

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 6 – A (2)

DATE: August 4-5, 2020

SUBJECT

BOR Policy 4:5 – Faculty Compensation (First Reading)

CONTROLLING STATUTE, RULE, OR POLICY

[SDCL Chapter 3-6C](#)

BACKGROUND / DISCUSSION

Due to the elimination of collective bargaining for university faculty, effective July 1, 2020, there is now a need to include faculty compensation provisions in Board policy. This policy establishes the overarching guidance for faculty compensation administration, and seeks to provide a framework that gives flexibility to the universities and Board in the administration of the compensation plan. The highlights of the policy are outlined below:

1. The attached policy does not establish a formula with which annual salary policy adjustments are calculated, however, guidance will be established in coordination with university leaders to establish a consistent and equitable process for applying salary policy allocations.
2. The COHE agreement outlines the ranges of percentages of the salary policy pool that have to be allocated to performance, market and institutional priorities. This policy states that the Board, through the Executive Director, will annually set the priorities for allocating funds in those three areas. This will provide the Board and university leadership with flexibility in a changing environment.
3. This policy does not differentiate the way salary policy is applied between the professorial, lecturer and professor of practice ranks and allows the flexibility for a market component to be used across all ranks.
4. The proposed policy does not cite the salary survey tool that will be used, which will give the flexibility for the system to choose the most appropriate survey tool for each university.
5. The performance rating language that is in the salary provisions section of the COHE agreement will be moved to BOR Policy 4:13 – Faculty and Research Faculty Evaluation so that all evaluation related information is in one policy.
6. The overload and summer term compensation provisions are largely kept intact from

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I move to approve the first reading of the proposed BOR Policy 4:5 – Faculty Compensation.

- the COHE agreement, but minor changes were made to allow more flexibility in assigning overload.
7. The language regarding salary adjustments following the receipt of a terminal degree are in line with the former COHE agreement language.
 8. Promotion and change in rank adjustments are being moved from BOR Policy 4:11 – Rank and Promotion so that all compensation related provisions are in one single policy.
 9. Section 5 was added to give the universities the ability to apply discretionary increases as needed to address internal equity, retention needs and so forth.

This policy has been discussed with campus leadership, including human resources leadership, the Academic Affairs Council, Business Affairs Council and the Council of Presidents & Superintendents.

IMPACT AND RECOMMENDATION:

Approve the first reading of BOR Policy 4:5 – Faculty Compensation

ATTACHMENTS

Attachment I – Proposed new policy BOR Policy 4:5.

SOUTH DAKOTA BOARD OF REGENTS**Policy Manual****SUBJECT:** Faculty Compensation**NUMBER:** 4:5

A. PURPOSE

To establish faculty compensation guidelines for fiscal year salary policy increases and other faculty salary provisions. Salary increases for Board of Regents' faculty may only be distributed to address institutional priorities, program needs, performance or market considerations, as provided herein.

B. DEFINITIONS

- 1. Faculty:** Employees of the Institution that are in a faculty related position, whether in the lecturer, librarian, professorial or professor of practice ranks provided in BOR Policy 4:11, who are exempt from the Civil Service Act and perform instruction, research, service and/or other faculty duties. All faculty are subject to BOR policies, institutional policies, procedures, rules and regulations.
- 2. Institutional Priorities:** A program or area of focus of the University that is identified as a strategic priority for forwarding the goals and strategic plan of the University.
- 3. Internal Equity Adjustment:** A salary adjustment to reduce or eliminate a documented internal pay rate disparity within an Institution or defined Institutional department, which cannot be accounted for after an analysis and comparison of differences in the work assigned, individual qualifications, experience, years of service, work performance, or institutional priorities.
- 4. Market Equity Adjustment:** A salary adjustment to reduce or eliminate an external pay rate disparity using recognized market data and peer groups.
- 5. Performance Adjustment:** A salary adjustment made in recognition of work performance that meets or exceeds performance standards documented through an established review process.
- 6. University:** Black Hills State University, Dakota State University, Northern State University, South Dakota School of Mines & Technology, South Dakota State University, University of South Dakota.

C. POLICY

All compensation adjustments distributed in accordance with this policy which do not meet the criteria identified in BOR Policy 1:6(4) requiring Board approval may be approved at the Institutional level.

