

2016-17 Faculty Compensation Plan

FINANCE AND AUDIT COMMITTEE

May 10, 2016

The university continues to use the parameters provided in the “Consolidated Salary Authorization for Faculty Positions in Institutions of Higher Education” document from the Secretary of Education to develop the annual Faculty Compensation Plan. This document defines the qualification criteria for teaching and research faculty and administrative and professional faculty, provides guidance on the authorized salary average for full-time teaching and research faculty positions, and requires board-approval.

In accordance with the most recent Consolidated Salary Authorization, the 2016-17 Faculty Compensation Plan provides information about (1) the 2016-17 pay structure, (2) the promotion and tenure process, (3) the annual evaluation and salary adjustment process for teaching and research faculty and administrative and professional faculty, and (4) salary adjustments within the evaluation period.

This faculty compensation plan covers only faculty positions. The compensation plan for staff is administered separately by the university administration in accordance with the Board of Visitors’ approval of the university’s Management Agreement, effective July 1, 2006, as well as guidance from the commonwealth and the state Department of Human Resource Management.

Authorized Salary Average

The authorized salary average applies to all full-time teaching and research positions with the rank of professor, associate professor, assistant professor, instructor, or lecturer that are engaged in teaching and research for 50 percent or more of the time. As noted in the Consolidated Salary Authorization document, “Institutions are expected to award differential salary increases to their faculty based on performance and other circumstances such as promotions, tenure, and changes in responsibility. The net effect of all salary actions should be an average salary that approximates the state authorized salary average.”

The commonwealth measures the adequacy of faculty salaries by comparing the institutional average with the average of a unique benchmark group for each public college and university. The benchmark groups are constructed by matching characteristics of colleges and universities, such as size of the student body, percentage of degrees granted in various disciplines, percentage of graduate degrees conferred, and research activity levels. The General Assembly established an objective in the late 1980s to fund a faculty salary average at all institutions that would approximate the salary average at the 60th percentile in the ranking of salary averages in individual benchmark groups. The State Council of Higher Education for Virginia (SCHEV) last reviewed and updated each institution’s Faculty Salary Peer Group in 2007. The 2014-15 benchmarking

of Virginia Tech's Faculty Salary Average is made using the peer group established in 2007.

For Fall 2014, Virginia Tech's Authorized Salary was \$93,104. This placed Virginia Tech at the 29th percentile of its peer group for 2014-15, based on the most recent peer salary data available data from the Integrated Postsecondary Education Data System (IPEDS). As a result of the state authorized merit process in Summer 2015, the Fall 2015 authorized salary was increased by 3.5 percent to \$96,362. Based on SCHEV's two percent forecast of salary escalation at peer institutions, it is estimated that that the university's authorized salary will rise to the 32nd percentile of peer institutions for Fall 2015. The university projects the actual salary average will rise to the 35th percentile. Summary statistics are provided in the table below.

	Fall 2014	Fall 2015
60th Percentile	104,091	106,173*
State Authorized Salary Average	93,104	96,362
Actual Average Salary	94,295	97,420
Rank - Authorized	20 of 26	18 of 26*
Percentile - Authorized	29 TH	32 nd *
Rank - Actual	18 of 26	18 of 26*
Percentile - Actual	32 nd	35 th *

**IPEDS peer salary data for Fall 2015 is not yet available. Estimates are based on the State Council of Higher Education's forecast of 2% salary escalation at peer institutions.*

Attachment A provides a list of the university's peer group and the comparative estimated salary averages for Fall 2015.

2016-17 Pay Structure

In accordance with the intent of the Consolidated Salary Authorization, a pay structure for the teaching and research faculty for 2016-17 is presented in Attachment B. This plan is derived from the 2015-16 approved plan. It incorporates the proposed merit adjustment for 2015-16. The attachment also displays the normal entrance rate for each faculty category along with the change from the approved compensation rate for each rank, and the distribution of faculty across the ranks.

The salary average for administrative and professional faculty may not exceed the authorized salary average for the teaching and research faculty by more than 35 percent.

Promotion, Tenure, and Continued Appointment

Promotion to a higher rank and appointment with tenure may be granted to faculty members on a regular faculty appointment who have demonstrated outstanding accomplishments in an appropriate combination of instructional, research, outreach, and other professional activities. A current curriculum vitae together with student and peer evaluations of teaching, reprints of publications, evaluations by external reviewers from

the same or a related field, and other similar documents comprise a dossier which furnishes the principal basis for promotion and tenure decisions. Faculty members being considered for either promotion or the awarding of tenure will have their dossiers reviewed at three levels: by a departmental committee and the head or chair; by a college committee and the dean; and by a university committee and the Provost. Each candidate for promotion or tenure will be evaluated in the light of the tripartite mission of the university: instruction, research, and outreach. Although not all candidates can be expected to have equal levels of commitment or equal responsibilities in each of these missions, a high level of general competence is expected in recognition of the need for flexibility in the future establishment of priorities in academic programs. Beyond that basic foundation of competence, decisions related to tenure or promotion to associate professor will require evidence of excellence in at least one area.

