

University of Louisville

FACULTY COMPENSATION STUDY

Overall Results & Initial Implementation Strategy

Faculty Study: Scope and Objectives

The purpose of the Faculty Compensation Study was to assess the competitiveness of faculty salaries by rank and discipline to determine UofL's competitiveness compared to the external market.

- UofL partnered with Segal, a premier benefits and HR consulting group to conduct both an external **base salary market assessment** and an internal **pay equity analysis**
- The study's scope includes **1,170 full-time faculty**¹:
 - Tenured/Tenure Track Faculty: 787
 - Non-Tenure Track/Term Faculty: 383
 - Part-time (adjunct) and medical clinical faculty were not included²

¹ Since the February 7, 2024, Faculty Senate meeting and through subsequent data validation discussions, changes in eligible faculty participation in the analysis occurred which is why this number is slightly different than what was presented previously.

² It is challenging to find credible published survey information for part-time and medical clinical faculty. Such information is not as comprehensive as the data for full-time faculty, particularly tenured/tenure-track faculty.

Recap of Assessment Methodology¹

1. Peer Group:

Two peer groups were selected in 2022 as the comparison groups for UofL's Total Rewards Study for all employees: a Faculty and Senior-Level Professional & Managerial Staff Peer Group as well as a Staff Peer Group.

The peer groups were the result of 3 levels of filtering based on requisite criteria developed and approved by the former interim president Lori Gonzalez, UofL Human Resources, the W3 Advisory Committee and the Steering Committee. One of the requisite criteria was that all peer institutions had to be participants in all 3 CUPA-HR salary compensation surveys (i.e., CUPA-HR Faculty, CUPA-HR Professional, and CUPA-HR Administrator).

The Faculty and Senior-Level Professional & Managerial Staff Peer Group of 58 institutions was used for the Faculty Compensation Study.²

¹ The Appendix at the end of this presentation provides greater detail and explanation of the methodology and peer group. The Faculty Compensation Study website also provides Segal's full methodology presentation and detailed FAQs.

² In updating the study from 2021-2022 to 2023-2024, University of Cincinnati and University of Kansas entered the study as a peer because of CUPA participation, and 6 institutions (Case Western Reserve University, Thomas Jefferson University, University of Houston, University of Maine, University of New Mexico, and Wayne State University) exited the study because they did not participate in the CUPA-HR Faculty Survey in 2023-2024.

Recap of Assessment Methodology¹ (Continued)

2. Base Pay: Only faculty base pay was assessed in this study. Base pay is defined as base salary + tenure supplement + retention supplement.

3. Contract Lengths: UofL faculty have contract lengths of 9/10 months as well as 11/12 months. The market data was adjusted to account for different contract lengths to ensure standardized comparisons.

4. CIP Codes: Faculty were compared to CUPA-HR market data by their assigned CIP codes that match the instructional discipline of their home department, aligned with their unit's offered academic programs. UofL Office of Academic Planning & Accountability maintains the mapping of faculty disciplines to defined CIP codes and descriptions.

5. Market Data: The primary source of market data for this study was the CUPA-HR Faculty Salary Survey. The Schools of Dentistry, Medicine and Nursing were assessed against their respective professional association faculty salary surveys, as were all Librarian faculty (i.e., the ADEA, AAMC, AACN and ARL surveys were used to assess these faculty).

6. Variance Analysis: Conducted a detailed analysis comparing the UofL base pay against the market data by rank, discipline, and tenure status. Segal and UofL defined the competitive range as 80% to 120% of the external market, which is consistent with the methodology of the staff compensation study.

¹ The Appendix at the end of this presentation provides greater detail and explanation of the methodology, and the Faculty Compensation Study website also provides Segal's full methodology presentation and detailed FAQs.

Recent Data Validation Efforts

1

February – March 2024:

Validation of faculty base salary and rank information as of Jan. 1, 2024, conducted by Office of Faculty Affairs, deans, unit finance/business officers and unit faculty affairs representatives.

April 2024:

Base salary validation letters were delivered to individual faculty, capturing base salary information used for the study. Needed changes were reviewed and approved by deans & unit finance/business officers.

2

3

May – July 2024:

Review and confirmation of faculty preliminarily identified to receive an outlier adjustment from internal analysis.

June – July 2024

Final review and validation by deans on proposed faculty adjustments; Incorporation of any changes to faculty compensation data between January – July 2024.

4

AGENDA

Market Assessment Results

Initial Implementation Strategy and Impact

Top 3 Questions and Q&A

Executive Summary

Market Analysis Results (Pre-Adjustment)

Market Assessment Results

	Tenured/ Tenure- Track Faculty	Non- Tenure Track/ Term Faculty	All Faculty
Aggregate Salary Spend Compared to Market Median ^{1,2}	87%	90%	88%

Competitive Range^{1,2} Distribution of Faculty Against Range

	Tenured/ Tenure- Track Faculty	Non- Tenure Track/ Term Faculty	All Faculty
Above 120% of Benchmark Median	3%	3%	3%
Within 80% - 120% of Benchmark Median	63%	71%	66%
Below 80% of Benchmark Median	34%	26%	31%

