





**The Competitiveness and Compression of Faculty Salaries  
in Georgia's Public Institutions**

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## **Executive Summary**

**Overview.** The goal of this study is to examine the competitiveness and compression of faculty salaries in Georgia's public higher education institutions, and provide recommendations to the state on how to modify its higher education funding formula to make gains in these areas. To conduct this work, data were obtained on the average faculty salaries at all public institutions with available salary information in both the University System of Georgia (n=35) and the Georgia Department of Technical and Adult Education (n=33) for three points in time: 1991, 2001, and 2006. In addition, lists of peer institutions for each of the sixty-eight public institutions in Georgia were created based on submissions by institutions or automatic generation using the Executive Peer Tool from the National Center for Education Statistics at the U.S. Department of Education. Because the lists of peers include both regional and national institutions, the results shown in this report might differ from what would be obtained if the comparisons had focused solely on SREB peer institutions.

**Competitiveness of Faculty Salaries.** The study reveals that the average faculty salaries at the majority of public institutions in Georgia are currently below the median salary levels for peer institutions, and almost every public institution in Georgia is well below the 75<sup>th</sup> percentile of the range of average faculty salaries for their peers. The data also illustrate that between 1991 and 2006, the faculty salaries in Georgia have become less competitive in the majority of public institutions. This reduction occurred despite substantial progress that was made in raising faculty salaries in Georgia during the late 1990s. An additional \$46.6 million would be required to bring the average faculty salaries at all public institutions in 2006 up to at least the medians for their peers groups, and \$191.8 million would be needed to raise average faculty salaries up to at least the 75<sup>th</sup> percentile of the range for their peers.

**Salary Compression.** The study also examined the degree to which faculty salaries in Georgia's public institutions might be overly compressed relative to their peers. Overall, the data show that there is no clear pattern indicating that faculty salaries in Georgia's public institutions are more compressed between ranks than for their peers. Similarly, the dispersion in average faculty salaries by rank in general has not fallen between 1991 and 2006, suggesting that overall salary compression has not worsened over this particular time period. Nonetheless, there are several institutions where faculty salaries appear to have become more compressed and/or are more compressed than for their peers, and thus further analysis is recommended of the salary structure for individual faculty at these institutions. It may also be true that salary compression has occurred in specific disciplines such as Finance where starting salaries have risen more substantially over time than in other fields.

**Higher Education Funding Formula.** The State of Georgia provides almost all funding for faculty salaries through its higher education funding formula. Georgia uses an expenditure-based approach for calculating necessary funding levels for public institutions. In this approach, the funding formula estimates the number of faculty positions that should be needed by each institution based on student credit hours and targeted faculty workloads. The formula then identifies funding levels for instruction by multiplying the faculty salary targets by the estimated number of faculty positions needed. The formula takes into account differences in the levels of students and the academic field when calculating the number of positions needed and hence the instructional funding levels. By basing funding on the estimated number of faculty positions needed, the funding formula also imposes some degree of accountability on public institutions. However, the formula does not factor in the effects of institutional mission on the faculty workload expectations or the targeted faculty salary levels.

**Recommendations.** To reach the faculty salary targets identified in this report, several changes would have to be made to the state's funding formula. Five main recommendations are made with regard to the state's higher education funding formula:

*Recommendation 1: Expand the funding formula so that each public institution in the State of Georgia has its own average faculty salary target.*

*Recommendation 2: Set the average faculty salary target for each institution equal to the maximum of the currently-used average faculty salary and the target salary for peer institutions, with an appropriate adjustment for inflation.*

*Recommendation 3: Continue the use of separate credit hours produced by discipline group to identify the number of faculty positions needed by each institution, but use only one average faculty salary number of each institution rather than having separate figures for each discipline group.*

*Recommendation 4: Conduct a thorough review of the faculty productivity ratios currently used in the state's funding formula.*

*Recommendation 5: Work with the public institutions in the state to identify appropriate sets of peer institutions for use in the state's funding formula.*

# **The Competitiveness and Compression of Faculty Salaries in Georgia's Public Institutions**

## **Overview of Report**

The level of faculty salaries is important to all institutions of higher education (IHE) for both attracting and retaining the best faculty and staff within their respective fields. Ensuring adequate compensation for employees in public colleges and universities is crucial for state policy makers to understand because of the connection between the quality of the faculty and staff and the many benefits that are subsequently brought to the state. Having a high-quality faculty, for example, is important for enabling universities to produce research which contributes to the well-being of society, and the ability of colleges and universities to attract the best and brightest students to the state who in turn will further contribute to the quality of life within the state. Professional and operating staff likewise make many valuable contributions to the missions of their respective institutions and hence their communities and states.

Georgia has made significant efforts during the past fifteen years to strengthen the competitiveness of its public postsecondary system. The Georgia HOPE Scholarship program, for example, was introduced to ensure that the state's higher education system is effectively meeting the needs of the population, and has enabled its public institutions to compete more effectively for the top students in the state. Likewise, between 1995 and 1998 the state made large investments in their public institutions in an effort to raise faculty compensation. Nonetheless, there is concern among some policy makers and educators in the state that the public institutions in Georgia are becoming less competitive in their faculty salaries relative to other institutions. Questions have also been raised that the salary gap between junior and senior

faculty is becoming overly compressed, or may be more compressed than at other institutions. If true, then this problem may affect faculty morale and retention, and hence places at risk the quality of education and research produced by public institutions.

This report examines the relative salary levels for faculty at all public institutions in both the University System of Georgia and the Georgia Department of Technical and Adult Education. The report focuses exclusively on the salary levels for faculty because institutions are not required to submit salary data on non-academic staff to the federal government as they are for faculty. The report utilizes data submitted by institutions to the National Center for Education Statistics on the average salaries for their faculty to determine how faculty salary levels within the public institutions in Georgia compare to their peers. More specifically, sets of peer institutions were identified for each of the sixty-eight public institutions in the state, and the average faculty salary levels for Georgia institutions and their peers were compared at three points in time: 1991, 2001, and 2006 (the most recent year for which salary data are available). This information was then used to calculate the cost of raising average faculty salaries in each of Georgia's public institutions up to either the median salary for their peer group or the 75<sup>th</sup> percentile of their peer group. In addition, measures of salary compression were calculated for institutions in the University System of Georgia to their peers to determine whether the average salary ratios are higher or lower than for their peers, and whether faculty salaries have become more compressed over the time period from 1991 to 2006. Finally, a review was conducted of the way in which Georgia provides funding for faculty salaries to its public institutions, and recommendations are offered as to how the state's funding formula might be modified to meet the salary goals described in this report.

