PLEASING ALL THE FACULTY, ALL THE TIME: THE ALLOCATION OF SCARCE FACULTY RAISE FUNDING

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ABSTRACT

This model was developed to provide fairness and flexibility in allocating faculty raise funding at a regional state institution. Faculty raise proposals are reviewed by a campus salary committee and total raises given to all faculty must equal an exact raise allocation by college as specified by central administration. The model consists of six potential parts including cost-of-living (COLA), promotion/floor, equity, market, merit and Dean's discretion (described below). University administration holds back promotion, COLA and equity components. From the funds allocated to the college, the college administration creates pools for merit, market, and Dean's discretion.

Total Raise Pool	Cost of Living Pool	Allocated by the Provost's office for cost of living
	Promotions & Floors Pool	Allocated by the Provost's office for promotions and floor
	Equity Pool	Allocated by the Provost's office based on limited college
	Market Pool	Salary model provides proportionate raises to each faculty member based on differences from AACSB market
	Merit Pool	Salary model provides proportionate raises to each faculty member based on a weighted average of the last three year's annual review overall rating.
	Dean's Discretionary Pool	Allocated by the Dean to make final adjustments to the

Merit is calculated on a weighted three year average of administrative annual review ratings for each faculty member. Each faculty is assigned a weighted merit score:

Weighted Merit Score = $(5/9) * \text{AnnEval}_{t-1} + (3/9) * \text{AnnEval}_{t-2} + (1/9) * \text{AnnEval}_{t-2}$

The market component of the model is based on a market salary estimated for each faculty member. The hypothetical market salary is determined by first calculating a market differential for each faculty member, then adding/subtracting the market differential from the AACSB target salary for the appropriate teaching discipline. The market differential for an individual faculty member is calculated by multiplying a centered merit score by a fraction of the AACSB target salary. The total market pool is divided proportionally based on the market differentials for each faculty member. Faculty who are already making more than their hypothetical market salary do not receive a market salary raise.

Discretionary salary raises are determined by the Dean based on consideration of length of service, level of service, salary compression, and other factors.