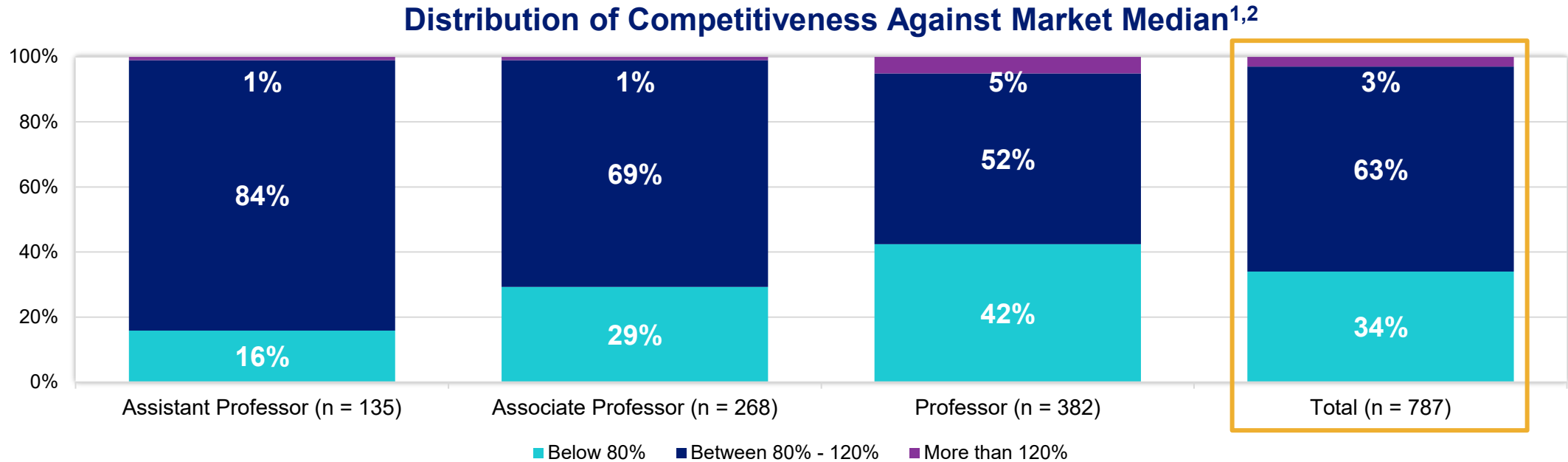
While most faculty have salaries within the competitive range (i.e., 80% - 120% of the market), 31% of faculty were below this range.

¹ Represents UofL competitiveness after 2.5% GWI increase to faculty base salary compensation but before pay adjustments.

² Aggregate spend is the sum of all annualized base salaries divided by the sum of the market median data by rank, discipline, and tenure-status for each faculty member.

Faculty Market Assessment Results by Rank

Tenured/Tenure-Track Faculty (Pre-Adjustment)



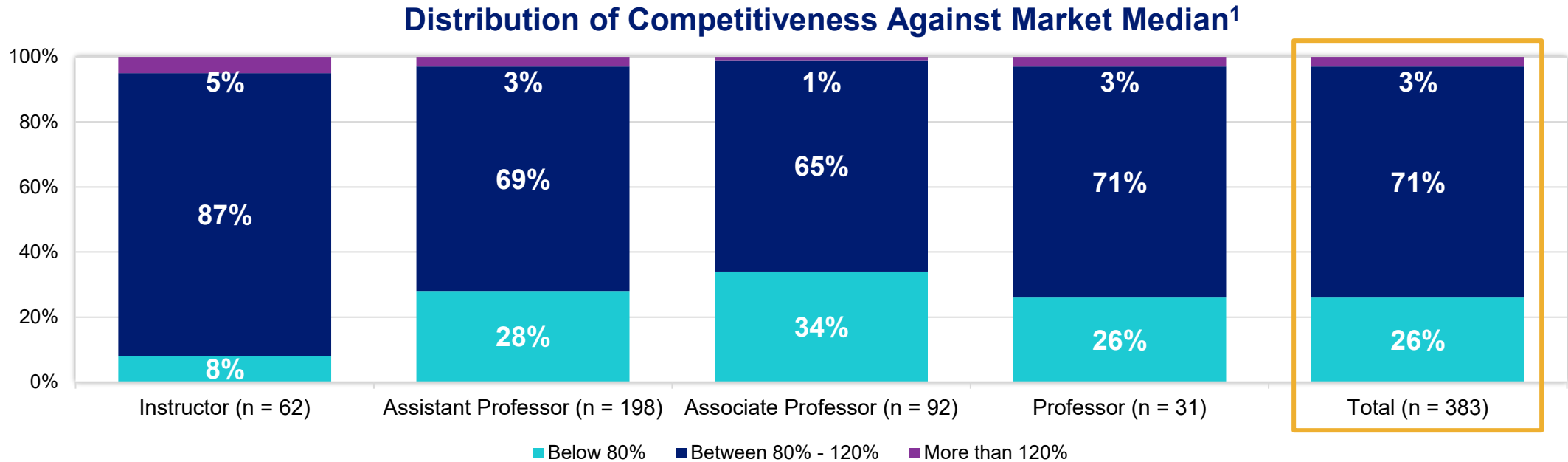
- Across UofL Tenured/Tenure-Track faculty, the majority (66%) fall within or above the competitive range¹
- Competitiveness decreases in progressing along the tenure track
- The Assistant Professor rank is the most competitive against the market with 85% within or above the competitive range¹
- Professors are the least competitive with 42% below the competitive range¹

¹ The competitive range is considered 80% - 120% of the market median. Due to low sample size, the number of Tenure-Track Instructors is not shown in the above graphic.