## **Data Description**

Table 1 contains a list of the sixty-eight public institutions included in this study. The study covers all public institutions in either the University System of Georgia or the Georgia Department of Technical and Adult Education for the academic year 2006-07 that reported salary data to the National Center for Education Statistics (NCES) through the Integrated Postsecondary Education Data System (IPEDS) annual Faculty Salary survey. The data are for only faculty members with instructional duties at their institutions, and all salaries were converted to a 9-month contract length. There were a total of thirty-five institutions in the University System of Georgia and thirty-three institutions in the Georgia Department of Technical and Adult Education that had submitted salary data to NCES for the years in question. The only public institution that is not examined in this study is Georgia Gwinnett College, which was founded in 2006 and thus does not have faculty salary data that was available from the NCES. Data were obtained for each of these institutions on the average faculty salaries for the years 1991, 2001, and 2006. When available, average salaries by academic rank (full professor, associate professor, assistant professor) were also collected for each institution. Generally, salaries are not broken down by academic rank for institutions within the Georgia Department of Technical and Adult Education system.

Although this study relies on faculty salaries aggregated across fields, an alternative approach would be to examine average faculty salaries by academic field and rank for each institution in Georgia, and compare these averages to those for peer institutions. Information on the average faculty salaries by rank and discipline are collected from institutions that participate in the annual Oklahoma State University Faculty Salary Survey. This approach was not used here because only three of the sixty-eight public institutions in Georgia participated in the

survey, and therefore the resulting data could not adequately reflect the overall competitiveness of faculty salaries across both public university systems in the state.

**Table 1: Georgia Public Institutions Included in the Study**

<b>University System of Georgia Institutions</b>	<b>Georgia Department of Technical and Adult Education Institutions</b>
Abraham Baldwin Agricultural College	Albany Technical College
Albany State University	Altamaha Technical College
Armstrong Atlantic State University	Appalachian Technical College
Atlanta Metropolitan College	Athens Technical College
Augusta State University	Atlanta Technical College
Bainbridge College	Augusta Technical College
Clayton State University	Central Georgia Technical College
Coastal Georgia Community College	Chattahoochee Technical College
Columbus State University	Columbus Technical College
Dalton State College	Coosa Valley Technical College
Darton College	Dekalb Technical College
East Georgia College	East Central Technical College
Fort Valley State University	Flint River Technical College
Gainesville State College	Griffin Technical College
Georgia Aviation & Technical College	Gwinnett Technical College
Georgia College and State University	Heart of Georgia Technical College
Georgia Highlands College	Lanier Technical College
Georgia Institute of Technology-Main Campus	Middle Georgia Technical College
Georgia Perimeter College	Moultrie Technical College
Georgia Southern University	North Georgia Technical College
Georgia Southwestern State University	North Metro Technical College
Georgia State University	Northwestern Technical College
Gordon College	Ogeechee Technical College
Kennesaw State University	Okefenokee Technical College
Macon State College	Sandersville Technical College
Medical College of Georgia	Savannah Technical College
Middle Georgia College	South Georgia Technical College
North Georgia College & State University	Southeastern Technical College
Savannah State University	Southwest Georgia Technical College
South Georgia College	Swainsboro Technical College
Southern Polytechnic State University	Valdosta Technical College
University of Georgia	West Central Technical College
University of West Georgia	West Georgia Technical College
Valdosta State University	
Waycross College	

\**Note:* Georgia Gwinnett College is also part of the University System of Georgia, but is not included in this study because the institution was founded in 2006 and therefore did not submit faculty salary information to the NCES for the years used in this study.

## **Selection of Peer Institutions**

To draw conclusions about the relative faculty salary levels at public institutions in Georgia, it was first necessary to identify a set of comparator or peer institutions for each of the sixty-eight institutions shown above. In some instances, public institutions in Georgia have created their own set of peer institutions and have reported this set to the federal government. Whenever these lists were submitted to the NCES, they were used as the set of peers for this study. In all other instances, the peer groups for each institution were generated automatically using the Executive Peer Tool (ExPT).<sup>1</sup> The ExPT is an on-line tool developed by the NCES that can create lists of peer institutions for any postsecondary institution based on either search criteria specified by the user or through internal algorithms that compare institutions to each other based on available information such as the Carnegie classification (i.e., research intensity of institution), sector (public versus private), size, largest program, and geographic region of the institution. This study relies on the second approach, where peer institutions for all public institutions in Georgia that did not submit their own peer lists to NCES were automatically generated by the ExPT. The peers include both regional and national institutions, and thus the estimated salary differentials might differ from what would be obtained had the analysis been restricted to institutions in the Southern Regional Education Board (SREB).

The numbers and sources of comparators for each institution are shown in Tables 2 and 3. It can be seen that institution-designated peer groups were used for seventeen of the sixty-eight institutions. The numbers of peer institutions for each public institution in Georgia ranged from

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<sup>1</sup> Information about the Executive Peer Tool can be found at [http://nces.ed.gov/ipeds/find\\_data/exec\\_peer\\_summary.asp](http://nces.ed.gov/ipeds/find_data/exec_peer_summary.asp). The Executive Peer Tool can be accessed at the following URL: <http://nces.ed.gov/ipeds/pas/ExPT/default.aspx>.

a low of 10 to a high of 100. The complete list of peer institutions for each of the sixty-eight institutions examined in this study are shown in an Appendix to this report.

