

Message from UUP President Fred Kowal 2020 Salary Compression Analysis and Distribution

The 2016-2022 NYS/UUP contract included a historic agreement to establish four annual salary pools, each one-half percent (0.5%) of total basic annual salaries at each campus, for distribution to eligible UUP-represented employees to address salary compression. The first pool was distributed last year.

After distribution of the 2019 salary compression pool, a joint NYS/SUNY/UUP executive-level committee exhaustively reviewed the 2019 results and jointly updated the guidelines for identifying salary compression and distributing the 2020 0.5% pool. The updated guidelines clarify directions to campuses where necessary and address issues of mutual concern with the outcome of the 2019 process. The 2020 Guidelines are now complete.

As was true in 2019, we anticipate that the extent of identified salary compression will significantly exceed the resources available for 2020 to remediate it. However, the process continues to represent a critical step in addressing a problem that plagues not just SUNY but higher education nationally. This is the second year in four years of salary compression adjustments called for in our current contract.

Generally, salary compression exists when the salaries of more experienced employees have not increased sufficiently relative to the salaries of colleagues hired later. As was the case for 2019, the extent of salary compression will be identified using multiple regression analysis, a statistical technique that measures the relationship between salary and several factors that potentially impact it.

First, the guidelines identify the data necessary to complete the analyses. Generally, each employee's data include basic annual salary (excluding stipends, differentials, also receives, and prior DSI), state budget title, academic rank, campus title for professionals, professional SL Grade, years of service, academic discipline, professional functional area, and a market benchmark salary for the discipline or functional area.

Once data collection is complete, campuses must run regression analyses to identify the extent of compression among UUP-represented employees. These analyses identify the extent to which the salaries of more experienced employees may be compressed relative to the salaries of less experienced employees in their academic disciplines or professional functional areas.

The data collection and analysis guidelines must be followed to the greatest extent possible. However, it is impossible to anticipate every campus-specific variation which may require campus-specific deviations. When such deviations are made, they must be consistent with the intent of the guidelines and the goal of remediating salary compression and be reviewed with SUNY at the state level.

Once the regression analyses are complete, each campus must determine the distribution of their 2020 compression pool. The 0.5% pools must be used to address compression identified in the analyses. The pools may not be used for any other purpose, including but not limited to merit, addressing perceived inequities not identified in the analysis, or providing for larger market-rate adjustments.

The vast majority of UUP represented employees must be included in the regression analyses and are potentially eligible for compression adjustments. However, clinical academic physicians who participate in clinical practice plans and certain part-time coaches who are paid on a bi-weekly basis are excluded from regression analysis and are instead eligible for base salary adjustments utilizing alternate criteria.

In addition, in certain limited circumstances management may choose to exclude other types of employees from the regression analyses and from receipt of compression adjustments. These include:

- Employees paid on a fee basis whose income cannot effectively be annualized who earned **less than \$2,500** in the prior year.
- Employees who have been off payroll on leave without pay for two years or more.
- Visiting academics with less than four years of service.
- Division 1 head coaches who have individually negotiated, market-based contracts which include performance incentive payments.
- Certain unusually highly compensated faculty (primarily at the University Centers and Health Science Centers) whose salaries deviate significantly from expected salary given academic rank, market, and years in rank.

Once the regression analyses are complete, management discretion to determine how the salary compression pool will be distributed is also expressly limited. Campuses are strongly encouraged to provide proportional adjustments to all employees who are identified as compressed. Campuses may choose to remediate certain departments/functional areas more rapidly to address retention issues, however, no department may be excluded from remediation entirely. Campuses may also choose to:

- Establish a dollar threshold of identified compression for full-time employees, pro-rated for part-time employees, below which employees may not be remediated (such a threshold may not exceed \$2,500 and must be uniformly applied).
- Exclude certain less-senior employees including new employees with less than one year of service and certain part-time employees with less than two years of service.
- Exclude any full-time non-renewed employee serving in their final year of service or any employee working under a settlement agreement which includes an exit strategy.