² May not add to 100% due to rounding.

Faculty Market Assessment Results by Rank

Non-Tenure Track/ Term Faculty (Pre-Adjustment)

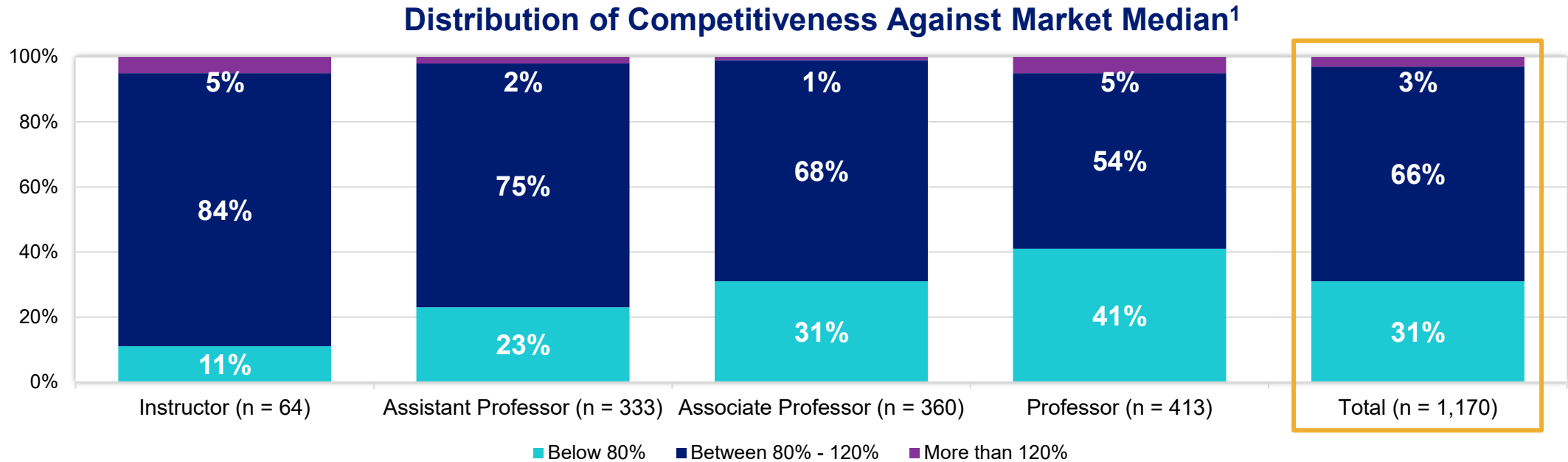


- Across UofL Non-Tenure Track/ Term faculty, the majority (74%) fall within or above the competitive range¹
- The Instructor rank is the most competitive against the market with 92% within or above the competitive range¹
- Associate Professors are the least competitive with 34% below the competitive range¹

¹ The competitive range is considered 80% - 120% of the market median.

Faculty Market Assessment Results by Rank

All Faculty (Pre-Adjustment)



- Across all UofL, the majority (69%) of faculty fall within or above the competitive range¹
- Overall, the Instructor rank is the most competitive against the market with 89% within or above the competitive range¹
- Professors are the least competitive with 41% below the competitive range¹

¹ The competitive range is considered 80% - 120% of the market median.

AGENDA

Market Assessment Results

Initial Implementation Strategy and Impact

Top 3 Questions and Q&A

Implementation Strategy Guiding Principles

The initial implementation strategy follows the guiding principles listed below:

- General wage increase (GWI) of 2.5% first applied to all faculty salaries
- \$6 million budget approved by the UofL Board of Trustees for 2024 faculty pay adjustments
 - This includes fringe benefits at an approximate rate of 18%
 - Pay adjustments awarded this year will be maintained going forward by each unit's budget
- Competitiveness and outlier adjustments were priorities for both tenured/tenure-track and non-tenured/term faculty
- Adjust all faculty salaries to 80% of market median, if below
- All adjusted salaries rounded to the next highest \$1,000 (e.g., \$104,200 becomes \$105,000); no increases were rounded down
- Any adjustment increases of less than \$1,000 were also rounded up to a minimum of \$1,000
- No faculty member will have their salary decreased as a result of this study

Initial Implementation Approach Details

1. 2.5% General Wage Increase (GWI) to Base Salary

- For faculty in scope, this represents ~\$3M and 1,170 employees

2. All Faculty Below 80% of Market Median

- Bring faculty to 80% of the market median, if below (~\$4.3M, 360 faculty)
 - Tenure Track Faculty: ~\$3.2M, 262 faculty
 - Non-Tenure Track/ Term Faculty: ~\$1.1M, 98 faculty

3. Outliers¹

- Remediate outliers (~\$160K, 21 faculty)

Sub-Total:
~\$7.3M
(with fringe this would be ~\$8.6M)