**Table 2: Number and Sources of Peers for Each Public Institution in University System of Georgia, 2006**

<b>Institution</b>	<b>Number of Peers Submitted by Institution</b>	<b>Number of Peers Generated Automatically by ExPT</b>
Abraham Baldwin Agricultural College	12	
Albany State University		33
Armstrong Atlantic State University		39
Atlanta Metropolitan College		32
Augusta State University	10	
Bainbridge College	100	
Clayton State University		32
Coastal Georgia Community College		31
Columbus State University	12	
Dalton State College		31
Darton College		30
East Georgia College		36
Fort Valley State University		31
Gainesville State College		30
Georgia Aviation & Technical College		11
Georgia College and State University	68	
Georgia Highlands College		31
Georgia Institute of Technology-Main Campus	20	
Georgia Perimeter College	28	
Georgia Southern University	15	
Georgia Southwestern State University		33
Georgia State University		36
Gordon College		30
Kennesaw State University	24	
Macon State College		31
Medical College of Georgia	20	
Middle Georgia College	50	
North Georgia College & State University	23	
Savannah State University		31
South Georgia College		36
Southern Polytechnic State University		33
University of Georgia	16	
University of West Georgia		39
Valdosta State University	10	
Waycross College		37

**Table 3: Number and Sources of Peers for Each Public Institution in Georgia Department of Technical and Adult Education, 2006**

<b>Institution</b>	<b>Number of Peers Submitted by Institution</b>	<b>Number of Peers Generated Automatically by ExPT</b>
Albany Technical College		31
Altamaha Technical College		36
Appalachian Technical College		17
Athens Technical College		31
Atlanta Technical College		32
Augusta Technical College		30
Central Georgia Technical College		30
Chattahoochee Technical College	10	
Columbus Technical College		30
Coosa Valley Technical College		31
Dekalb Technical College		17
East Central Technical College		36
Flint River Technical College		36
Griffin Technical College		17
Gwinnett Technical College		17
Heart of Georgia Technical College		36
Lanier Technical College		31
Middle Georgia Technical College		31
Moultrie Technical College		31
North Georgia Technical College		31
North Metro Technical College		17
Northwestern Technical College	11	
Ogeechee Technical College		31
Okefenokee Technical College		28
Sandersville Technical College		37
Savannah Technical College		30
South Georgia Technical College		36
Southeastern Technical College	10	
Southwest Georgia Technical College		28
Swainsboro Technical College		37
Valdosta Technical College		31
West Central Technical College		17
West Georgia Technical College		28

## **Comparison of Faculty Salaries to Medians of Peers**

The analysis begins with a comparison of average faculty salaries in Georgia's public institutions to their peers in 2006. As noted earlier, 2006 is the most recent year for which data were available on average faculty salaries for Georgia's public colleges and universities and their peer institutions. Tables 4 and 5 present the average faculty salaries by system aggregated across all ranks for each institution, the median average faculty salaries for peer institutions, and the difference between the two. The median average faculty salary represents the average faculty salary level for the peer institution that is ranked in the middle (from high to low) of the peers with regard to average faculty salaries. The median is a popular metric for making salary comparisons because it is not affected by a small number of institutions with unusually high or low average salaries within the set of peers. The average salaries for peer institutions are not adjusted for possible differences in the cost-of-living between institutions. This omission could be important for peers that are in relatively high cost-of-living states such as California and New York. However, the use of the median for average faculty salaries of peer institutions minimizes the impact of any cost-of-living differences on salary competitiveness.

**Table 4: Comparison of Average Faculty Salaries in the University System of Georgia to the Medians for Peers, 2006**

<b>Institution</b>	<b>Average Salary</b>	<b>Median Salary for Peers</b>	<b>Amount Above/Below Median</b>	<b>Percent Above/Below Median</b>
Abraham Baldwin Agricultural College	\$41,896	\$47,717	-\$5,821	-12%
Albany State University	\$53,436	\$55,097	-\$1,661	-3%
Armstrong Atlantic State University	\$52,870	\$58,310	-\$5,440	-9%
Atlanta Metropolitan College	\$49,796	\$52,818	-\$3,022	-6%
Augusta State University	\$56,301	\$58,292	-\$1,991	-3%
Bainbridge College	\$42,349	\$43,455	-\$1,106	-3%
Clayton State University	\$53,283	\$53,074	\$210	0%
Coastal Georgia Community College	\$44,203	\$43,192	\$1,012	2%
Columbus State University	\$52,825	\$57,483	-\$4,658	-8%
Dalton State College	\$50,647	\$54,627	-\$3,980	-7%
Darton College	\$42,165	\$45,738	-\$3,573	-8%
East Georgia College	\$41,906	\$41,266	\$640	2%
Fort Valley State University	\$52,133	\$58,072	-\$5,939	-10%
Gainesville State College	\$42,991	\$45,738	-\$2,747	-6%
Georgia Aviation & Technical College	\$33,684	\$35,767	-\$2,083	-6%
Georgia College and State University	\$54,723	\$59,556	-\$4,833	-8%
Georgia Highlands College	\$45,284	\$47,225	-\$1,941	-4%
Georgia Institute of Technology-Main Campus	\$94,432	\$94,357	\$76	0%
Georgia Perimeter College	\$46,139	\$47,946	-\$1,807	-4%
Georgia Southern University	\$58,132	\$62,202	-\$4,070	-7%
Georgia Southwestern State University	\$53,644	\$55,097	-\$1,453	-3%
Georgia State University	\$68,432	\$68,281	\$152	0%
Gordon College	\$47,751	\$45,727	\$2,025	4%
Kennesaw State University	\$57,183	\$70,093	-\$12,910	-18%
Macon State College	\$52,269	\$54,627	-\$2,358	-4%
Medical College of Georgia	\$68,821	\$72,718	-\$3,897	-5%
Middle Georgia College	\$42,596	\$45,009	-\$2,413	-5%
North Georgia College & State University	\$51,973	\$56,301	-\$4,328	-8%
Savannah State University	\$53,816	\$58,072	-\$4,256	-7%
South Georgia College	\$45,270	\$41,266	\$4,004	10%
Southern Polytechnic State University	\$57,326	\$54,229	\$3,097	6%
University of Georgia	\$80,086	\$82,485	-\$2,399	-3%
University of West Georgia	\$54,597	\$58,310	-\$3,713	-6%
Valdosta State University	\$53,852	\$58,225	-\$4,373	-8%
Waycross College	\$41,128	\$38,061	\$3,067	8%