Except for those employees identified above, individual employees with identified compression may not be excluded from remediation. Employees who receive salary compression adjustments are not disqualified from consideration for Discretionary Salary Increases (DSI). Receipt of DSI also does not disqualify employees from eligibility for compression adjustments.

What's New in 2020:

By and large, our review of the 2019 process confirmed that, overall, the 2019 methodology worked as intended. Thus, much continues unchanged for 2020. Updates to the 2020 guidelines that were agreed to are either designed to clarify directions to ensure that all campuses are conducting the analyses as intended or to address particular issues of mutual concern to improve the integrity of the analyses. Particularly noteworthy clarifications and changes include:

- Clarifications regarding benchmarking of positions for academics and professionals were added.
 - Academic positions should usually be benchmarked to department but benchmarking to sub-disciplines should occur if the recruitment for the position is filled via a search for specific expertise in that discipline.
 - Professional positions with more than one distinct function may be benchmarked to multiple functions.
 - Campuses have new latitude to choose individual appropriate benchmarks for individual professional positions within functional areas. This option is available only if every individual position in the regression can be appropriately benchmarked. Campuses considering this option must review this methodology with SUNY System Administration before proceeding.
- There are significant clarifications and changes to refine the methodology for professionals.

- Professionals with SUNY service outside of current budget title will be credited with additional years of service (beyond in-title service time) on a 1/5 basis (i.e. 1 year of service for every 5 years SUNY service outside of budget title).
 - The updated Addendum on Salary Grade Incrementation provides for much broader use of the .5 incrementation of SL grade data based on additional duties and responsibilities. This will provide for greater differentiation between positions than is provided by the more limited SL1-6 grades.
 - How salaries of professionals paid on an hourly, bi-weekly, or fee basis should be annualized for purposes of the analyses has been clarified.
 - Part-time coaches, paid on a bi-weekly basis, whose salaries do not vary based on market will be excluded from the analyses. Instead they will receive base salary adjustments following seven years of service based on alternate criteria.
- Service time calculations for part-time adjunct faculty are clarified to credit them with a year of service for any year in which they performed work that qualified or would have qualified them for an across-the-board increase.
 - Calculations regarding how any salary compression thresholds (below which employees may be excluded from remediation) will be prorated and applied to part-time academics and professionals paid on an hourly or bi-weekly basis have been expanded and clarified.
 - Certain extraordinarily highly compensated faculty and Division I coaches may be excluded from the analyses and from remediation. This covers the following:
 - Faculty (primarily at the University Centers or Health Sciences Centers) whose salaries deviate significantly from predicted or expected salary due to factors other than those included in the analyses (e.g. unusual fame, professional standing, previous service as an M/C employee)
 - Division I coaches with individually negotiated market-based contracts that include performance incentives payments or other bonuses.
 - New agreements with SUNY addressing the information and data that will be provided to UUP and to individual employees will improve transparency.
 - UUP will get more details about member data points used in campus analyses, improving our ability to review and analyze the results
 - SUNY has clarified the information HR offices should provide to members upon individual request
 - Campus Report Forms that go to the entire campus community have been updated to provide additional detail regarding the results of the 2020 distribution and how campuses exercised their available discretion, consistent with these guidelines, in that distribution.

On behalf of the UUP team that worked with the state over the past year reviewing the results of the 2019 salary compression distribution and updating the new 2020 guidelines, I express my gratitude for your patience and understanding about the time it took to reach this point. UUP's ongoing goal remains ensuring that the salary analysis at every campus is done as accurately as possible, given the variation in employee positions across our campuses. The 2020 distribution of salary compression adjustments will be followed by analysis of the outcomes. As we move forward. UUP, SUNY, and the state can reconvene in Executive Level discussions, to review the 2020 process and make any needed improvements for 2021 and 2022. As we did for 2019, UUP will establish a process to address member questions and collect input about 2020 compression distributions. We will begin that process after compression adjustments are made.