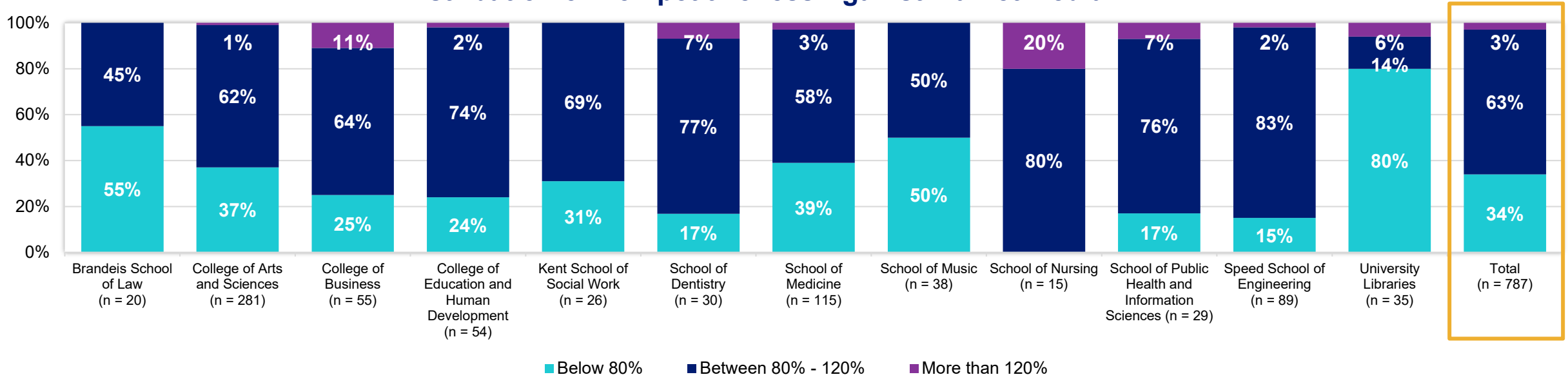
Total:
~\$7.5M *(with fringe this would be ~\$8.8M or 7% of payroll)*

¹ Outliers are defined as any faculty member whose market-competitive pay was significantly below or above their department peers. All outliers whose pay was below had a correction applied in addition to their 80% pay adjustment. No outlier whose pay was above had their salaries reduced.

Faculty Market Assessment Results (Pre-Adjustment):

Faculty Market Assessment by School/College - Tenured/Tenure-Track

Distribution of Competitiveness Against Market Median^{1,2}

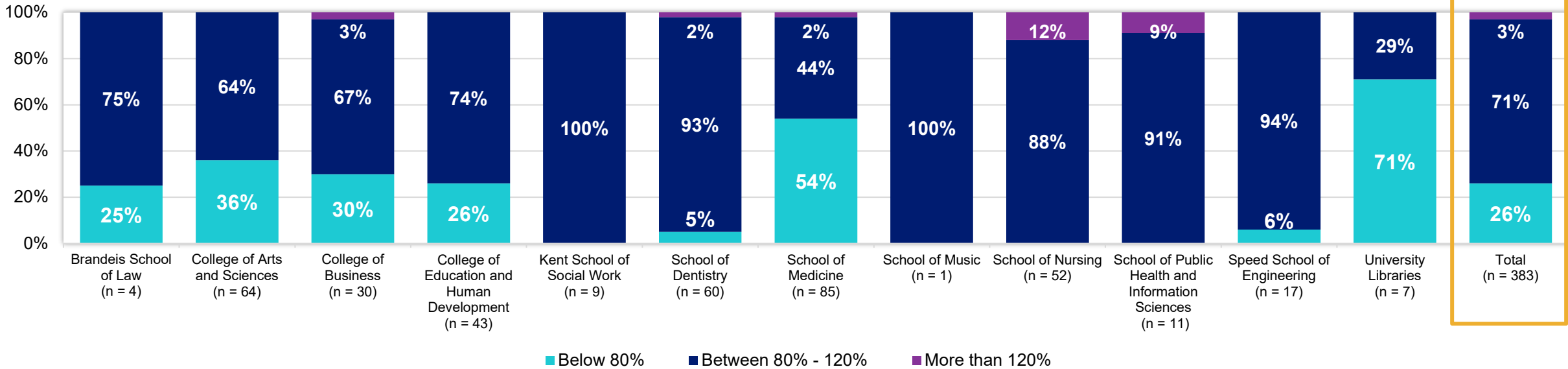


¹ The competitive range is considered 80% - 120% of the market median.

² May not add to 100% due to rounding.

Faculty Market Assessment Results (Pre-Adjustment): *Faculty Market Assessment by School/College – Non-Tenure Track/Term*

Distribution of Competitiveness Against Market Median¹

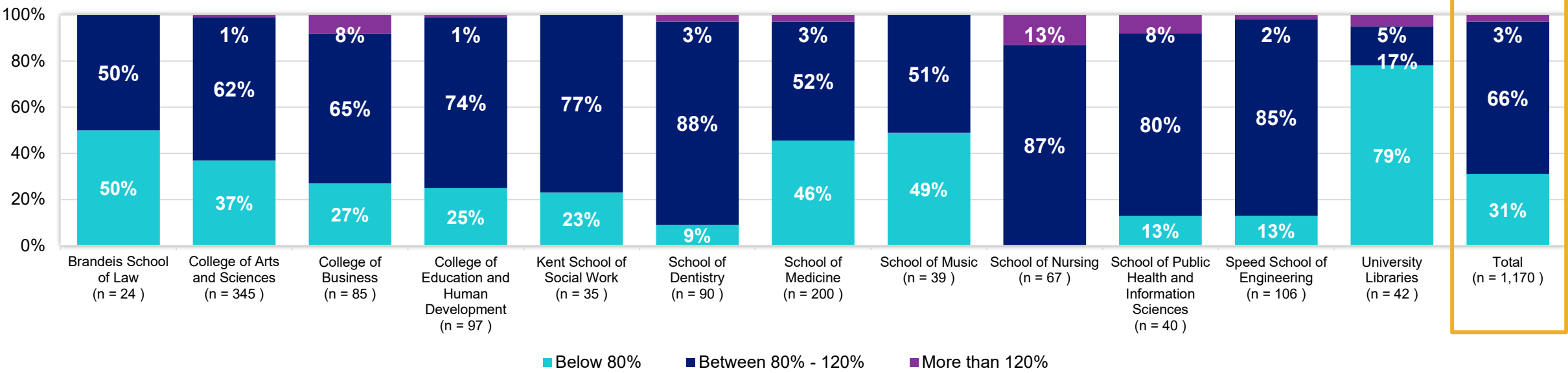


¹ The competitive range is considered 80% - 120% of the market median.