As can be seen in Table 4, the average faculty salaries in over two-thirds of the public institutions in Georgia's University System (twenty-six out of thirty-five) are below the median average salaries for their respective peer groups. At the University of Georgia, for example, the

average faculty salary in 2006 (\$80,086) is almost \$2,400 below the median faculty salary at UGA's peer institutions (\$82,485). Furthermore, the average faculty salaries in three institutions within the University System of Georgia -- Abraham Baldwin Agricultural College, Fort Valley State University, and Kennesaw State University -- are more than ten percent below the medians for their respective peer groups. At the same time, South Georgia College and Waycross College fare well relative to their respective peer groups in terms of average faculty salaries. Table 5 reports similar average salary comparisons for Georgia's technical/adult college system:

**Table 5: Comparison of Average Faculty Salaries in the Georgia Department of Technical and Adult Education to the Medians for Peers, 2006**

<b>Institution</b>	<b>Average Salary</b>	<b>Median Salary for Peers</b>	<b>Amount Above/Below Median</b>	<b>Percent Above/Below Median</b>
Albany Technical College	\$39,861	\$47,225	-\$7,364	-16%
Altamaha Technical College	\$36,543	\$41,542	-\$4,999	-12%
Appalachian Technical College	\$38,624	\$46,158	-\$7,534	-16%
Athens Technical College	\$51,320	\$46,141	\$5,179	11%
Atlanta Technical College	\$44,625	\$52,818	-\$8,193	-16%
Augusta Technical College	\$44,690	\$45,738	-\$1,048	-2%
Central Georgia Technical College	\$50,278	\$47,951	\$2,327	5%
Chattahoochee Technical College	\$46,483	\$46,396	\$87	0%
Columbus Technical College	\$43,989	\$45,738	-\$1,749	-4%
Coosa Valley Technical College	\$42,206	\$47,225	-\$5,019	-11%
Dekalb Technical College	\$48,102	\$46,139	\$1,963	4%
East Central Technical College	\$32,117	\$41,542	-\$9,425	-23%
Flint River Technical College	\$37,063	\$41,542	-\$4,479	-11%
Griffin Technical College	\$42,277	\$46,158	-\$3,881	-8%
Gwinnett Technical College	\$56,558	\$43,127	\$13,431	31%
Heart of Georgia Technical College	\$44,017	\$41,266	\$2,751	7%
Lanier Technical College	\$42,570	\$47,225	-\$4,655	-10%
Middle Georgia Technical College	\$38,837	\$43,248	-\$4,411	-10%
Moultrie Technical College	\$40,610	\$43,248	-\$2,638	-6%
North Georgia Technical College	\$36,811	\$43,248	-\$6,437	-15%
North Metro Technical College	\$43,915	\$43,127	\$788	2%
Northwestern Technical College	\$39,913	\$39,861	\$52	0%
Ogeechee Technical College	\$38,986	\$43,248	-\$4,262	-10%
Okefenokee Technical College	\$36,934	\$43,564	-\$6,630	-15%
Sandersville Technical College	\$33,562	\$38,492	-\$4,930	-13%
Savannah Technical College	\$42,934	\$45,738	-\$2,804	-6%
South Georgia Technical College	\$41,233	\$41,542	-\$309	-1%
Southeastern Technical College	\$38,295	\$37,212	\$1,084	3%
Southwest Georgia Technical College	\$43,697	\$43,455	\$242	1%
Swainsboro Technical College	\$37,360	\$38,492	-\$1,132	-3%
Valdosta Technical College	\$37,188	\$43,248	-\$6,060	-14%
West Central Technical College	\$40,846	\$43,915	-\$3,069	-7%
West Georgia Technical College	\$47,465	\$43,455	\$4,010	9%

In the technical/adult college system, two-thirds of institutions (twenty-two out of thirty-three) have average faculty salaries that are below the medians for their peer groups. More troubling is the fact that average faculty salaries in fourteen of these institutions are at least ten percent below the medians for their peers. Two exceptions to this trend are Athens Technical

College and Gwinnett Technical College, where average faculty salaries are more than ten percent above the medians for their peers.

### **Comparison of Faculty Salaries to the 75<sup>th</sup> Percentile of Peers**

An argument could be made that for Georgia's public institutions to be competitive when hiring and retaining faculty, faculty salaries should be set at some point above the median for institutions in their respective market. Accordingly, Georgia could select a more aggressive target for the relative salary position of their public institutions relative to their peers. The tables shown in the previous section are now repeated using a higher average salary goal for each institution. The higher salary targets were set equal to the average salary figure that is three-quarters of the distance between the highest and lowest average faculty salary figures for each institution's peer group. To illustrate, in 2006 the average faculty salaries at peer institutions for Darton College ranged from a high of \$56,558 to a low of \$40,427. Accordingly, the 75<sup>th</sup> percentile between these extremes would be \$52,525, and this figure was used as the target average salary for the institution. Table 6 contains the same information shown in Table 4 for the University System of Georgia institutions, except that the comparisons are made with regard to the 75<sup>th</sup> percentiles for peers rather than the median salary for peers.

**Table 6: Comparison of Average Faculty Salaries in the University System of Georgia to the 75<sup>th</sup> Percentiles for Peers 2006, All Ranks Combined**

