UNIVERSITY OF DELAWARE

AAUP Voice

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Special Salary Adjustments

Article 12.8 of the Collective Bargaining Agreement provides grounds for the distribution of special salary adjustments to members of the faculty. In addition to the annual salary increases that are provided for by the contract, Article 12.8 recognizes "that situations may arise which will make it necessary for the University to make special salary adjustments for individual faculty members. . ." This provision provides three main reasons for special salary adjustments: (1) to correct a gross inequity that may include but is not limited to salary inversion and compression; (2) to retain a faculty member at the University; and (3) salary disparities in the market which adversely affect an academic unit. Under this provision, individual faculty members may request salary adjustments. For reasons provided below, an equity study will not be conducted in 2007. A salary equity study will be conducted in 2008 that will cover all faculty members so individuals will not have to submit requests in 2008.

Leon Campbell, Contract Maintenance Officer for the AAUP, reviews how this key provision of the contract has developed and how it has been implemented. Leon Campbell, H.M. Morris Research Professor in Biological Sciences, is former Provost of the University of Delaware. He has served on four Collective Bargaining Committees representing the faculty in negotiations with the Administration.

Although the Collective Bargaining Agreement has always contained provisions for the distribution of special salary adjustments, it was not until the 1992-1994 contract that specific criteria were established for implementing it. The 1992-1994 agreement contained two letters of understanding between the AAUP and the University dealing with salary equity.

The 1992-1994 contract provided for $400,000 to be used to correct salary inequities. The first letter stipulated that in 1992-1993, $200,000 would be expended during 1992-1993 and $200,000 during 1993-1994 to address salary compression, inversion, and other inequities. The second letter established a committee to "study faculty salaries." The committee was to include AAUP representatives to be appointed by the Executive Council of the AAUP to "assist the University in developing a formula that will ensure fairness in salary compensation for all faculty."

The AAUP Faculty Salary Equity Committee included Sally Bould (Sociology), Sandra Dunnington (Nursing), David Frey (Plant Sciences), Georgia Pyrros (Mathematics), and James Thornton (Economics). These members of the AAUP committee worked with members of the administration, including Karen Bauer, Michael Middaugh, and Dale Trusheim from Institutional Research and Linda Graham from Employee Services.

In July 1993, the AAUP newsletter reported that the committee had developed equations to calculate a predicted salary for each faculty member. For each faculty member, the predicted salary was then compared to the actual salary. Given the $200,000 provided in the contract for salary equity adjustments and""recognizing the possible imprecision of the estimates," the committee developed an allocation metric "to concentrate the money to those most seriously left behind." The allocation metric, which is still used to distribute funds allocated for salary equity, stipulated""the recommended adjustments were confined to faculty whose actual salary was at least 8% below the predicted salary. The dollar adjustment was then 50% of the dollar difference the actual salary and 92% of the predicted salary."

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Since the predicted salary data did not include any measures of productivity, the administration has reserved the right to review recommended salary adjustments to be certain that an individual faculty member "deserves" a salary equity adjustment. A list of the faculty members recommended for salary equity adjustments was submitted to the appropriate college dean who consulted with the relevant department chair to review the recommendations.

Calculating Salary Adjustments Based on Equity

According to Michael Middaugh and Linda Graham of the Office of Institutional Research and Planning, the salary prediction models and methods that were developed by the committee established in 1992-1993 have continued to be used and were employed in the 2005-2006 academic year. The statistical technique employed in salary prediction is multiple regression analysis. Michael Middaugh and Linda Graham provided the following account of how the analysis is conducted:

The salary models were developed by the college, and for the College of Arts and Sciences, by discipline, as appropriate. Based upon the requests for salary review in 2005-06, models for the following disciplinary groupings were developed: College of Agriculture and Natural Resources; College of Engineering (including Marine Studies); College of Human Services, Education and Public Policy; and, within the College of Arts and Sciences, Fine Arts, Letters, Physical Sciences, and Social Sciences. Salary models were not developed for units from which no requests for salary analyses were received.

As with previous salary equity studies, variation in salaries with a college or disciplinary grouping are largely attributed to any one or combination of the following variables: faculty rank, number of years in rank, number of years of service to the University, and age. In addition, salary levels have proven to vary according to whether or not a faculty member is a named professor or whether an individual has previously served as a department chair or in a senior administrative capacity. Data for assistant professors were included only if the faculty member has been at that rank for at least seven years.

Multiple regression analysis was used to generate the salary prediction models. The models are based on 9-month equivalent salaries. Indicator variables are used to represent rank, department within discipline, named professor, previous chairperson and/or previous administrative position. When necessary, measures of the effects of years in rank and years of service to the University were calculated separately from faculty rank. Statistical measures were utilized to identify those salaries that are outliers and those salaries were eliminated from model development. The predictive ability of the salary models used in the equity review is measured by the proportion of the variance in salary that is attributed to the model, commonly known as R^2. The following are the R^2 values for each of the models used in the 2005-06 analysis: College of Agriculture and Natural Resources, 59%; College of Engineering (including Marine Studies), 75%; College of Human Services, Education, and Public Policy, 90%; and within the College of Arts and Sciences: Fine Arts, 90%; Letters, 94%; Physical Sciences, 85%; and Social Sciences, 86% Predicted salaries are calculated from the models. For each individual who requested a salary review,

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the predicted salary is compared to the actual 9-month equivalent salary. If the predicted salary is higher than the actual salary, this residual is calculated as a percentage of the difference. If the residual is less than or equal to 8%, no salary adjustment is calculated. Salary adjustments are calculated only if the residual exceeds 8%. The calculated adjustment is equivalent to 50% of the residual that is beyond 8%.