Faculty Market Assessment Results (Pre-Adjustment):

Faculty Market Assessment by School/College – All Faculty

Distribution of Competitiveness Against Market Median^{1,2}



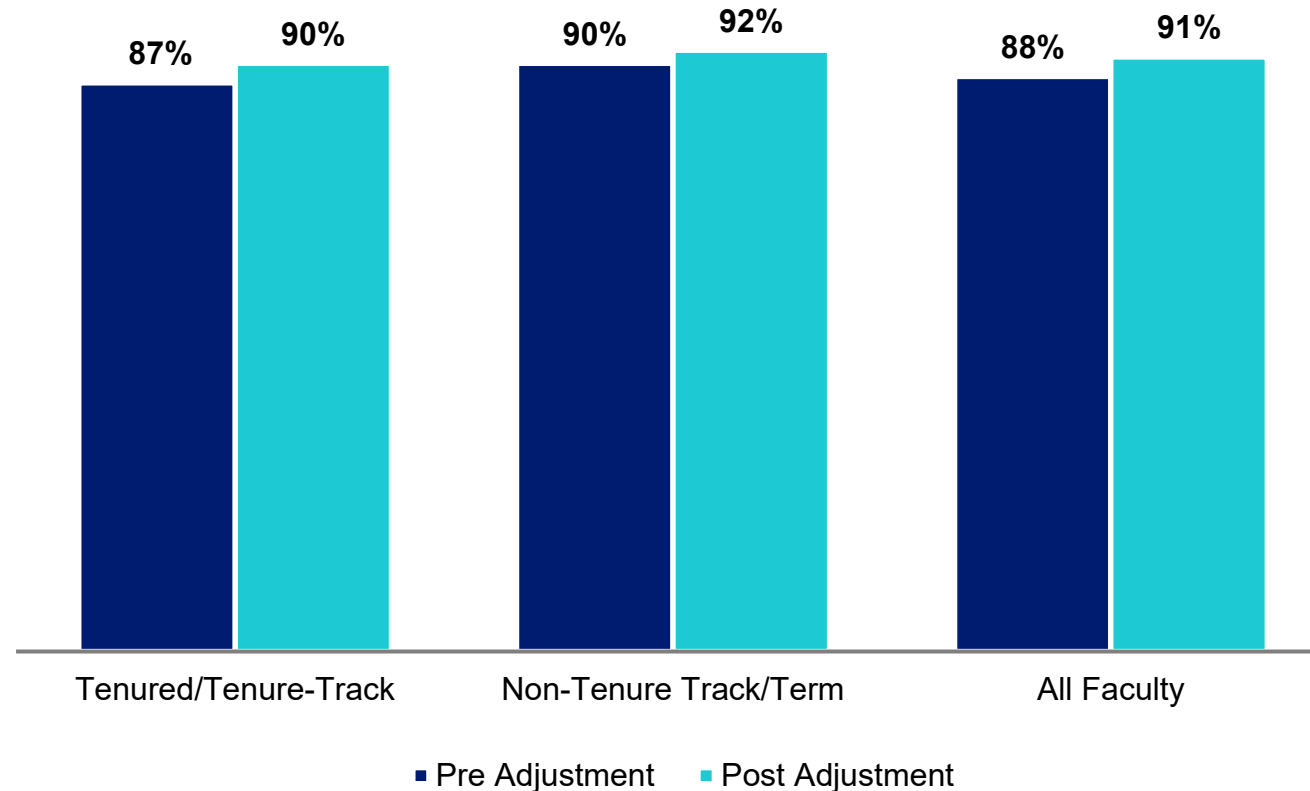
¹ The competitive range is considered 80% - 120% of the market median.

² May not add to 100% due to rounding.

Resulting Market Competitiveness

UofL Salaries Against Market Median: Pre vs. Post Adjustment

Market Competitiveness Against Peer Group
Median: Pre vs. Post Adjustment¹



¹ Detailed data is provided in the Appendix at the end of this presentation slide deck, pages 34 and 35.