<b>Institution</b>	<b>Average Salary</b>	<b>75th Percentile of Range</b>	<b>Underpayment: 75th Percentile</b>	<b>Percent Above/Below 75th Percentile</b>
Abraham Baldwin Agricultural College	\$41,896	\$50,644	-\$8,748	-17%
Albany State University	\$53,436	\$84,922	-\$31,486	-37%
Armstrong Atlantic State University	\$52,870	\$62,268	-\$9,398	-15%
Atlanta Metropolitan College	\$49,796	\$65,402	-\$15,606	-24%
Augusta State University	\$56,301	\$66,989	-\$10,688	-16%
Bainbridge College	\$42,349	\$51,186	-\$8,837	-17%
Clayton State University	\$53,283	\$66,438	-\$13,155	-20%
Coastal Georgia Community College	\$44,203	\$50,047	-\$5,844	-12%
Columbus State University	\$52,825	\$58,623	-\$5,798	-10%
Dalton State College	\$50,647	\$67,368	-\$16,721	-25%
Darton College	\$42,165	\$47,472	-\$5,307	-11%
East Georgia College	\$41,906	\$48,766	-\$6,860	-14%
Fort Valley State University	\$52,133	\$85,229	-\$33,096	-39%
Gainesville State College	\$42,991	\$47,472	-\$4,481	-9%
Georgia Aviation & Technical College	\$33,684	\$54,452	-\$20,768	-38%
Georgia College and State University	\$54,723	\$78,815	-\$24,092	-31%
Georgia Highlands College	\$45,284	\$49,809	-\$4,525	-9%
Georgia Institute of Technology-Main Campus	\$94,432	\$117,746	-\$23,314	-20%
Georgia Perimeter College	\$46,139	\$60,081	-\$13,942	-23%
Georgia Southern University	\$58,132	\$73,907	-\$15,775	-21%
Georgia Southwestern State University	\$53,644	\$84,922	-\$31,278	-37%
Georgia State University	\$68,432	\$77,569	-\$9,137	-12%
Gordon College	\$47,751	\$47,472	\$279	1%
Kennesaw State University	\$57,183	\$77,920	-\$20,737	-27%
Macon State College	\$52,269	\$67,368	-\$15,099	-22%
Medical College of Georgia	\$68,821	\$85,961	-\$17,140	-20%
Middle Georgia College	\$42,596	\$49,561	-\$6,965	-14%
North Georgia College & State University	\$51,973	\$60,330	-\$8,357	-14%
Savannah State University	\$53,816	\$85,229	-\$31,413	-37%
South Georgia College	\$45,270	\$48,766	-\$3,496	-7%
Southern Polytechnic State University	\$57,326	\$84,922	-\$27,596	-32%
University of Georgia	\$80,086	\$87,330	-\$7,244	-8%
University of West Georgia	\$54,597	\$62,268	-\$7,671	-12%
Valdosta State University	\$53,852	\$63,194	-\$9,342	-15%
Waycross College	\$41,128	\$45,889	-\$4,761	-10%

Notes: The 75<sup>th</sup> percentile average salaries were found by adding three-quarters of the difference between the maximum and minimum average faculty salaries for peers to the minimum average faculty salary for each institution's peer group.

As can be seen in this table, the average faculty salaries for all but one institution in the University System of Georgia are well below the 75<sup>th</sup> percentile of the range for their peers. In

fact, thirty out of thirty-five institutions are ten percent or more below these target salaries. The analysis is repeated in Table 7 for institutions in the technical/adult college system:

**Table 7: Comparison of Average Faculty Salaries in the Georgia Department of Technical and Adult Education to the 75<sup>th</sup> Percentiles for Peers 2006, All Ranks Combined**

<b>Institution</b>	<b>Average Salary</b>	<b>75th Percentile of Range</b>	<b>Underpayment: 75th Percentile</b>	<b>Percent Above/Below 75th Percentile</b>
Albany Technical College	\$39,861	\$49,809	-\$9,948	-20%
Altamaha Technical College	\$36,543	\$48,766	-\$12,223	-25%
Appalachian Technical College	\$38,624	\$50,574	-\$11,950	-24%
Athens Technical College	\$51,320	\$49,809	\$1,512	3%
Atlanta Technical College	\$44,625	\$65,402	-\$20,777	-32%
Augusta Technical College	\$44,690	\$47,472	-\$2,782	-6%
Central Georgia Technical College	\$50,278	\$59,608	-\$9,330	-16%
Chattahoochee Technical College	\$46,483	\$52,970	-\$6,487	-12%
Columbus Technical College	\$43,989	\$47,472	-\$3,483	-7%
Coosa Valley Technical College	\$42,206	\$49,809	-\$7,603	-15%
Dekalb Technical College	\$48,102	\$50,574	-\$2,472	-5%
East Central Technical College	\$32,117	\$49,504	-\$17,387	-35%
Flint River Technical College	\$37,063	\$48,766	-\$11,703	-24%
Griffin Technical College	\$42,277	\$50,574	-\$8,297	-16%
Gwinnett Technical College	\$56,558	\$46,349	\$10,209	22%
Heart of Georgia Technical College	\$44,017	\$48,766	-\$4,749	-10%
Lanier Technical College	\$42,570	\$49,809	-\$7,239	-15%
Middle Georgia Technical College	\$38,837	\$50,047	-\$11,210	-22%
Moultrie Technical College	\$40,610	\$50,047	-\$9,437	-19%
North Georgia Technical College	\$36,811	\$50,141	-\$13,330	-27%
North Metro Technical College	\$43,915	\$51,131	-\$7,216	-14%
Northwestern Technical College	\$39,913	\$44,802	-\$4,889	-11%
Ogeechee Technical College	\$38,986	\$50,047	-\$11,061	-22%
Okefenokee Technical College	\$36,934	\$47,828	-\$10,894	-23%
Sandersville Technical College	\$33,562	\$45,889	-\$12,327	-27%
Savannah Technical College	\$42,934	\$47,472	-\$4,538	-10%
South Georgia Technical College	\$41,233	\$48,766	-\$7,533	-15%
Southeastern Technical College	\$38,295	\$41,042	-\$2,747	-7%
Southwest Georgia Technical College	\$43,697	\$47,828	-\$4,131	-9%
Swainsboro Technical College	\$37,360	\$45,889	-\$8,529	-19%
Valdosta Technical College	\$37,188	\$50,047	-\$12,859	-26%
West Central Technical College	\$40,846	\$51,131	-\$10,285	-20%
West Georgia Technical College	\$47,465	\$47,828	-\$363	-1%

As was true for the University System of Georgia, the average faculty salaries in the vast majority of institutions in the technical/adult college system are substantially below the 75<sup>th</sup> percentile of the ranges of average salaries for peer institutions.

**KEY POINT:** In general, faculty salaries in the majority of Georgia's public institutions are not competitive with their peer institutions. The average faculty salaries at most public institutions in Georgia are below the median salaries for their designated peer institutions. In addition, the average faculty salaries in almost every institution are well below the 75<sup>th</sup> percentile of the range for their peers.

### **Changes in Relative Salary Rankings from 1991 to 2006**

This section of the report focuses on how the competitiveness of faculty salaries relative to peers has changed over time. Between 1995 and 1998, the State of Georgia provided large increases in funding to public institutions that were intended to make faculty salaries more competitive. However, the increases in faculty salaries in more recent years have been notably smaller, leading to concerns that any gains that Georgia's public institutions made in the late 1990s have been eroded.

