those referred to in the past or even used on campus. We support efforts being made on campus and in the administration to define a distinct group of comparator schools that should be used as benchmarks. We have identified a potential set that appears to be consistent with UW’s mission statement and those already used on campus in Table 1. We recommend that all institutional comparisons could be made relative to this group for regional and aspirational comparisons as data from this set of schools would be very useful in gauging compensation levels at UW, and may be more reflective of the institutions the University of Wyoming’s mission is to match.

A great deal of misinformation also exists on campus with respect to comparative salaries at Wyoming versus other institutions. Salaries are lower than those used as traditional benchmarks. Compared to the OSU survey of salaries, Wyoming’s salaries are behind the average levels in the market based on the entire sample created in the OSU sample. The degree to which average salaries are below market varies and increases by faculty rank. The degree to which salaries are below even average levels may be at odds with both UW’s stated objective of achieving the 50th percentile of public research institutions. Relative to the set of more relevant regional competitors and aspirational comparators defined in Table 1 it is almost certainly the case that salaries lag further behind than OSU averages indicate. While this is cause for concern it should be noted that relatively generous benefits levels, particularly in retirement and possibly medical costs, as well as favorable cost of living and state tax rates may reduce the degree to which average salaries at Wyoming are under-market.

An often cited concern among faculty on campus is the perception of compression. Overall it would appear normal faculty salary variation exists across campus but this is not resulting in compression in salaries by discipline. It is the case that salaries vary by field, as they do in non-academic positions, and as one would expect they would, given the alternative outside salary options available to faculty of different disciplines. We therefore do not consider salary equity across disciplines a goal. We found little evidence of salary compression between ranks at UW. We do define a second form of compression which we term “market compression.” We define this compression as occurring the degree to which faculty are below market salary increases with higher rank. As noted above, this exists at UW. With respect to compression across ranks at UW, however, we find no evidence of systematic problems. This rank-compression outcome (or lack of it) would be more likely to persist over the long term if the institution were to adopt the stated goal outlined in Action Item 65 regarding 20% salary increases for the promotion from associate to full professor. The cohort of faculty in this rank currently appears to be particularly susceptible to wage compression in the near future, even if normal wage increases do not begin to occur again.

**Figure 4: State with Projected Budget Shortfalls in the Coming Year**



Wyoming is one of only six states currently expected to experience a budgetary surplus in the country as of spring 2011 (see Figure 4). This presents the state of Wyoming with a rare opportunity to responsibly address relative market salary deficiencies in the coming year. Only two of the schools listed in Table 1 are located in the other states not expected to experience a budget shortfall. For this reason the committee is strongly supportive of the institution’s prioritizing compensation increases in the upcoming appropriation request. While this may appear self-serving, Wyoming, like almost all other public institutions has experienced a salary freeze for the past two years. This will almost certainly persist at most other schools in states still experiencing shortfalls. Resuming normal faculty increases at Wyoming in the coming year could actually allow the university to reduce market salary disadvantages previously documented in this report. Doing so as soon as possible is potentially very important as in the coming year it is likely several other states will move to more balanced budgets and likely resume normal compensation increases thus the window of opportunity to catch up to the market may be short-lived.

UW, through the decision of the state legislature to not fund the supplemental budget request made by the former Governor of Wyoming, may have missed an opportunity in the past year to close the gap to its faculty market and/or to improve its advantages over many schools. Despite this, we feel that the budget session of 2012 presents such an opportunity again. Given the stated mission of the University of Wyoming, and the salary goals outlined in the Academic Plan, pursuing normal salary increases as part of the appropriation process is justified. Securing such funds would buttress UW’s position with respect to staff and faculty salaries in the future, thereby creating potential advantages in faculty recruitment and retention. Further, the University of Wyoming should do everything possible to maintain benefits levels as these appear to be an area where UW has an advantage over many other schools that it may compete with.