Where We Are Now

- All faculty who were behind market will be brought up to 80% of the market median
- All faculty outliers will be remediated
- 368 faculty will receive a pay adjustment
 - 347 will receive a market increase only
 - 8 faculty will receive an outlier correction only
 - 13 faculty will receive both a market increase and an outlier correction
- Ongoing discussion and review is needed to address:
 - Time in rank, salary compression
 - Merit criteria and evaluation process
 - Varying levels of market competitiveness between units
- Need a consistent, equitable compensation strategy across all faculty units







Next Steps

- All faculty within the scope of the study will receive an email notification from their unit on **August 9** confirming if they are receiving a pay adjustment to their annual salary or not
- Pay adjustments will be applied retroactively to July 1 to monthly paychecks beginning August 30
- We must continue developing the implementation strategy to address UofL faculty compensation
- A committee will be charged by the Provost to review compression and merit programs in all faculty units
 - This committee will be asked to make recommendations for an institution-wide faculty compensation program
- Internal compression issues will be addressed going forward as both unit and central funds become available

APPENDIX

1. Total Rewards Study Timeline
2. UofL Total Rewards Philosophy
3. Peer Group
4. Faculty Study Assessment Methodology
5. Additional Faculty Market Assessment Results

Total Rewards Study Timeline

					
Project Initiation/ Compensation Philosophy	Staff Salary Market Assessment	Faculty Salary Market Assessment	Benefits Study	Pay Equity Study	Implementation & Communication
<ul style="list-style-type: none"> • Data and materials • Stakeholder interviews and survey • Draft compensation philosophy • Peer groups(s) and comparison market(s) 	<ul style="list-style-type: none"> • Job level guidelines • Job titling convention • Job framework • Salary market pricing • Salary structure • Incumbent and cost implications • Pay administration guidelines 	<ul style="list-style-type: none"> • Salary market pricing • Incumbent and cost implications • Pay administration guidelines 	<ul style="list-style-type: none"> • Qualitative analysis of benefit offerings • Quantitative analysis of major benefits programs 	<ul style="list-style-type: none"> • Detailed regression analysis • Findings and recommendations 	<ul style="list-style-type: none"> • Costing support • Implementation strategy development • Notification process

Total Rewards Philosophy¹

- 1 Role of Total Rewards:** We are committed to the advancement of the Louisville community, the Commonwealth, UofL's mission and values, and our responsibility for managing the public's trust. Our total rewards programs support the attraction and retention of superior talent in support of our mission.

- 2 Equity:** All total rewards programs are designed to promote the institution's deep commitment to equity, and inclusion. We are committed to continuously improve our processes to ensure a diverse workforce and fairness in how we compensate.

- 3 One UofL:** Total rewards program designs and administration are University-wide and support the needs of the institution as a whole. Our programs balance flexibility and consistency to ensure they meet to needs of the schools and units.

- 4 Markets for Talent:** Markets for talent are generally local or regional for non-exempt and entry level professionals. For faculty, specialized professionals, and leadership, talent markets are national and international. Markets will reflect markets outside of higher education, as appropriate.

¹ This philosophy was developed and approved during the project initiation phase in Q2 of 2022 by UofL HR, Lori Gonzalez (interim President at time) and Steering Committee.

Total Rewards Philosophy¹

- 5 **Pay Positioning:** Strive to pay competitively with relevant talent markets. Individual pay positioning varies based on impact and contributions to the University foremost, with consideration to experience, skills, education, and embodiment of UofL's values.

- 6 **Benefits:** Provide a comprehensive, competitive, and attractive suite of health, wellness, education, and financial security benefits that care for our employees and their families today and in the future. Benefits are provided broadly across the institution.

- 7 **Career:** Shared responsibility between employees and leaders; employees own their development with the support and encouragement of UofL. The institution is responsible for providing clarity and opportunities for development. Career and classification tools should be viewed as development tools for employees and leaders to use collaboratively.

- 8 **Communication, Transparency, and Governance:** Program designs are transparent and communicated regularly to promote awareness, understanding, and satisfaction. Decision-making roles and processes are clearly defined among all institutional stakeholders. Employee input is sought and considered as an ongoing component of programs.

¹ This philosophy was developed and approved during the project initiation phase in Q2 of 2022 by UofL HR, Lori Gonzalez (interim President at time) and Steering Committee.

Faculty Study: Peer Group Methodology

Segal & UofL developed the following faculty peer group methodology during the project initiation phase in Q2 of 2022¹



The total number of peer institutions in the peer group is 58².
The complete list of institutions is found on the following page.

¹ This methodology was approved by UofL HR, Lori Gonzalez (interim President at time), and Steering Committee.

² Consisting of 48 public institutions and 10 private institutions.

Peer Group^{1,2}

- Auburn University
- Augusta University
- Baylor University
- Buffalo State University
- Case Western Reserve University
- Clemson University
- DePaul University
- Drexel University
- East Carolina University
- Florida International University
- George Mason University
- Georgia State University
- Idaho State University
- Kansas State University
- Loyola University Chicago
- Miami University
- Mississippi State University
- Montana State University
- Ohio University
- Stony Brook University
- Syracuse University
- Temple University
- The University of Texas at Arlington
- The University of Texas at Dallas
- Thomas Jefferson University
- Tulane University
- University at Buffalo, State University of New York
- University of Central Florida
- University of Colorado Boulder
- University of Colorado Denver
- University of Connecticut
- University of Dayton
- University of Florida
- University of Houston
- University of Idaho
- University of Illinois at Chicago
- University of Kentucky
- University of Maine
- University of Miami
- University of Michigan-Ann Arbor
- University of Minnesota-Twin Cities
- University of Missouri-Columbia
- University of New Mexico Main Campus
- University of North Carolina at Charlotte
- University of North Texas Denton Campus
- University of Oklahoma Norman Campus
- University of Rhode Island
- University of South Carolina Columbia
- University of South Florida
- University of Tennessee, Knoxville
- University of Texas at El Paso
- University of Texas at San Antonio
- University of Wisconsin-Madison
- University of Wisconsin-Milwaukee
- Virginia Commonwealth University
- Wayne State University
- West Virginia University
- Western Michigan University

¹ This peer group was developed and approved during the project initiation phase in Q2 of 2022 by UofL HR, Lori Gonzalez (interim President at time) and Steering Committee. Selected institutions had to meet three levels of criteria, one being they had to have participated in the CUPA-HR Administrators, Professionals and Faculty surveys. Participation in all surveys was required because the Steering Committee in 2022 determined that the national peer group used for UofL's faculty should be the same as what was used for UofL's senior-level professional and managerial staff since the university embarked on a Total Rewards Study for all UofL employees.