Tables 8 and 9 show how the average faculty salaries for Georgia public institutions have changed relative to their peers from 1991 to 2006. The tables show the percentage difference in

average faculty salaries between each Georgia public institution and the median for their comparator groups in 1991, 2001, and 2006, and how the positions relative to peers have changed over time. It should be noted that because several institutions did not exist or report data to the federal government in 1991, the salary trends in some institutions are not examined in the following tables. In addition, not all of the peer institutions in 2006 reported data in 1991. This reduction in data points for peers could affect the reliability of the median salaries for peers and hence the relation position of Georgia institutions in 1991. The year 2001 represents a point in time after the larger salary increases from 1995-98 had been enacted, and thus is useful for documenting whether the large funding increases in Georgia led to gains in salary competitiveness.

**Table 8: Change in Relative Salary Positions for Public Institutions in the University System of Georgia, 1991-2006**

<b>Institution</b>	<b>Percent Above Median: 1991</b>	<b>Percent Above Median: 2001</b>	<b>Percent Above Median: 2006</b>	<b>Change: 1991 to 2001</b>	<b>Change: 2001 to 2006</b>	<b>Change: 1991 to 2006</b>
Abraham Baldwin Agricultural College	7.9%	3.3%	-12.2%	-4.5%	-15.5%	-20.1%
Albany State University	-6.5%	-7.5%	-3.0%	-1.0%	4.5%	3.5%
Armstrong Atlantic State University	-8.8%	-0.8%	-9.3%	7.9%	-8.5%	-0.6%
Atlanta Metropolitan College	-7.3%	1.4%	-5.7%	8.7%	-7.2%	1.6%
Augusta State University	-5.3%	-5.4%	-3.4%	-0.1%	2.0%	1.9%
Bainbridge College	17.5%	11.9%	-2.5%	-5.7%	-14.4%	-20.1%
Clayton State University	2.6%	8.6%	0.4%	6.0%	-8.2%	-2.2%
Coastal Georgia Community College	7.2%	13.8%	2.3%	6.5%	-11.4%	-4.9%
Columbus State University	0.3%	1.5%	-8.1%	1.2%	-9.6%	-8.4%
Dalton State College	-12.5%	0.5%	-7.3%	12.9%	-7.8%	5.2%
Darton College	16.6%	3.5%	-7.8%	-13.1%	-11.3%	-24.4%
East Georgia College	19.9%	12.9%	1.6%	-7.0%	-11.3%	-18.3%
Fort Valley State University	-3.0%	-4.2%	-10.2%	-1.2%	-6.0%	-7.2%
Gainesville State College	11.6%	5.6%	-6.0%	-6.0%	-11.6%	-17.6%
Georgia Aviation & Technical College	-----	14.6%	-5.8%	-----	-20.4%	-----
Georgia College and State University	-10.2%	-2.5%	-8.1%	7.7%	-5.6%	2.1%
Georgia Highlands College	6.8%	4.9%	-4.1%	-1.8%	-9.0%	-10.9%
Georgia Institute of Technology	-2.2%	15.5%	0.1%	17.7%	-15.4%	2.2%
Georgia Perimeter College	-10.3%	-4.9%	-3.8%	5.4%	1.1%	6.6%
Georgia Southern University	-16.7%	-6.0%	-6.5%	10.7%	-0.6%	10.1%
Georgia Southwestern State University	-0.1%	2.3%	-2.6%	2.4%	-4.9%	-2.5%
Georgia State University	5.2%	5.4%	0.2%	0.2%	-5.1%	-5.0%
Gordon College	4.0%	15.4%	4.4%	11.3%	-10.9%	0.4%
Kennesaw State University	-29.2%	-11.8%	-18.4%	17.4%	-6.7%	10.7%
Macon State College	-12.4%	3.3%	-4.3%	15.7%	-7.6%	8.1%
Medical College of Georgia	-4.7%	-3.6%	-5.4%	1.2%	-1.8%	-0.6%
Middle Georgia College	7.5%	5.7%	-5.4%	-1.8%	-11.0%	-12.8%
North Georgia College & State U	-1.5%	-3.7%	-7.7%	-2.2%	-4.0%	-6.2%
Savannah State University	-3.1%	-0.6%	-7.3%	2.5%	-6.7%	-4.2%
South Georgia College	13.5%	9.5%	9.7%	-4.0%	0.2%	-3.8%
Southern Polytechnic State University	0.1%	25.2%	5.7%	25.1%	-19.5%	5.6%
University of Georgia	-9.6%	-1.2%	-2.9%	8.3%	-1.7%	6.7%
University of West Georgia	0.6%	-1.1%	-6.4%	-1.7%	-5.3%	-7.0%
Valdosta State University	-6.7%	0.6%	-7.5%	7.3%	-8.1%	-0.8%
Waycross College	10.6%	24.0%	8.1%	13.3%	-15.9%	-2.6%

**Table 9: Change in Relative Salary Positions for Public Institutions in the Georgia Department of Technical and Adult Education, 1991-2006**

