

# Alignment on Faculty Pay Rates by CIP Code - Applying Market Adjustment

## Example One—Professor XYZ

*(Illustrative Purposes Only, Fictional Data)*

- Professor XYZ is a 9-month tenured Full Professor in the Department of Razorback Studies. She has a May 1 salary of \$95,300. She has been a full Professor for 8 years. She did not receive a high-impact merit award this year.
- Professor XYZ's market rate is \$138,463. She is 68.8% to the market rate. She therefore qualifies for a 11% market adjustment. Her target salary by Fall 2025 would be \$105,783.
- To get to target salary of \$105,783, the adjustment of \$10,483 is divided over two years, so \$5,241.50 in Year 1 and \$5,241.50 in Year 2.
- The Year 1 adjustment would be applied as of August 12, 2024. She received 3% COLA this year of \$2,859. That is subtracted from the Year 1 adjustment leaving \$2,382.50 to be adjusted this year. Her salary for 2024-2025 is: \$100,541.50.
- The Year 2 adjustment would be applied as of August 2025. She would receive a total of \$5,241.50 to bring her August 2025 salary to \$105,783. If there is a COLA next year, the COLA would be part of the adjustment.

# Alignment on Faculty Pay Rates by CIP Code - Applying Market Adjustment

## Example Two—Associate Professor ABC

*(Illustrative Purposes Only, Fictional Data)*

- Professor ABC is a 9-month tenured Associate Professor in the Department of Razorback Studies. She has a May 1 salary of \$83,300. She has been an Associate Professor for 4 years. She won a major national award this year so she received a 4% (\$3,332) high-impact merit award this year.
- Professor ABC's market rate is \$92,516. She is 90.04% to the market rate. She therefore qualifies for a 6% market adjustment. Her target salary by Fall 2025 would be \$88,298.
- To get to target salary of \$88,298, the adjustment of \$4,998 is divided over two years, so \$2,499 in Year 1 and \$2,499 in Year 2.
- The Year 1 adjustment would be applied as of August 12, 2024. She received 3% COLA this year of \$2,499. That is subtracted from the Year 1 adjustment leaving \$0 to be adjusted this year. However, she received \$3,332 merit raise that is added on after the Year 1 adjustment. Her salary for 2024-2025 is: \$89,131.
- The Year 2 adjustment would be applied as of August 2025. She would receive an additional \$2499 to bring her August 2025 salary to \$91,630. If there is a COLA next year, the COLA would be part of the adjustment. Since she received merit, her real salary is above her Fall 2025 target salary.

# Alignment on Faculty Pay Rates by CIP Code - Applying Market Adjustment

## Example Three—Instructor DEF

*(Illustrative Purposes Only, Fictional Data)*

- Professor DEF is a 9-month non-tenure track Instructor in the Department of Razorback Studies. She has a May 1 salary of \$40,000. She has been an Instructor for 1 year. She received no high-impact merit award this year.
- Professor DEF's market rate is \$56,896. She is 70.30% to the market rate. She therefore qualifies for a 10% market adjustment. Her target salary by Fall 2025 would be \$44,000.
- To get to target salary of \$44,000, the adjustment of \$4,000 is divided over two years, so \$2,000 in Year 1 and \$2,000 in Year 2.
- The Year 1 adjustment would be applied as of August 12, 2024. She received 3% COLA this year of \$1,200. That is subtracted from the Year 1 adjustment leaving \$800 to be adjusted this year. Her salary for 2024-2025 is: \$42,000.
- The Year 2 adjustment would be applied as of August 2025. She would receive an additional \$2000 to bring her August 2025 salary to \$44,000. If there is a COLA next year, the COLA would be part of the adjustment.

# Alignment on Faculty Pay Rates by CIP Code - Applying Market Adjustment

## Example Four—Professor GHI, Department Chair and Professor

*(Illustrative Purposes Only, Fictional Data)*

- Professor GHI is a 12-month Department Chair and tenured Professor in the Department of Razorback Studies. She has a May 1 salary of \$133,000. She has been a department chair for 2 years. She received no high-impact merit award this year.
- Professor GHI's market rate is \$138,463. To compute her 9-month salary, her administrative stipend (\$5,000) is removed and her 12-month salary is converted to a 9-month equivalent at x.80.
  - Her 9-month equivalent is \$102,400. She is 73.95% to the market rate. She therefore qualifies for a 10% market adjustment. Her target 9-month salary by Fall 2025 would be \$112,640.
- To get to target salary of \$112,640, the adjustment of \$10,240 is divided over two years, so \$5,120 in Year 1 and \$5,120 in Year 2.
- The Year 1 adjustment would be applied as of August 12, 2024. She received 3% COLA this year of \$3,072 against her nine-month equivalent. That is subtracted from the Year 1 adjustment leaving \$2,048 to be adjusted this year. Her 9-month equivalent salary for 2024-2025 is: \$107,520.
  - Since she is a 12-month department chair, her salary is converted  $x1.25 = \$134,400$  and her administrative stipend (\$5150, which includes the 3% COLA on that) is added back on to give her a total salary of \$139,550.
- The Year 2 adjustment would be applied as of August 2025. She would receive an additional \$5,120 against her 9-month equivalent. Converted to 12-months, that is \$6400 plus any additional COLA to her stipend in Year 2, bringing her August salary to at least \$145,950. If there is a COLA next year, the COLA would be part of the adjustment.

# Alignment on Faculty Pay Rates by CIP Code - Applying Market Adjustment

## Example Five—Professor JKL, Teaching Assistant Professor being promoted to Teaching Associate Professor

*(Illustrative Purposes Only, Fictional Data)*

- Professor JKL is a 9-month non-tenure track Teaching Assistant Professor in the Department of Razorback Studies. She has a May 1 salary of \$61,400. She has been a Teaching Assistant Professor for 6 years. She did not receive a high-impact merit award this year but was promoted to Teaching Associate Professor, effective August 2024.
- Professor JKL's market rate will be based on her new promoted rank of Teaching Associate Professor, which is \$83,561. Her 9-month equivalent salary used to compare to the market rate will be her prior academic year salary (\$61,400) plus her promotional raise (\$5,000) for a total of \$66,400.
- She is 79.46% to the market rate. She therefore qualifies for a 9% market adjustment. Her target salary by Fall 2025 would be \$72,376.
- To get to target salary of \$72,376, the adjustment of \$5,976 is divided over two years, so \$2,988 in Year 1 and \$2,988 in Year 2.
- The Year 1 adjustment would be applied as of August 12, 2024. She received 3% COLA this year of \$1,842 against her prior academic year salary. That is subtracted from the Year 1 adjustment leaving \$1,146 to be adjusted this year. Her salary for 2024-2025 is: \$69,388.
- The Year 2 adjustment would be applied as of August 2025. She would receive a total of \$2,988 to bring her August 2025 salary to \$72,376. If there is a COLA next year, the COLA would be part of the adjustment.