An Example of an Equity Adjustment Calculation

Here is an example of how Mike Middaugh does the calculation for a recommendation to the chair and deal for a salary equity adjustment:

Professor X's salary is $57,200 and the predicted salary from the regression analysis was $72,847. The difference between the predicted and actual salis is -$15,647 or -27.3%. The rule calls for an adjustment equivalent to 50% of the proportion of the negative residual beyond -8%, which is this instance would be -19.3%. So the adjustment would be calculated as follows:

$57,200 X .193 = $11,040 X .50 = $5,520

The recommended adjustment for Professor X would be $5,520. Whether the full adjustment, partial adjustment, or no adjustment occurs is the decided by the respective dean and approval of the provost.

As stated above, this calculation is consistent with the methodology that the AAUP and the University agreed to in 1993. It has been applied to salary equity studies since that time.

Salary Adjustments in 2005-06

The amount of money distributed varies each year and is typically determined by the University. Sufficient funds are not usually available to meet all of the needs of the colleges. Some individual adjustments are spread over two or more years.

Since 1994, the AAUP Contract Maintenance Officer (CMO) has been receiving a list of the names of faculty members designated to receive salary adjustments under Article 12.8. The list includes the amount of each adjustment for each recipient and the reason for making each adjustment. The CMO reviews the list with the Vice President for Administration to certify that the adjustments are for equity, market, market and equity, and retention. The CMO then reports on the salary adjustments to the AAUP Executive Council.

In 2005-06, a total of $381,551 was distributed in salary adjustments through Article 12.8. The College of Arts and Sciences distributed a total of $209,013. The funds were distributed to faculty members in all seven colleges as follows:

Market	$302,934
Retention	55,733
Equity	22,884

The $381,551 allocated for 2005-06 was distributed by rank as follows:

Full Professors	$271,504
Associate Professors	52,126
Assistant Professors	50,531
Instructors	7,390

The results of the salary equity analysis conducted by the Office of Institutional Research and Planning are sent to the dean of the appropriate college for review and discussion with the department chair of the faculty member making the request. The recommendations of chairs are advisory to the deans. Ultimately, the provost reviews all proposed salary adjustments and decides whether or not to authorize them. In keeping with University policy, individuals' salaries are kept confidential throughout this process.

Full Scale Salary Equity Study to take Place in 2008

Due to the demands of the ongoing transition to PeopleSoft software on key members of the Institutional Research and Planning staff involved in salary equity analysis, there will not be a salary equity study in 2007 for 2006-07. Since there has been a decline in the number of salary equity requests over the past two years, a full-blown faculty equity study for all faculty members covered by the *Collective Bargaining Agreement* will be conducted in 2008 for the 2007-08 academic year. This will enable us to identify inequities without individual faculty members having to request a study. It should make it easier to identify instances of salary inequity. Funds will be distributed for 2006-07 for market adjustments and faculty retention.

Any questions regarding Article 12.8 and issues related to special salary adjustments should be addressed to Leon Campbell, AAUP Contract Maintenance Officer at 831-6767 or Campbell@udel.edu

Say "NO" to Taxes on Health Care Benefits!

The Bush administration has a plan to reduce the number of Americans without health insurance: As stated both before and after President Bush's State of the Union address, the policy calls for taxing health benefits beyond $15,000 for those who are covered by health insurance plans provided by their employers. In addition, there would be cuts in federal funding for public hospitals. The funds generated by taxing employees with so-called'"gold-plated" health plans and funding cuts for public hospitals would be used to provide states with money so that low-income earners without insurance would be subsidized in purchasing health insurance.

According to analyses of the Bush proposal, only two to three million uninsured would benefit from the proposal, barely dealing with the crisis of 46 million uninsured. It would raise taxes not only for relatively well-paid employees, but also for low-income workers who may have good health plans. The plan does not provide insurance for anyone. Rather, it enables some people without insurance to go shopping for insurance, gives a tax break to those who are now self-insured, and sticks it to employees with decent health plans, many of which were negotiated by the unions that represent them.

In the past, there have been efforts to tax benefits of employees in higher education. In the mid-1990s, members of Congress sought to tax tuition remission and tuition exchange programs for undergraduate dependents and spouses of higher education employees. These efforts were defeated, in part by a strong response from higher education administrators, faculty unions, and individual faculty members. We must make sure that the current proposal to tax our health insurance benefits gets a loud "NO!"

The crisis in health insurance will not be resolved by taxing employees with good insurance. Rather, it will require a thorough rethinking and reworking of health insurance to make it a truly universal and efficient system that provides quality health care. Call your Senators and Representatives and tell them that you do not support the Bush proposal to tax employee health insurance benefits.

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