The university's mission and commitment as a major research institution require high accomplishment for promotion to professor. Faculty members must demonstrate a high level of competence in an appropriate combination of instruction, outreach, and professional activities relevant to their assignment. Because of the university's mission and commitment as a major research institution, successful candidates for the rank of professor must demonstrate excellence in research, scholarship, or creative achievement, as appropriate for the candidate's discipline and assignment. Promotion to the rank of professor is contingent upon national or international recognition as an outstanding scholar and educator.

In addition to the material contained in this section, the Faculty Handbook provides detailed policies and procedures for the departmental evaluation, the college evaluation, and the university evaluation

Members of the Library faculty and Cooperative Extension faculty not holding appointments in a collegiate department may be considered for continued appointment or for promotion in faculty rank in recognition of appropriate professional accomplishments. Dossiers of candidates for promotion or continued appointment are submitted to the University Promotion and Continued Appointment Committee for Extra-collegiate Faculty by the relevant dean or director with accompanying recommendation. The recommendations of the Committee are conveyed to the Provost, who makes final recommendations to the President.

The following raises are recommended for promotions to:

Professor	\$7,000
Associate Professor	5,000
Assistant Professor	3,000

For academic-year faculty members who have Research Extended Appointments (10, 11, or 12 month appointments funded by sponsored projects) with salaries adjusted in accordance with formulas in Policy 6200 - Policy on Research Extended Appointments, or for those who have a limited-term appointment as department head or other

administrator, the stipend is adjusted by the same conversion rate to preserve its value when the faculty member returns to the academic-year base appointment.

The clinical faculty track provides for long-term, full-time or part-time faculty appointments to individuals whose primary responsibilities are instruction and/or service in a clinical setting, such as veterinary medicine. Tenure cannot be earned in these ranks, and time spent in one of these ranks is not applicable toward probationary tenure-track faculty service. There are four clinical ranks beginning with Clinical Instructor. Those clinical faculty members with outstanding performance may be considered for promotion in rank by the relevant departmental and college promotion and tenure committees, with administrative approval by the Provost.

The following raises are recommended for promotions to:

Clinical Professor	\$7,000
Clinical Associate Professor	5,000
Clinical Assistant Professor	3,000

The collegiate professor series provides for short- or long-term, full- or part-time, non-tenure-track faculty appointments for individuals who bring specialized expertise to the instructional programs of the university, thereby complementing the qualifications and contributions of tenure-track faculty. There are three collegiate professor ranks, beginning with Collegiate Assistant Professor. Tenure will not be awarded at any of these ranks and service at these ranks is excluded from the pre-tenure probationary period if the faculty member is subsequently appointed to a tenure-track position. Collegiate professors with a record of significant scholarly and/or professional achievement may be considered for promotion in rank by the relevant departmental and college promotion and tenure committees, with administrative approval by the Provost.

Collegiate Professor	\$7,000
Collegiate Associate Professor	5,000
Collegiate Assistant Professor	3,000

The professor of practice series provides for short- or long-term, full- or part-time, non-tenure-track faculty appointments for individuals who bring specialized expertise to the instructional programs of the university, thereby complementing the qualifications and contributions of tenure-track faculty. There are three professor of practice ranks, beginning with Assistant Professor of Practice. Instructors may be promoted into the Assistant Professor of Practice rank. Tenure will not be awarded at any of these ranks and all service at one of these ranks will be excluded from the probationary period should the faculty member later be appointed to a tenure-track position. Professor of practice faculty members with a record of outstanding performance may be considered for promotion in rank by the relevant departmental and college promotion and tenure committees, with administrative approval by the Provost.

Professor of Practice	\$7,000
Associate Professor of Practice	5,000
Assistant Professor of Practice	3,000

There are three ranks for extension agents: Associate Extension Agent, Extension Agent, and Senior Extension Agent. Criteria for promotion in rank include educational preparation, performance, and professionalism. The Director of Cooperative Extension makes a recommendation to the Provost based on an evaluation of the candidate's dossier and recommendations of the Peer Review Committees, District Director, and Associate Directors of Cooperative Extension.

The following raises are recommended for promotions within Cooperative Extension:

Senior Agent	\$5,000
Agent	3,000

The instructor track provides for full- and part-time appointments to individuals whose primary responsibilities are to the undergraduate instructional program. Tenure will not be awarded at any of these ranks and all service at any instructor rank will be excluded from the probationary period should the faculty member later be appointed to a tenure track position. There are three ranks in the series: Instructor, Advanced Instructor, and Senior Instructor. Those instructors with outstanding performance may be considered for promotion in rank by the relevant departmental and college promotion and tenure committees, with administrative approval by the Provost.

