

MEMORANDUM OF UNDERSTANDING

March 2011 Reopener

Whereas the University of West Florida United Faculty of Florida (UFF) and the University of West Florida (UWF) have reached an understanding with regard to the administration of compression monies (\$300,000, exclusive of the cost of benefits up to a maximum of \$45,000) for the 2011-12 contract term.

Whereas the Parties have ratified a collective bargaining agreement that includes Article 25 on salaries.

Whereas, pursuant to the collective bargaining agreement, a committee was formed to recommend Predicted Salary Level for the purposes of determining the administration of the funds ("the Committee").

Whereas, the Committee has provided their recommendations. In furtherance of the language in Article 25, the parties have agreed upon the following with regard to the administration of the compression funds:

- I. The Parties will utilize the formula recommended by the Committee, identified as the recommended formula (not the fall-back option). (See Attachment A).
- II. The pool of compression funds shall first be distributed to eligible faculty to increase their salary to 90% of the CUPA median for applicable rank and discipline consistent with the CUPA medians used by the Committee (see paragraph I).
- III. The remaining pool of compression funds shall be administered in a proportional manner to eligible faculty who have been identified as having compressed salaries by the Committee's formula.
- IV. No faculty member's salary will be adjusted if the amount of the adjustment is less than two hundred and fifty dollars (\$250.00).
- V. No faculty member's salary will be adjusted in excess of eight thousand dollars (\$8000.00).

VI. The parties are bound by Article 25 of the collective bargaining agreement (See Attachment B).

VII. UWF will provide UFF with compression pay adjustment information excluding the names and position numbers of the faculty members.

Michael Mattimore
Michael Mattimore, Chief Negotiator-UWF

June 8, 2012
Date

WS Belko
Dr. Steve Belko, Chief Negotiator-UFF

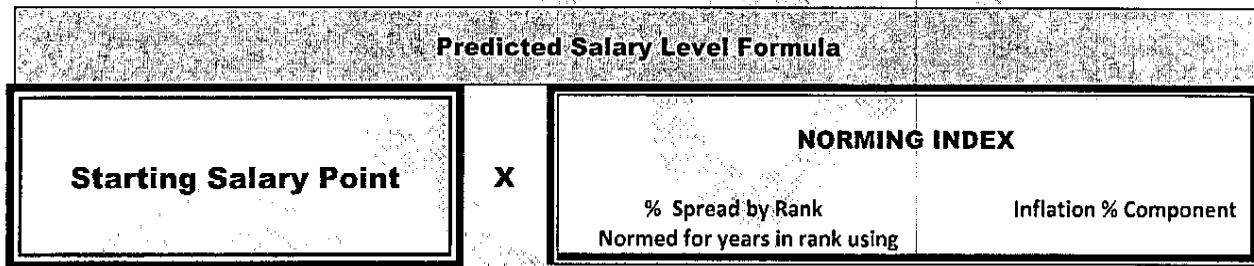
6-8-12
Date

Charge to Committee: Article 25.2 (c) "A committee will be formed to determine the definition of "Predicted Salary Level" for the purpose of addressing the compression funds. The committee will be composed of three (3) representatives from UFF and three (3) representatives from the Administration. ¹The committee's recommendation must be presented to the bargaining teams of the respective parties for consideration and agreement no later than May 15, 2012. The definition shall:

- (i) Consider market equity based upon an application of 90% of the CUPA median, based upon rank and discipline, and
- (ii) Consider comparative compensation of departmental peers for time in rank, and
- (iii) Include rates of adjustment for assistant and associate professors that will be capped for the comparative compensation of departmental peers at 7 years in current rank, and
- (iv) Define salary as including TIP, and PEP, but excluding administrative supplements."

After many meetings, much data collection and analysis, and thoughtful deliberations, and after thorough consideration of a respected external model, USC-Aiken, and of a presentation made by Dr. Tim O'Keefe, Associate Dean College of Business, with regard to the 2006 UWF approach, and taking into consideration a unanimous UWF Faculty Senate Resolution on Salary Compression, the UWF Committee on Predicted Salary submits the following unanimous recommendation. The following definition (*adapted from UWF 2006 model and USC-Aiken 2011 model*) is a time-series normative model for determining compression by rank and years in rank. The **Predicted Salary Level** is composed of the following:

- Salary compression is defined as the phenomenon where the salaries of newly hired employees approach, meet or exceed the salaries of those employees with greater rank and/or seniority.
- Calculation of Faculty salary compression is accomplished through the use of a compression differential. The compression differential is the difference between the actual salary and the predicted salary of a given Faculty member.
- Formula for Predicted Salary is Average Starting Salary Point of an Assistant Professor multiplied by the Norming Index. See:



Where:

Norming Index = A table by rank and years in rank generated using a methodology adapted from the UWF 2006 model and USC-Aiken 2011 model and using the following three parts: a) % Spread by Rank, b) Inflation % Component, and c) Projected Uncompressed Salary Ratios.

