

United Academics Market Adjustment Procedures University of Alaska

Prepared June 9, 2004 by:
Labor Management Committee for Market Salary Increase

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Part I: Determine each faculty member's Target Salary, based on 2003-2004 OSU Faculty Salary Survey, adjusted for years in rank

Step 1: Calculate average time in rank ($TIR_{rank\ avg}$) for each rank for all UNAC faculty in UA system (rounded to nearest whole year):

- $TIR_{rank\ avg}$ for Full Professors
- $TIR_{rank\ avg}$ for Associate Professors
- $TIR_{rank\ avg}$ for Assistant Professors
- $TIR_{rank\ avg}$ for Instructors

Step 2: Determine time in rank for each faculty member (TIR_{fac}) for their current rank (rounded to the nearest whole year), on March 1st, 2004.

Step 3: For each faculty member, determine OSU_{avg} , equal to the OSU 2003-04 average salary in rank and discipline (CIP code), using the "other average" group. The following qualifiers apply:

- CIP codes are determined by academic program, not degree discipline.
- OSU average salary in CIP code must be based on at least five institutions and 20 individuals. If fewer than five institutions and 20 individuals, the next more general CIP code will be used. If the most general CIP code contains fewer than five institutions and 20 individuals, it will be used.
- If a faculty member holds a joint appointment in two or more academic programs, the CIP code for highest percent appointment will be used.

Step 4: Calculate dollar amount to adjust OSU_{avg} for each year above or below $TIR_{rank\ avg}$, equivalent to 2% of OSU_{avg} . The 2% figure is based on the average percentage real salary increase per year for University faculty from 1993-94 through 2003-04*

*From *March-April 2004 Academe*, Table A, p. 22, “Percentage Increases in Average, Nominal, and Real Salaries for Institutions Reporting Comparable Data for Adjacent One-year periods, and Percentage Change in the Consumer Price Index, 1971-72 through 2003-04,” continuing faculty, all ranks, real term:

Calculated simple average percentage increase in faculty salary in real terms across the most recent 10-year period (determined it is 2.0% per year):

<u>Period</u>	<u>Real Salary Increase</u>
1993-94 to 1994-95	1.9%
1994-95 to 1995-96	1.5%
1995-96 to 1996-97	0.2%
1996-97 to 1997-98	2.6%
1997-98 to 1998-99	3.2%
1998-99 to 1999-2000	2.1%
1999-2000 to 2000-01	1.9%
2000-01 to 2001-02	3.4%
2001-02 to 2002-03	1.9%
2002-03 to 2003-04	1.2%

Step 5: Calculate Target Salary

$$\text{Target Salary} = OSU_{avg} * (1 + [(TIR_{fac} - TIR_{rank\ avg}) * 0.02])$$

Part II: Calculate Salary Adjustment, based on Total Base Payroll of UNAC members as of March 1st, 2004 (Total Base \$)**

Step 1: Determine Faculty Salary Differential (**FSDiff**).

$$FSDiff = \text{Target Salary} - \text{Nine Month Base Salary}$$

Step 2: Determine Faculty Eligible for Adjustment

If **FSDiff** > \$100, then faculty member is considered **eligible** for market adjustment.

Step 3: Adjust eligible faculty member’s **FSDiff** (from step 2 above)

If FTE is less than 1, **FSDiff** is adjusted accordingly (i.e. **FSDiff** = \$1,000 and FTE is .5, then **FSDiff** will be adjusted to \$500)

Step 4: Determine Total Salary Differentials (**Total SDiff**)

$$Total\ SDiff = \text{Sum of all adjusted eligible } FSDiff \text{ (from above steps).}$$

Step 5: Compute Salary Adjustment for each eligible faculty member

$$\text{Salary Adjustment} = [FSDiff / Total\ SDiff] \times (Total\ Base\ \$)$$

**Qualifiers for Salary Pool Determination

1. Faculty members must be in the United Academics bargaining unit on March 1st, 2004 to be included in salary pool determination and be eligible for a market adjustment.
2. Regular 9-month base salary will be used for salary pool determination for faculty on sabbatical at reduced salary on March 1st, 2004.
3. Regular 9-month base salary will be used for salary pool determination for faculty on leave without pay on March 1st, 2004, however, these faculty will not be eligible for a market adjustment if they are on leave without pay status on July 1st, 2004.
4. Regular 9-month base salaries will be used for salary pool determination for faculty who plan to retire in 2004-2005. Faculty who have declared they will retire before July 1st, 2004 will not be eligible for a market adjustment.
5. Actual 9-month base salary will be used for salary pool determination for faculty on less than 100% contracts (i.e., only the amount faculty member is paid per year). Market adjustment to salary will be based on the contract FTE.
6. Market adjustments will be made based on regular 9-month base salaries in 2003-2004. Faculty promoted during 2004 will receive market adjustments based on their rank, time in rank, and salary on March 1st, 2004.
7. Overloads payments shall not be included in the determination of the salary pool, nor in calculations for market adjustment.
8. For faculty whose salary includes an adjustment for geographic location, this geographic differential adjustment will not be included for salary pool determination. Market adjustments will be based on 9-month base salary before adjustment for geographic location.