The following raises are recommended for promotions to:

Senior Instructor	\$5,000
Advanced Instructor	3,000

At the June meeting each year, the university will submit to the Board of Visitors a report of recommended promotion, tenure, and continued appointment actions for review and approval.

Annual Evaluation and Salary Adjustments

Teaching and Research Faculty

An evaluation of every faculty member's professional performance is held each year. All persons holding non-temporary faculty appointments are asked to prepare a report at the end of each academic year (or other appropriate 12-month period) citing their instructional activities, creative scholarship, and other professional activities and recognitions during the year. Salary recommendations are based upon performance documented in these annual reports, which are reviewed by departmental personnel committees in some cases, by the department head or chair, and the dean.

Salary adjustments are based on merit; they are not automatic. Recommendations for salary adjustments originate with the department head or chair and are reviewed by the dean. At the university level, the dean reviews the salary adjustment recommendations

at a formal salary hearing with the President, the Provost, the Chief Financial Officer, and others as needed.

Administrative and Professional Faculty

Administrative and Professional Faculty are comprised of Senior Administrators and Managers and Professionals. Senior Administrators perform work directly related to management of the educational and general activities of the institution at least 50 percent or more of their contractual time, and typically serve in executive leadership roles such as vice president, dean, and assistant or associate vice president or dean. Managers have responsibility for supervision and evaluation of a significant number of staff and/or professional faculty, and budgetary responsibility for their unit or a substantive program. Professionals provide direct service to students, other university constituencies, or clients external to the university as part of the university's missions of learning, discovery, and engagement. Professionals include, but are not limited to, extension agents, librarians, coaches, physicians, lawyers, engineers, architects, student or academic affairs professionals, development officers, specialists in public relations, human resources, information technology, and financial specialists.

Evaluations are based upon standards set by the supervisor with the participation of the faculty member and relate closely to the duties inherent in the functional title and job description of the position. Annually set expectations become one of the important criteria for judging professional job performance in the subsequent year. In addition to maintaining a high level of performance in carrying out their job-related duties and responsibilities, senior administrators, managers, and professionals are expected to participate in and provide leadership of departmental, divisional, or university-wide committees, special university-wide assignments, or similar activity on behalf of important university priorities.

Salary adjustments are based on merit; they are not automatic. Recommendations for salary adjustments originate with the supervisor and are reviewed as appropriate by the department head, dean, and vice president. At the university level, the dean or vice president reviews the salary adjustment recommendations at a formal salary hearing with the President, the Provost, the Chief Financial Officer, and others as needed.

Research Faculty

Research faculty are those with the titles of research associate, senior research associate, postdoctoral associate, research scientist, senior research scientist, research assistant professor, research associate professor, research professor, project associate, senior project associate, or project director. Research faculty appointments are intended to promote and expedite the research activities of the university. Tenure cannot be earned in these ranks and service is not applicable toward probationary faculty service.

Each research faculty member is evaluated and given a merit adjustment on the same schedule for evaluations and raise recommendations as the other faculty groups. Salary adjustments are based on merit; they are not automatic. An annual performance review by the principal investigator and/or department head becomes part of the basis for salary

adjustments. Recommendations for salary adjustments originate with the supervisor (usually the principal investigator or the department head or chair) and are reviewed as appropriate by the department head or chair, dean, and Vice President for Research. At the university level, the dean or vice president reviews the salary adjustment recommendations at a formal salary hearing with the President, the Provost, the Chief Financial Officer, and others as needed.

Other Salary Adjustments

Faculty salary adjustments are normally reviewed and approved by the Board of Visitors in two phases: adjustments for promotion are recommended at the June meeting and adjustments based on performance are recommended at the fall meeting. In addition to this process, it is sometimes necessary to adjust the salaries of specific faculty members at other times during the fiscal year. These adjustments are primarily for changes in duties and responsibilities, for special temporary assignments, for retention or other exceptional needs, and for faculty selected for a different position as part of a search. Adjustments on the anniversary date of appointment for a restricted faculty member may also be approved in lieu of the normal merit process.

To recognize continued educational attainment, faculty members may receive a base salary adjustment of up to \$3,000 for completion of the doctorate effective upon official certification by the degree-granting institution that all requirements have been met for award of the degree.

The President, Provost, and Chief Financial Officer are authorized to administer the faculty compensation plan during the year and act upon requests for salary adjustments. The President has issued a set of guidelines establishing the parameters for approval of special salary adjustments. By separate resolution, the Board has delegated authority to the President or designee for approval of changes in employment status that do not involve any salary action, salary adjustments made in accordance with existing policies and standard formulas, off-cycle salary adjustments less than 10 percent, new appointments and salary adjustments for faculty members on restricted contracts, and new appointments of non-tenure track instructional faculty or administrative and professional faculty below the level of senior administrator and their direct reports. The quarterly Personnel Changes Report will reflect those actions of strategic importance to the institution as identified in the resolution.