<b>Institution</b>	<b>Percent Above Median: 1991</b>	<b>Percent Above Median: 2001</b>	<b>Percent Above Median: 2006</b>	<b>Change: 1991 to 2001</b>	<b>Change: 2001 to 2006</b>	<b>Change: 1991 to 2006</b>
Albany Technical College	-----	31.8%	-15.6%	-----	-47.4%	-----
Altamaha Technical College	-----	-9.1%	-12.0%	-----	-3.0%	-----
Appalachian Technical College	10.8%	-5.6%	-16.3%	-16.3%	-10.8%	-27.1%
Athens Technical College	-----	17.7%	11.2%	-----	-6.5%	-----
Atlanta Technical College	-----	-23.6%	-15.5%	-----	8.1%	-----
Augusta Technical College	-----	6.5%	-2.3%	-----	-8.8%	-----
Central Georgia Technical College	25.5%	-13.3%	4.9%	-38.8%	18.2%	-20.7%
Chattahoochee Technical College	-1.3%	11.5%	0.2%	12.8%	-11.3%	1.5%
Columbus Technical College	13.8%	15.7%	-3.8%	1.9%	-19.5%	-17.6%
Coosa Valley Technical College	-0.6%	-8.4%	-10.6%	-7.8%	-2.3%	-10.0%
Dekalb Technical College	10.1%	29.3%	4.3%	19.2%	-25.0%	-5.8%
East Central Technical College	5.4%	-0.1%	-22.7%	-5.5%	-22.6%	-28.1%
Flint River Technical College	9.4%	13.2%	-10.8%	3.8%	-23.9%	-20.2%
Griffin Technical College	-----	-4.5%	-8.4%	-----	-3.9%	-----
Gwinnett Technical College	10.6%	38.6%	31.1%	28.0%	-7.4%	20.5%
Heart of Georgia Technical College	4.3%	2.7%	6.7%	-1.6%	4.0%	2.4%
Lanier Technical College	-2.3%	-9.9%	-9.9%	-7.6%	0.1%	-7.5%
Middle Georgia Technical College	-----	-10.2%	-10.2%	-----	0.0%	-----
Moultrie Technical College	5.7%	7.3%	-6.1%	1.6%	-13.4%	-11.8%
North Georgia Technical College	-----	-4.9%	-14.9%	-----	-10.0%	-----
North Metro Technical College	-----	10.1%	1.8%	-----	-8.3%	-----
Northwestern Technical College	-----	0.1%	0.1%	-----	0.0%	-----
Ogeechee Technical College	-----	-17.6%	-9.9%	-----	7.7%	-----
Okefenokee Technical College	-----	1.3%	-15.2%	-----	-16.5%	-----
Sandersville Technical College	-----	-5.6%	-12.8%	-----	-7.2%	-----
Savannah Technical College	-----	7.9%	-6.1%	-----	-14.1%	-----
South Georgia Technical College	-----	3.0%	-0.7%	-----	-3.8%	-----
Southeastern Technical College	-----	-16.0%	2.9%	-----	18.9%	-----
Southwest Georgia Technical College	-----	11.7%	0.6%	-----	-11.1%	-----
Swainsboro Technical College	-----	23.8%	-2.9%	-----	-26.7%	-----
Valdosta Technical College	10.0%	5.0%	-14.0%	-5.0%	-19.0%	-24.0%
West Central Technical College	-----	-12.2%	-7.0%	-----	5.3%	-----
West Georgia Technical College	-----	-1.7%	9.2%	-----	11.0%	-----

Table 8 shows that twenty-one out of thirty-five institutions in the University System of Georgia have lost ground relative to their peers over the fifteen year period from 1991 to 2006. In particular, Abraham Baldwin Agricultural College, Bainbridge College, and Darton College have seen their average faculty salaries decline by more than twenty percent relative to their peers during this period. In contrast, Georgia Southern University and Kennesaw State University have made gains of more than ten percent in relation to peer institutions, although each institution remained below the medians for their peer groups as of 2006. The data in Table 9 show that for the thirteen institutions in the technical/adult system with salary data for them and their peers, the vast majority experienced declines in their faculty salary competitiveness since 1991. Appalachian Technical College, Central Georgia Technical College, East Central Technical College, Flint River Technical College, and Valdosta Technical College have lost more than twenty percent in their relative salary position to peers over this fifteen-year period.

The changes in competitiveness in faculty salaries from 1991 to 2006 are summarized in Table 10. The first row below each institutional system grouping shows the average position of public institutions in Georgia relative to the median for their peer institutions. The second and third rows contain the numbers of institutions within each group that are either above or below the per group medians.

**Table 10. Average Percentage Above/Below Median for Peers**

<b>System/Statistic</b>	<b>1991</b>	<b>2001</b>	<b>2006</b>
<b>University System of Georgia</b>			
Average Position Relative to Peer Median	-0.5%	+3.9%	-4.0%
Number Above Peer Median	15	22	9
Number Below Peer Median	19	13	26
<b>Georgia Department of Technical and Adult Education</b>			
Average Position Relative to Peer Median	+7.8%	+2.9%	-4.7%
Number Above Peer Median	10	18	11
Number Below Peer Median	3	15	22

Table 10 shows that public institutions in the University System of Georgia made notable improvements in competitiveness in faculty salaries between 1991 and 2001. However, between 2001 and 2006, the relative positions of faculty salaries in the University System of Georgia eroded substantially, falling from an average of 3.9% above their per group medians to 4.0% below their peer group medians. Institutions in the Georgia Department of Technical and Adult education have likewise lost considerable ground relative to peers over this time period. Although the decline in competitiveness is constant throughout this 15-year period, it should be noted that only 13 of the 33 institutions currently in the Georgia system had data for 1991.

**KEY POINT:** Faculty salaries in the University System of Georgia became more competitive between 1991 and 2001, and have become less competitive between 2001 and 2006. Likewise, faculty salaries in the Georgia Department of Technical and Adult Education have become less competitive from 1991 to 2006.

### **Cost of Raising Faculty Salaries in Georgia**

This section of the report focuses on determining how much additional funding would be required to raise average faculty salaries in Georgia's public institutions up to specific salary targets for their respective peer groups. Table 11 begins by setting the faculty salary target for each public institution equal to the median for their respective peer institutions. The second column shows the number of faculty in each institution. Column 3 contains the increase in base

salary that would be required to bring average salaries up to the median for the peer groups. These figures were obtained by multiplying the average salary deficiencies shown in Table 4 by the number of faculty at each institution. When the average salary at Georgia institutions exceeded the median for their peers, the cost of raising salaries was set equal to zero. The fourth column provides an estimate of the fringe benefit increase that would accompany the salary increases shown in column 3. The fringe benefits were estimated as being one-third of the salary increases. Finally, the last column contains the total cost estimate of raising faculty salaries to the peer group medians, which is the sum of the salary and benefits.