- a) **% Spread by Rank** = The % variance between ranks using the average of CUPA medians for all UWF Peer and Aspirant Institutions using only the CIP² codes at UWF or, where those CIP codes are not represented by UWF Peer and Aspirant Institutions, using most recent CUPA medians for CIP codes from all Master's Public Institutions.
- b) **Inflation % Component** = 10 year moving average of the Social Security Cost of Living Adjustment (COLA).
- c) **Projected Uncompressed Salary Ratio** shall reflect contractual provisions relating to rates of promotional increases at UWF and expected progression toward promotion within seven (7) years to the rank of Associate or Full.

A Description of the Computation Method for the Norming Index is appended as Attachment A. The resulting table of Norming Index values by rank and years in rank is appended in Attachment B.

¹ Joint Committee members were: UFF representatives Dr. Susan Harrell, Justice Studies; Dr. Richie Platt, Management and MIS; and Dr. Susan Walch, School of Psychological and Behavioral Sciences; and Administration representatives Betsy Bowers, Internal Auditing; Dr. Susan Stephenson, Budget and Planning; and Dr. Hal White, Senior Administrative Fellow and Professor of Justice Studies.

² CIP code: Classification of Instructional Program.

Starting Salary Point (*defined below*) We are offering a unanimous recommended definition of Starting Salary Point and a compromise definition as a fallback if and only if the recommended definition is deemed inconsistent with Article 25.2.

Recommended Starting Salary Point:

- a) Where available, the starting salary is defined as the mean starting salary of all newly hired UWF Assistant Professors by discipline (as defined by CIP code) within the past three (3) years plus **one hypothetical new hire** by CIP Code at 100% of the most recent CUPA Median Salary for Peer and Aspirant institutions for Assistant Professors (where those CIP codes are not represented by UWF Peer and Aspirant Institutions, the most recent CUPA medians for those CIP codes from all Master's Public Institutions shall be used).
- b) For this iteration of the formula, *newly hired within the past three years* refers to Assistant Professors hired or under contract (or with a signed offer letter received in the Provost's Office on or before May 15, 2012) to be in pay status from August 1, 2009 through September 1, 2012, excluding those hired at a visiting Assistant Professor level, thus actually embracing hires for four academic years.

| | | |
|--|----------|---|
| <p>Starting Salary Point for UWF Assistant Professor (per CIP code)</p> | <p>=</p> | <p>(Newly hired UWF New Assistant Salary₁ + UWF New Assistant Salary₂+ ... + UWF New Assistant Salary_n + one hypothetical new hire as represented by the Assistant Professor Median Salary value (As defined in Starting Salary Point))</p> <hr style="width: 100%;"/> <p style="text-align: center;">n+1</p> |
|--|----------|---|

After much discussion regarding the charge to the Committee included in Article 25.2, and the ambiguity about whether or not the Committee was constrained to include "an application of 90% of CUPA" in its recommendation, and whereas the Article did not specify which CUPA data to use, the Committee alternatively suggests using 90% of CUPA for the hypothetical new hire as an fallback compromise for this negotiation period instead of the recommended solution presented above in the event, and only in the event, that the recommended definition is deemed inconsistent with Article 25.2 of the UWF/UFF contract. The fallback compromise uses the same basic formula expressed above except for the value of the one hypothetical new hire in the definition of the Starting Salary Point.

Fallback Compromise Definition for Starting Salary Point:

- a) Where available, the starting salary is defined as the mean starting salary of all newly hired UWF Assistant Professors by discipline (as defined by CIP code) within the past three years plus **one hypothetical new hire** by CIP Code at 90% of the most recent CUPA Median Salary for Peer and Aspirant institutions for Assistant Professors (where those CIP codes are not represented by UWF Peer and Aspirant Institutions, the most recent CUPA medians for those CIP codes from all Master's Public Institutions shall be used).
- b) Newly hired as defined under the **Recommended Starting Salary Point subsection b above.**

Attachment A

The following represents the Committee’s understanding of the computation method for the *Norming Index* as described by Associate Dean Dr. O’Keefe.