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1. The OSU data also includes instructor salaries but it is unclear that these are comparable to UW’s limited and/or extended term faculty, or UW’s instructors. Salary data for these groups by department was not available and comparisons to these groups were not performed. [↑](#footnote-ref-1)
2. Without specific institutional data across the schools identified in Table 1, this conclusion cannot be established absolutely, but typically OSU data shows salaries at Very High Research universities to be higher than those at High Research institutions, and higher than the average across all OSU institutions. [↑](#footnote-ref-2)
3. In the College of Education, full professors are at 101% of market overall. Other unreported ranks in Table 3 are as follows: Arts & Science associate professors: 99% (90), Engineering associate professors 95% (26), Agriculture full professors 92% (38), Health Sciences associate professors 93% (15), Business associate professors 89% (10), and Law associate professors 85% (3). [↑](#footnote-ref-3)
4. We did not have access to individual’s salary data by department. For this reason we cannot say that there are not cases outside Plant Sciences where some individuals are experiencing rank compression since we only had average salaries by rank and department to analyze. [↑](#footnote-ref-4)
5. This has not always been the case, but senior faculty raise efforts made to combat exactly this problem were made several years ago, and it appears that given the data we had to analyze the efforts were either largely successful or affected faculty have since left the institution. Anecdotal evidence suggests both outcomes occurred. [↑](#footnote-ref-5)
6. Specifically, this would be normal assuming that the average associate is about equally close to promotion as the average assistant, given the fact that UW’s practice is to award a 10% salary increase upon promotion from assistant to associate professor. [↑](#footnote-ref-6)
7. Consider the 56 departments that have associate professors. This defines 14 departments in each quartile. [↑](#footnote-ref-7)
8. This may be too low. For example grant applications use benefits levels of over 40% when computing salary needs. Benefits costs per employee, however, typically decline as salaries rise thus we have used a lower estimate. [↑](#footnote-ref-8)
9. These assistant professor costs are dominated by three departments (Management and Marketing, Finance and Accounting) where salaries are below 80%, which include 15 faculty. Cost to adjust just the faculty in these three departments would be $301,554 before benefits adjustment. The very high cost to address these particular salaries is due to the fact that these disciplines have among the highest salaries at the institution and therefore any efforts to address the compression issues in these departments are very costly. The fourth department below 90% is Statistics where the cost to adjust the three faculty is $2,378 before benefits. [↑](#footnote-ref-9)
10. States without income taxes are Alaska, Washington, Nevada, South Dakota, Texas and Florida in addition to Wyoming. States that do not tax dividend or interest income but do tax income include Tennessee and New Hampshire. Wyoming’s property tax rates based on 2008 data are 0.54% relative to an average rate of 1.02% in the states where the schools in Table 1 are located. Similarly, Laramie sales tax is 6% while the average across the states where schools in Table 1 are located is 6.6%. [↑](#footnote-ref-10)
11. An estimate of this value was made for this report. Since average salaries across the schools in Table 1 are not known, using the OSU average salary across all ranks, and UW’s average market difference (93%), net of taxes and cost of living differences, UW salaries are on average across all ranks 2.14% *greater* than the estimates for the schools in Table 1. This estimate, however, is likely overstating the UW comparison as the schools in Table 1 are likely to have higher than average OSU salary levels since they include some of the most elite public institutions in the country. Still, this computation shows the importance taking such adjustments into account could have on salary comparisons. [↑](#footnote-ref-11)
12. These Uniregs can be found at the following site: <http://www.uwyo.edu/generalcounsel/new-regulatory-structure/cross-index-source-of-newly-numbered-uw-regulations.html>. [↑](#footnote-ref-12)
13. The destructive atmosphere this practice creates was most recently apparent when the University administration asked the Faculty Senate to vote on the proposal to increase Associate salary promotions to 20% of salary. This motion was rejected in large part because faculty, senior faculty in particular, saw the salary pool as a zero sum game – and they felt that the funds (skims) needed to fund this promotion increase would result in less money available for the rest of the faculty on campus. Had the salary pool been requested from the legislature as suggested in this report and communicated to faculty and staff as we recommend this misconception may not have occurred. [↑](#footnote-ref-13)
14. We recognize that the current problems among faculty with respect to the “skimming” process are entirely an issue of communication. Skims are necessary to retain faculty and award promotions in the current system. The method in which they are administered, in combination with misleading reports of the appropriated salary pool representing an “average increase,” however, lead to a very poor understanding among faculty as to why for example a reported 4% “average increase” in practice becomes a 2.5% increase for most faculty on campus after “skims.” The recommendation in this report is really an effort to improve this communication by making the entire salary process much more transparent to faculty. Currently, misunderstandings of the way the system works at UW are leading to counter-productive viewpoints, including the belief that rank promotions and requisite salary adjustments among faculty occur only at a loss to the rest of the faculty on campus. Such a viewpoint is very counterproductive in an environment where good faculty need to be retained. [↑](#footnote-ref-14)
15. This is based on CUPA-HR data provided. Analysis was too detailed to be provided in this report. [↑](#footnote-ref-15)
16. The exceptions were University of Wisconsin-Madison and the University of Missouri-Columbia, where a deferred benefits plan is offered. [↑](#footnote-ref-16)
17. Three schools are not part of Social Security (Colorado State, University of Nevada–Reno and Ohio State). All three have total contributions in excess of the average – CSU at 17% with 8% employee contributed, Nevada-Reno at 22.5% split evenly across employer and employee, and Ohio State at 24% total contribution, of which 10% is provided by the employee. [↑](#footnote-ref-17)
18. While average employee contributions are 5.1% in the table versus Wyoming 1.43%, these contributions are made before taxes. Assuming a 30% marginal tax rate, this reduces the 3.7% advantage to a 2.8% after tax advantage. [↑](#footnote-ref-18)