Faculty Research Incentive Plan

During 2011-12, a university workgroup developed a university savings program by incentivizing faculty research activities. This effort resulted in the Board's creation of a Faculty Research Incentive Program (FRIP) that has similarities to programs at peer institutions. This plan was implemented in 2012-13 and will be continued in 2016-17.

The goal of the FRIP is to provide an incentive for principal or co-principal investigators to secure additional competitively awarded, externally sponsored activities. Through the leveraging of appropriately charged time to competitive grants and contracts, research time that is funded by departments or colleges can be reduced, resulting in salary savings

that can be used to both support the incentive program as well as to support academic initiatives.

One-time research incentive payments are made from department or college salary savings and are based on a minimum savings threshold that is applied equitably within departments or colleges. Faculty must apply in advance to be considered for the program. Research incentive payments must be approved by the department head or chair, the dean, and the provost (or the appropriate administrators based on reporting structure); all disapprovals must also be reviewed by each management level. When salary savings result in a reduction in faculty assignments, those salary savings are excluded from the program.

Implementation of the 2016-17 Merit Review and Compensation Process

Recognizing the critical nature of faculty compensation, the university's standing relative to the 60th percentile of the university's peer group average salary, the higher levels of competing offers being received by key faculty, and to minimize the high cost of turnover, the university proposes continuing the traditional annual merit-based faculty salary increase program in 2016-17.

This plan authorizes management to plan and budget for the resource allocations necessary to support a merit-based faculty salary increase consistent with the commonwealth's approved three percent compensation plan for faculty for 2016-17.

To implement the merit review and compensation program the Budget Office will develop salary pools for each academic and administrative area based upon 3.0 percent of the actual salary expenses prior to this 2016-17 merit process. In accordance with the instructions provided by the 2016 General Assembly, the results of the university merit process may not exceed the 3.0 percent target, on average.

The university may also elect to create a supplemental pool to achieve certain targeted salary compensation or retention needs. For example, in some years the university has worked to address issues such as salary compression and equity needs. For 2016-17 such changes may result from one or more of the following processes:

- The university establishes a special pool of funds to address salary inequity and retention issues for specific faculty, such as national distinction. If implemented, the funding will only be used to make adjustments based on evaluations of specific circumstances surrounding individual faculty members. As such, these adjustments would not be available to all faculty members and may occur at any time during the year, subject to approval by the Board.
- The President may use a special pool of funds to adjust individual salary recommendations made by the vice presidents and deans when he determines that a different adjustment is warranted.

RECOMMENDATION:

That the proposed 2016-17 Faculty Compensation Plan be approved.

June 6, 2016

Attachment A

VIRGINIA TECH
2015-16 Fiscal Year

<u>Institution</u>	<u>Average Salary</u> ¹	<u>Rank</u>
California-Berkeley, University of	\$ 139,481	1
Cornell University	130,081	2
Southern California, University of	122,599	3
California-Davis, University of	115,549	4
Maryland-College Park, University of	112,079	5
Illinois at Urbana-Champaign, University of	108,599	6
Ohio State University-Main Campus	105,212	7
Washington-Seattle Campus, University of	103,036	8
Texas at Austin, University of	102,559	9
Wisconsin-Madison, University of	102,293	10
Purdue University-Main Campus	102,274	11
Minnesota-Twin Cities, University of	101,815	12
Rutgers University-New Brunswick/Piscataway	100,787	13
Florida, University of	99,603	14
Michigan State University	99,162	15
Stony Brook University	98,052	16
Michigan-Ann Arbor, University of	98,015	17
Virginia Tech	96,362	18
Iowa State University	96,096	19
Colorado at Boulder, University of	95,949	20
Pennsylvania State University-Main Campus	93,407	21
SUNY at Buffalo	93,039	22
Texas A & M University	91,442	23
Pittsburgh-Main Campus, University of	90,386	24
Missouri-Columbia, University of	83,951	25
North Carolina State University at Raleigh	77,479	26

Virginia Tech's SCHEV Peer Percentile Ranking

32nd

¹ Average salary is based on the latest available data (2014) from IPEDS

Attachment B**2016-17 Pay Structure****Virginia Tech**

	9-Month Faculty	12-Month Faculty	Distribution of Approximate % of Total Faculty By Rank
	Entrance	Entrance	
Professor	\$88,902	\$108,429	34%
Associate Professor	67,995	82,392	30%
Assistant Professor	56,249	68,420	23%
Senior Instructor	48,242	62,772	3%
Advanced Instructor	43,011	55,798	2%
Instructor	39,422	51,292	8%