Projected Uncompressed Salary = The uncompressed salary of a hypothetical UWF Faculty member by rank and years in rank based upon contractual provisions relating to rates of promotional increases at UWF and expected progression toward promotion within seven (7) years to the rank of Associate or Full Professor.

Norming Index Table

- a) Starting with the average salaries used to establish the % spread by rank, normalized salaries by rank are computed over 35 years assuming annual salary increases based upon the % inflation component and preserving the % spread by rank relationship over time.
- b) The ratio of the projected uncompressed salary to the normalized Assistant Professor salary produces an expected relationship between an uncompressed Faculty salary and the salary of starting Assistant Professors at any given year in a 35 year career.
- c) The Table is organized by rank and years in rank assuming seven (7) years as Assistant, seven (7) years as Associate and 21 years as full Professor.

The hypothetical UWF Faculty salary will equal the normalized % Spread by Rank at three points in the career – the initial year of hire, approximately half way through the time as Associate Professor and half way through the time as full Professor.

COMPRESSION ADJUSTMENT TO FACULTY MEMBER i

Compression Differential_{it} = **Actual Salary_{it} – Predicted Salary_{it}**

Predicted Salary = **Starting Salary Point X Norming Index**

Norming Index_{it} =
$$\frac{\text{Projected Uncompressed Faculty Salary}_{it}}{\text{Normalized Assistant Professor Salary}_{it}}$$

Starting Salary Point = **Recommended Definition or Fallback Compromise Definition**

i Individual Faculty member
 r Rank
 t Time in rank

Attachment B

Table of the Norming Index values by rank and years in rank

(Place Table Here)

DRAFT

ARTICLE 25
SALARIES

25.1 Faculty Pay Plan Legislative Increases or ~~Bonuses~~ Non-Recurring Wage Increases. Eligible in-unit faculty members will receive any salary increases or ~~bonuses~~ non-recurring wage increases appropriated for that purpose by the Florida Legislature in accordance with the guidelines set by the Legislature.

25.2 Local Salary Supplement for the ~~2010-2011~~ 2011-2012 Academic Year. ~~Effective August 8, 2010, eligible in-unit faculty (as defined in Section 25.3) will receive a salary increase of 1.7% of the faculty member's previous academic year's base salary rate.~~

a) Effective April 1, 2012 eligible in-unit faculty will receive a salary increase in the amount of 2% of the faculty member's current academic year's base salary rate. In order to be eligible a faculty member must:

- (i.) have received, on the faculty member's most recent performance evaluation, an overall rating at or above the midpoint of the scale or, where no overall rating exists, have received a majority of ratings at or above the midpoint of the scale. (This does not disqualify faculty who have no University of West Florida faculty performance evaluation), and
- (ii.) have been in pay status on or before May 1, 2011, and
- (iii.) have not been issued a notice of non-reappointment or termination.

b) Following application of the 2% salary increase, the University will make the sum of \$300,000 (exclusive of benefits up to a maximum cost of \$45,000) available to address in-unit faculty salary compression. To be eligible for compression funds, a faculty member must:

- (i.) have received "excellent" or "distinguished" ratings in teaching, research and service on their 2010-2011 evaluations by their chairs. (In-unit faculty such as lecturers or instructors may have ratings in only two categories, both of which must be "excellent" or "distinguished").

Attachment B

(c) A committee will be formed to determine a definition of "Predicted Salary Level" for the purpose of addressing the compression funds. The committee will be composed of three (3) representatives from UFF and three (3) representatives from the Administration. The committee's recommendation must be presented to the bargaining teams of the respective parties for consideration and agreement no later than May 15, 2012. The definition shall:

- (i) Consider market equity based upon an application of 90% of the CUPA median, based upon rank and discipline, and
- (ii) Consider comparative compensation of departmental peers for time in rank, and
- (iii) Include rates of adjustment for assistant and associate professors that will be capped for the comparative compensation of departmental peers at 7 years in current rank, and
- (iv) Define salary as including TIP, and PEP, but excluding administrative supplements.

(d) Recipients of compression funds may only be those in-unit faculty employed before August 1, 2009.

(e) In-unit faculty who have received notification of non-reappointment prior to April 1, 2012 or tendered notice of resignation prior to April 1, 2012, are not eligible for the compression funds.