² In updating the study from 2021-2022 to 2023-2024, University of Cincinnati and University of Kansas entered the study as a peer because of CUPA participation, and 6 institutions (Case Western Reserve University, Thomas Jefferson University, University of Houston, University of Maine, University of New Mexico, and Wayne State University) exited the study because they did not participate in the CUPA-HR Faculty Survey in 2023-2024.

Faculty Study Assessment Methodology

- 1. Data Validation:** Conducted comprehensive data validation to ensure information is as accurate as possible for assessment
 - **CIP Code Mapping Confirmation:** UofL Office of Academic Planning & Accountability maintains the mapping of faculty disciplines to defined CIP codes and descriptions. These codes are reviewed every 10 years, with the most recent review completed in 2020
 - **Faculty Base Pay & Administrator Supplemental Compensation:** Validated compensation considered to be base salary and faculty administrator pay
- 2. Survey Sources:** Selected CUPA-HR Faculty and Administrator Salary Surveys as the primary published survey sources for analysis. Used the AAMC, ADEA, AACN, and ARL surveys for faculty within those respective disciplines¹.
- 3. Peer Group:** Used the peer group developed under the broader UofL Compensation Study, approved and finalized in Q2 2022 by UofL HR, Lori Gonzalez (interim President at time), the W3 Advisory Committee and the Steering Committee
- 4. Market Data Collection:** Obtained base salary market data from the peer group at the 25th, 50th, and 75th percentiles by rank, tenure status, and discipline (as defined by CIP code mapping)
- 5. Variance Analysis:** Conducted a detailed analysis comparing the UofL base pay against the market data by rank and discipline. Segal and UofL defined the competitive range as 80% to 120% of the external market, which is consistent with the methodology of the staff compensation study

¹ Based on subsequent conversations in the data validation review after the February 7, 2024, Faculty Senate meeting, additional sources were identified for inclusion in the faculty compensation study. CUPA-HR Survey data does not provide specific discipline matches for instructional health care faculty, so the faculty of the School of Dentistry, School of Medicine and School of Nursing were each assessed against the latest salary data for their professional associations' faculty salary surveys (i.e., ADEA Survey, AAMC Survey and AACN Survey). Additionally, because CUPA-HR Survey data is dependent on instructional discipline CIP codes, that data could not be used for UofL librarians and they were instead assessed against the latest Association for Research Librarians faculty salary survey.

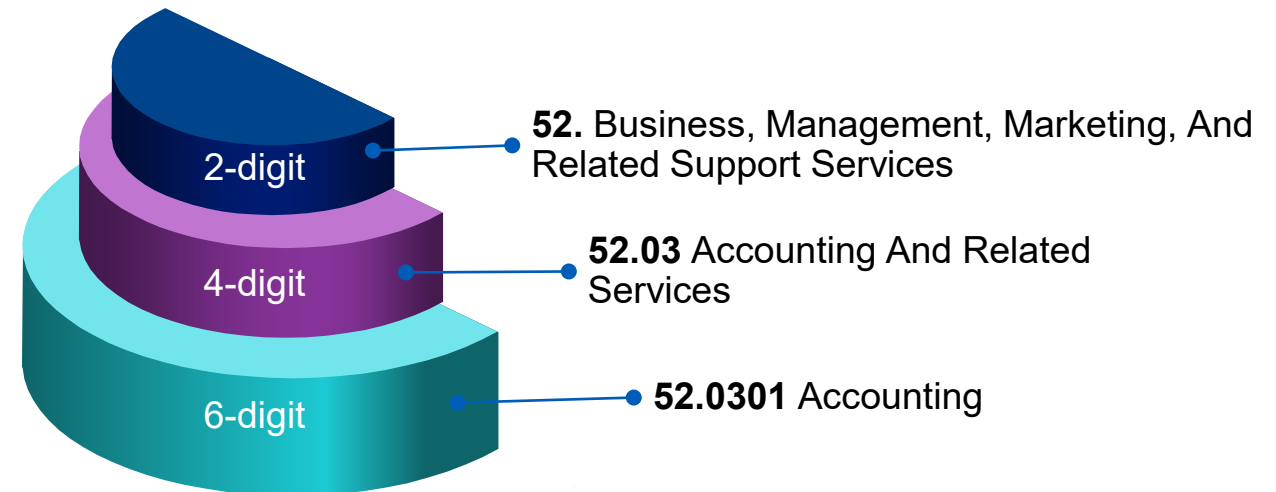
Faculty Study: CIP Code Overview

What is a CIP Code?

- The Classification of Instructional Programs (CIP) is a system of codes used to standardize the identification of academic fields of study
- These codes are utilized in surveys and reporting of institutional data
- The list contains about 1,800 specific program titles under about 45 broad program categories

How to read a CIP Code?