1. Annual Salary Policy Provisions

- 1.1. The Board's faculty compensation philosophy is to provide a fair and competitive total compensation package that will attract, retain and reward high-performing faculty at all levels.
- 1.2. The Board, through its Executive Director, shall annually set the priorities for allocating appropriated salary policy funds to address institutional priorities, program needs, performance, or market considerations.
 - 1.2.1. The President may apply institutional priorities to a specific department or area of concentration so long as it is a portion of the total salary policy pool.
- 1.3. Priorities for allocation are applicable to all appropriated sums to support salary increases for faculty members who will be offered reappointment for a successive fiscal year, plus such additional monies as the Board in its sole discretion may elect to provide.
 - 1.3.1. The Board has the discretion, but no obligation, to contribute additional funds beyond the salary policy to salary enhancement. All funds directed to salary enhancement will be distributed on a discretionary basis.
- 1.4. When applying market based salary adjustments, the salaries of faculty members will be compared to the median for persons of like discipline and rank within the Carnegie classification salary survey data.
 - 1.4.1. In situations where survey data is not available for a particular classification of instructional program (CIP) code and/or rank, the administration shall use the data from the most appropriate related CIP code and/or rank.
- 1.5. When applying performance based salary adjustments, the adjustment provided to faculty will be based on their annual performance evaluation provided in accordance with BOR Policy 4:13. Faculty who fail to meet expectations are not eligible to receive a performance based salary adjustment.
- 1.6. Faculty members who hold appointments as endowed professors and chairs will participate in any salary distributions provided pursuant to this section. Additional monies payable solely from endowment earnings, or from contributions made expressly for the purpose of supporting the chair, may be paid to faculty members as provided in the endowment agreements.

2. Overload and Summer Term

- 2.1. Faculty may not be assigned overload or summer term courses that could interfere with completion of other primary responsibilities.
- 2.2. Overload or summer term classes include only courses assigned in addition to a faculty member's base course load.
- 2.3. Faculty who accept such overload or summer term assignments will be compensated at the rate of eight percent (8%) of their base salary for each three credit hour course taught; provided that the rate may be increased by up to two percent (2%) to address exceptional circumstances.

- 2.4. If a course exceeds or falls short of three credit hours, the compensation will be adjusted pro rata.
- 2.5. When a course fails to meet the specified minimum enrollment, as determined by the administration, the contract may be voided, or the faculty member may elect to teach the course at reduced compensation.
- 2.6. Faculty members will be advised of the minimum enrollments specified by the university administration at the time that the contract is offered.
- 2.7. Where a course has not achieved minimum enrollment by one week prior to the first scheduled class meeting, the administration will contact the faculty to discuss whether the faculty would be willing to teach the course at reduced compensation.

3. Salary Adjustment after Receipt of Terminal Degree

- 3.1. Faculty members holding professorial rank who, while employed by an institution on a tenure track or tenure contract, earn a terminal degree appropriate for their assigned teaching or research responsibilities will be awarded a salary adjustment.
- 3.2. The adjusted salary will not exceed the average salary in the discipline and at the rank among persons who hold appropriate degrees and rank.
- 3.3. The adjustment will take effect during the academic year following that in which the degree is awarded.
- 3.4. When determining the total salary increase for the year in which the market based salary adjustment will be given effect, the adjustment will be made prior to determination of any other form of salary adjustment for the fiscal year.

4. Promotion or Change in Rank Incremental Adjustments

A faculty member who is promoted or granted a change in rank will receive an increment based on the faculty member's current academic year base salary. If the faculty member's next academic year contract is for a different percentage of time or number of months than was in effect in the current academic year, the current academic year base salary will be adjusted to reflect such changes prior to the application of the following schedule of increments:

PROFESSORIAL RANKS:

Assistant Professor to Associate Professor: 8%

Associate Professor to Professor: 10%

LECTURER RANKS:

Instructor to Lecturer: 4%

Lecturer to Senior Lecturer: 6%

LIBRARIAN RANKS:

Assistant Librarian to Associate Librarian: 8%

Associate Librarian to Librarian: 10%

PROFESSOR OF PRACTICE RANKS:

Assistant Professor of Practice to Associate Professor of Practice: 4%

Associate Professor of Practice to Professor Practice: 6%

5. Other Base Salary Adjustments

- 5.1. Universities may provide faculty other discretionary base salary adjustments outside of the annual salary adjustment.

FORMS / APPENDICES:

None.

SOURCE:

BOR, October 2020.