(f) Effective on the second pay period after resolution of the definition of "Predicted Salary Level" eligible in-unit faculty (as defined in Section 25.2) will receive a base salary increase from the compression funds.

(g) In the event the bargaining teams do not reach agreement by June 15, 2012, then the definition of "Predicted Salary Level" for the purposes of the Spring 2012 distribution of compression funds will be 90% of the CUPA median based upon the criteria set forth in Section 25.2. This sum shall not exceed \$300,000 (exclusive of benefits up to a maximum cost of \$45,000).

25.3 Eligibility for Faculty Pay Plan Legislative Increases or ~~Bonuses and Local Salary Supplement~~ Non-Recurring Wage Increases. The following eligibility criteria apply to legislative increases or ~~bonuses and local salary supplements~~ non-recurring wage increases. In the event the Florida

Legislature establishes differing criteria for legislated increases or bonuses non-recurring wage increases, the Legislature's criteria will apply. To be eligible for these salary increases or bonuses non-recurring wage increases, a faculty member must

- (a) have received on the faculty member's most recent performance evaluation an overall rating at or above the midpoint of the scale or, where no overall rating exists, have received a majority of ratings at or above the midpoint of the scale. (This does not disqualify faculty who have no University of West Florida faculty performance evaluation), and
- (b) have been in pay status on or before May 1 of the preceding year, and
- (c) have not been issued a notice of non-reappointment or termination.

25.4 Promotion Increases. Promotion increases will be granted to faculty pursuant to Article 15 (Promotion Procedure).

Promotion increases will be granted in an amount equal to nine percent (9%) of the faculty member's previous year's base salary rate in recognition of promotion to Assistant Professor, Assistant University Librarian, or Associate in .

Promotion increases will be granted in an amount equal to nine percent (9%) of the faculty member's previous academic year's base salary rate in recognition of promotion to Associate Professor, Associate University Librarian, Associate Research Scholar/Scientist/Engineer, or Research Associate.

Promotion increases will be granted in an amount equal to thirteen percent (13%) of the faculty member's previous academic year's base salary rate in recognition of promotion to Professor, University Librarian, or Research Scholar/Scientist/Engineer.

25.5 Contract and Grant Funded Increases or Non-Recurring Wage Increases.

- (a) Faculty on contracts or grants will receive salary increases or non-recurring wage increases equivalent to similar faculty on regular funding, provided that such salary increases or non-recurring wage ~~increases are permitted by the terms of the contract or grant and~~ ~~adequate funds are available for this purpose in the contract or grant.~~ In the event such salary increases or non-recurring wage increases are not permitted by the terms of the contract or grant, or in the event adequate funds are not provided, the President or representative will seek to have

the contract or grant modified to permit such increases or non-recurring wage increases.

(b) Nothing contained herein will prevent the faculty members whose salaries are funded by grant agencies from being allotted raises higher than those provided in this Agreement.

- 25.6 The University retains the authority to provide salary increases, adjustments, or non-recurring wage increases beyond the increases specified above, for market equity considerations, including verified counteroffers and compression/inversion; increased duties and responsibilities; special achievements; litigation/settlements; and similar special situations. In the event the University develops procedures for distributing increases under this section, a copy will be provided to the UFF. The UFF will have an opportunity to discuss the procedures in consultation with the President or representative, pursuant to Article 2 (Consultation), prior to their implementation. At the end of the academic year, the UFF will be provided with a report of all salary increases granted under this section during the academic year.
- 25.7 Salary Rate Calculation and Payment. The biweekly salary rate of faculty serving on twelve (12) month (calendar year) appointments will be calculated by dividing their calendar year salary rate by 26.1 pay periods.
- 25.8 Grievability. The only issues to be addressed in a grievance filed pursuant to Article 22 (Grievance Procedure and Arbitration) alleging violation of this Article are whether there is unlawful discrimination under Article 6 (Nondiscrimination), or whether there is an arbitrary and capricious application of the provisions of one (1) or more sections of this Article.
- 25.9 Type of Payment for Assigned Duties. Duties and responsibilities assigned by the University to a faculty member which are in addition to the available established FTE for the position will be compensated through Other Personal Services (OPS), not salary.

Michael Mattimore

Mike Mattimore, Chief Negotiator, UWF

4-11-2012

Date

W.B. Belko

William Belko, Chief Negotiator, UFF

4-11-12

Date