- CIP codes are divided into a three level structure
- 2-digit codes are the broadest level of classification
- 4-digit and 6-digit codes become progressively more detailed, as seen to the right:



Segal used the 6 digit (or next highest digit available) CIP code for CUPA-HR data in the analysis.

Resulting Market Competitiveness

UofL Salaries Against Market Median: Pre vs. Post Adjustment by Rank & Tenure Status

Rank	Tenured/Tenure-Track Faculty				Non-Tenure Track/ Term Faculty				All Faculty			
	# of Faculty	Pre-Adj: # of Faculty	Pre-Adj: UofL as % of Mkt Median	Post-Adj: UofL as % of Mkt Median	# of Faculty	Pre-Adj: # of Faculty	Pre-Adj: UofL as % of Mkt Median	Post-Adj: UofL as % of Mkt Median	# of Faculty	Pre-Adj: # of Faculty	Pre-Adj: UofL as % of Mkt Median	Post-Adj: UofL as % of Mkt Median
Instructor	2	N/A ¹	N/A ¹	N/A ¹	62	5	98%	99%	64	7	97%	98%
Assistant Professor	135	20	90%	91%	198	55	91%	93%	333	75	91%	92%
Associate Professor	268	81	88%	89%	92	30	87%	90%	360	111	88%	90%
Professor	382	167	87%	91%	31	8	83%	88%	413	175	86%	91%
Total	787	270	87%	90%	383	98	90%	92%	1,170	368	88%	91%

¹ Due to low sample size, faculty data not shown.

Resulting Market Competitiveness

UofL Salaries Against Market Median: Pre vs. Post Adjustment by School/College & Tenure Status

School/College	Tenured/Tenure-Track Faculty				Non-Tenure Track/ Term Faculty				All Faculty			
	# of Faculty	Pre-Adj: # of Faculty	Pre-Adj: UofL as % of Mkt Median	Post-Adj: UofL as % of Mkt Median	# of Faculty	Pre-Adj: # of Faculty	Pre-Adj: UofL as % of Mkt Median	Post-Adj: UofL as % of Mkt Median	# of Faculty	Pre-Adj: # of Faculty	Pre-Adj: UofL as % of Mkt Median	Post-Adj: UofL as % of Mkt Median
Brandeis School of Law	20	11	79%	84%	4	N/A ¹	N/A ¹	N/A ¹	24	12	80%	84%
College of Arts and Sciences	281	104	84%	87%	64	23	84%	88%	345	127	84%	87%
College of Business	55	14	95%	98%	30	9	91%	92%	85	23	94%	96%
College of Education and Human Development	54	14	89%	91%	43	11	85%	87%	97	25	87%	90%
Kent School of Social Work	26	8	87%	89%	9	0	104%	104%	35	8	90%	92%
School of Dentistry	30	5	93%	93%	60	3	90%	90%	90	8	91%	92%
School of Medicine	115	46	84%	89%	85	45	82%	88%	200	91	84%	89%
School of Music	38	18	84%	86%	1	N/A ¹	N/A ¹	N/A ¹	39	18	84%	86%
School of Nursing	15	1	109%	110%	52	0	109%	109%	67	1	109%	109%
School of Public Health and Information Sciences	29	6	91%	94%	11	0	110%	110%	40	6	95%	97%
Speed School of Engineering	89	15	92%	93%	17	1	98%	98%	106	16	92%	93%
University Libraries	35	28	82%	89%	7	5	70%	81%	42	33	80%	88%
Total	787	270	87%	90%	383	98	90%	92%	1,170	368	88%	91%

¹ Due to low sample size, faculty data not shown.

AGENDA

Market Assessment Results

Initial Implementation Strategy and Impact

Top 3 Questions and Q&A

TOP 3 QUESTIONS

1. What are the results of UofL's Pay Equity Analysis?

The purpose of the internal pay equity analysis was to identify significant pay gaps, remediate outlier disparities and find the root causes of inequitable pay within a department.

No systemic reasons could be concluded for faculty outliers identified in this study. Outliers are defined as faculty making significantly below their peer colleagues. While most outlier issues were already corrected by bringing faculty to at least 80% of the market median, there was a small subset of faculty whose new market competitive pay was still significantly below their peers. These faculty outliers will receive a pay correction to be more in line with how their peer colleagues are paid above the 80% of market median.

The specific results of the pay equity analysis will not be distributed.

TOP 3 QUESTIONS

2. Why is time in rank not being used to determine faculty pay adjustments?

The purpose from the beginning of this study was only to assess faculty base salaries by rank and discipline to the external market. Our first priority was to bring faculty to 80% of the market median and to also correct any outliers.

The study has served its purpose, and we are very proud that we could achieve these first two priorities for all faculty within the scope of the study, with the \$6 million budget approved by the Board of Trustees.

Now, it's time to further develop the implementation strategy so that we can next address important compensation factors such as time in rank (compression).

TOP 3 QUESTIONS

3. Why isn't my performance being recognized and rewarded through this study?

Again, the purpose of this study was only to assess our faculty market competitiveness on the basis of rank and discipline. We absolutely understand the importance of recognizing and rewarding faculty for their talents and performance.

The completion of this study now compels us to re-examine our current merit pay program practices and determine how to consistently implement a robust merit criteria and evaluation process for faculty across the entire institution going forward.

OPEN Q&A

THANK YOU

We appreciate your attendance and participation today. If you have any further questions, please contact provost@louisville.edu.