

OREGON INSTITUTE OF TECHNOLOGY

Faculty Compensation Policy

OIT-20-015

Background and Philosophy of Faculty Compensation

Oregon Institute of Technology's faculty are essential to accomplishing its mission. A fundamental element of the mission is teaching students, and it is the faculty who provide such instruction. Faculty are also compensated for their contributions to advising, research and scholarship, and service to the institution. The following principles guide the faculty compensation policy at OIT:

- The compensation system supports OIT's values, mission, vision, and objectives.
- Faculty are valued as critical assets to the institution in its effort to achieve its mission.
- It is in the best interests of both faculty and the institution to fairly compensate faculty for the value they provide to the institution.
- Recruitment and retention of qualified faculty is crucial.
- A competitive and equitable compensation system is necessary to attract and retain exceptional faculty.
- Compensation should reflect external equity relative to current market value and be at or above the comparable market average salary by discipline.
- Compensation should reflect internal equity such as equal pay for equal work with similar credentials.
- Compensation encourages high-level performance and rewards faculty members accordingly within budgeted resources.
- The compensation system is objective and non-discriminatory.
- The compensation system is flexible.
- The compensation system is easy to understand and administer.
- The compensation system complies with state and federal laws.

Salary Administration

Salary determination processes at OIT are nondiscriminatory. Initial salary offers, periodic increases, and other salary adjustments are not based on considerations related to the race, color, ethnicity, national origin, gender, disability, age, religion, marital status or sexual orientation of the person being considered.

Total compensation includes annual base salary plus fringe benefits. Benefits and conditions of service are addressed outside of this policy. Information regarding specifics of benefits and conditions of service may be found in the *Faculty Handbook* and on the OIT webpage under Human Resources Policies and Procedures.

Overall administration of the faculty compensation policy is the responsibility of the provost in collaboration with the Faculty Compensation Committee (FCC), the vice president of finance, and subject to the direction of the president. The FCC is a Faculty Senate standing committee whose membership is appointed by the Faculty Senate president. The committee will meet to review and address faculty compensation issues. In the second year of each biennium, the committee will review and make recommendations regarding institutional floors and market equity adjustments. The committee will also make recommendations to the president and provost in determining the allocation of available compensation funds.

Initial Faculty Salaries are negotiated at the time of hire and are not less than the floor of that rank and discipline. The department chair, in consultation with the search committee, will recommend to the provost initial salaries above discipline floors consistent with market conditions, education, experience of the individuals, and comparable positions.

Increases to Base Salary for faculty may occur through promotion in rank, post-tenure review, tenure relinquishment, doctoral degree adjustment, cost-of-living adjustments, equity adjustments; adjustments to the institutional floors, adjustments to the comparator averages, and merit pay. In addition, salary enhancement may be obtained through stipends, interim positions, overload teaching, distance education teaching, or grant administration.

- 1. Promotion in Rank:** A faculty member who receives a promotion in rank receives a 10% base salary adjustment or to the floor of a faculty member's discipline at their new rank, whichever is greater. The salary adjustment is effective with the academic year following promotion. (See OIT-20-040 Academic Rank and Promotion for Instructional Faculty)
- 2. Post-Tenure Review:** (See PTR policy OIT-020-035)
- 3. Tenure Relinquishment:** (See Tenure Relinquishment policy OIT-20-033)
- 4. Doctoral Degree salary adjustments:** Faculty members who receive relevant doctoral degrees from recognized higher education institutions in their discipline shall receive a base salary adjustment of \$750 applicable at the beginning of the next academic year.
- 5. Cost-of-living Adjustments (COLA):** An annual pay increase will be given to all faculty to enable faculty to maintain real wages. COLA is based upon the regional consumer price index (CPI) and is a standard percentage increase. The COLA adjustment will be a minimum of 2% per year. If the CPI is greater than 2%, the FCC, with the approval of the Faculty Senate, will recommend to the

provost whether available funds above 2% will be used for COLA, market, equities, or merit.

- 6. Market Equity Adjustments:** The FCC and the Provost's Office will examine and make recommendations on salary levels in the university as a whole, salary disparity among departments/disciplines, minimum salary levels (institutional floor data and comparator data) and salary compression. Such review will take place on a biennial basis.

Internal Equity Adjustments: The Provost's Office will set aside funds to address inequities within departments due to compression. The department chair will then submit to the provost documentation of the need for and the amount of the equity adjustment. These requests will be reviewed annually as part of the faculty performance evaluation process and funded as resources become available. These adjustments will become effective with the next academic year. An appeal procedure will be available to faculty to directly address their salary inequities to the provost.

- 7. Institutional Floor Adjustments:** Institutional floors will be adjusted annually by the COLA rate awarded to faculty salaries.

Floors established in March 2005 by the senate:	instructor...no floor
	assistant...\$38,835
	associate...\$46,328
	professor...\$56,380

Inflation adjusted floors: fall of 2005 (2%)	instructor...no floor
	assistant....\$39,757
	associate....\$47,249
	professor....\$57,301

- 8. Comparator Adjustments:** The Provost's Office will direct institutional research (IR) to collect College and University Professional Association (CUPA) data by discipline from the OUS-approved list of comparator institutions for OIT. If data are not available for a discipline, the academic department, with the final approval of the FCC and the provost, will determine a list of comparators based on the criteria established by the state system in the document "Developing Peer Groups for the Oregon University System: From Politics to Analysis (and Back)."

The average assistant professor salary for each discipline will be determined using CUPA data. The average associate professor salary will be that of the assistant

professors plus 20%. Professor salary will be the associate professor plus 20%. The differential between ranks will be 20%.

Comparator floors are 87.5% of the above calculated averages.

If necessary to keep OIT salaries at 100% of comparator data, the provost will recommend changes to the institutional floors and the comparator average salary data to reflect changes in the market and will communicate this information to faculty at the February Faculty Senate meeting.

- 9. Merit Pay:** The provost will set aside funds for allocation to faculty with meritorious performance. These funds will be awarded to faculty who demonstrate exceptional performance as defined by the Merit Pay Policy (See OIT-20-016).

Funding

Funding for salary adjustments will be recommended annually through the FOAC (Fiscal Oversight Advisory Committee) budget build-out process. A faculty compensation reserve fund will be maintained which includes funds recovered from unfilled faculty positions, as well as funds allocated for equity adjustments.

Definition of Terms

- **Comparator Average Salary:** faculty salary information from comparable higher education institutions to evaluate OIT's salaries in comparison to peer institutions from a list developed by OUS
- **Compression:** Also referred to as Internal Inequity, occurs when market factors force initial salaries to be greater than existing faculty member salaries regardless of skills, experience or seniority.
- **Equity (External):** Also referred to as Market Equity, which occurs when an organization's pay rates are at least equal to market rates.
- **Faculty:** those persons at OIT who hold state board appointments with a rank of professor, associate professor, assistant professor, instructor, research associate, research assistant; and whose full-time equivalent is at least 50% teaching, research, or administration
- **Interim Positions:** Faculty may accept appointment to an interim position to cover a temporary vacancy. Faculty in interim positions may receive a temporary pay adjustment while assuming the interim position's responsibilities. The additional salary would then be recalculated and added to the individual's base