**Table 11: Cost of Raising Faculty Salaries in the University System of Georgia to Peer Group Medians in 2006, All Faculty Ranks Combined**

<b>Institution</b>	<b>Salary Increase</b>	<b>Benefit Increase</b>	<b>Total</b>
Abraham Baldwin Agricultural College	\$547,174	\$180,567	\$727,741
Albany State University	\$235,862	\$77,834	\$313,696
Armstrong Atlantic State University	\$1,305,600	\$430,848	\$1,736,448
Atlanta Metropolitan College	\$129,946	\$42,882	\$172,828
Augusta State University	\$437,910	\$144,510	\$582,420
Bainbridge College	\$80,738	\$26,644	\$107,382
Clayton State University	\$0	\$0	\$0
Coastal Georgia Community College	\$0	\$0	\$0
Columbus State University	\$1,141,088	\$376,559	\$1,517,646
Dalton State College	\$417,900	\$137,907	\$555,807
Darton College	\$371,592	\$122,625	\$494,217
East Georgia College	\$0	\$0	\$0
Fort Valley State University	\$635,420	\$209,688	\$845,108
Gainesville State College	\$398,315	\$131,444	\$529,759
Georgia Aviation & Technical College	\$37,494	\$12,373	\$49,867
Georgia College and State University	\$1,333,770	\$440,144	\$1,773,914
Georgia Highlands College	\$184,395	\$60,850	\$245,245
Georgia Institute of Technology	\$0	\$0	\$0
Georgia Perimeter College	\$833,027	\$274,899	\$1,107,926
Georgia Southern University	\$2,739,110	\$903,906	\$3,643,016
Georgia Southwestern State University	\$130,770	\$43,154	\$173,924
Georgia State University	\$0	\$0	\$0
Gordon College	\$0	\$0	\$0
Kennesaw State University	\$7,655,630	\$2,526,358	\$10,181,988
Macon State College	\$433,872	\$143,178	\$577,050
Medical College of Georgia	\$705,267	\$232,738	\$938,004
Middle Georgia College	\$193,000	\$63,690	\$256,690
North Georgia College & State University	\$792,024	\$261,368	\$1,053,392
Savannah State University	\$485,127	\$160,092	\$645,219
South Georgia College	\$0	\$0	\$0
Southern Polytechnic State University	\$0	\$0	\$0
University of Georgia	\$4,162,265	\$1,373,547	\$5,535,812
University of West Georgia	\$1,448,070	\$477,863	\$1,925,933
Valdosta State University	\$1,915,374	\$632,073	\$2,547,447
Waycross College	\$0	\$0	\$0
<b>TOTALS</b>	<b>\$28,750,739</b>	<b>\$9,487,744</b>	<b>\$38,238,482</b>

Notes: Benefits are estimated at 33% of salary expenses. Salary increases only apply to those public institutions in Georgia where the average faculty salary is below the median for their respective peer group.

From Table 11, it can be seen that approximately \$38.2 million would be required to raise the average faculty salaries in all institutions in the University System of Georgia up to at least

the medians for their respective peer groups. The three largest beneficiaries of this policy would be Kennesaw State University (+\$10.2 million), the University of Georgia (+\$5.5 million), and Georgia Southern University (+\$3.6 million). All but nine of the thirty-five institutions would require additional funding to reach the medians for their peer groups. Table 12 repeats the analysis for the technical/adult institutions:

**Table 12: Cost of Raising Faculty Salaries in the Georgia Department of Technical and Adult Education to Peer Group Medians in 2006, All Faculty Ranks Combined**

<b>Institution</b>	<b>Salary Increase</b>	<b>Benefit Increase</b>	<b>Total</b>
Albany Technical College	\$611,212	\$201,700	\$812,912
Altamaha Technical College	\$214,957	\$70,936	\$285,893
Appalachian Technical College	\$233,554	\$77,073	\$310,627
Athens Technical College	\$0	\$0	\$0
Atlanta Technical College	\$647,247	\$213,592	\$860,839
Augusta Technical College	\$142,528	\$47,034	\$189,562
Central Georgia Technical College	\$0	\$0	\$0
Chattahoochee Technical College	\$0	\$0	\$0
Columbus Technical College	\$131,175	\$43,288	\$174,463
Coosa Valley Technical College	\$396,501	\$130,845	\$527,346
Dekalb Technical College	\$0	\$0	\$0
East Central Technical College	\$414,700	\$136,851	\$551,551
Flint River Technical College	\$138,849	\$45,820	\$184,669
Griffin Technical College	\$302,718	\$99,897	\$402,615
Gwinnett Technical College	\$0	\$0	\$0
Heart of Georgia Technical College	\$0	\$0	\$0
Lanier Technical College	\$353,780	\$116,747	\$470,527
Middle Georgia Technical College	\$449,871	\$148,457	\$598,328
Moultrie Technical College	\$131,875	\$43,519	\$175,394
North Georgia Technical College	\$463,428	\$152,931	\$616,359
North Metro Technical College	\$0	\$0	\$0
Northwestern Technical College	\$0	\$0	\$0
Ogeechee Technical College	\$302,567	\$99,847	\$402,413
Okefenokee Technical College	\$318,240	\$105,019	\$423,259
Sandersville Technical College	\$162,674	\$53,682	\$216,356
Savannah Technical College	\$207,496	\$68,474	\$275,970
South Georgia Technical College	\$19,467	\$6,424	\$25,891
Southeastern Technical College	\$0	\$0	\$0
Southwest Georgia Technical College	\$0	\$0	\$0
Swainsboro Technical College	\$44,129	\$14,562	\$58,691
Valdosta Technical College	\$399,927	\$131,976	\$531,903
West Central Technical College	\$233,244	\$76,971	\$310,215
West Georgia Technical College	\$0	\$0	\$0
<b>TOTALS</b>	<b>\$6,320,138</b>	<b>\$2,085,645</b>	<b>\$8,405,783</b>

The results in Table 12 show that an additional \$8.4 million would be needed to bring all institutions in the technical/adult college system up to the medians for their respective peer groups. The dollar figures for most institutions are lower than for the University System of Georgia because the overall salary levels are lower within the technical/adult system, and fewer

faculty members are employed in the technical/adult college system. Tables 13 and 14 provide calculations of the cost of raising average faculty salaries at each institution within the two college systems up to at least to the 75<sup>th</sup> percentiles for their peer groups.

**Table 13: Cost of Raising Faculty Salaries in the University System of Georgia to the 75<sup>th</sup> Percentile of Peer Group in 2006, All Ranks Combined**

<b>Institution</b>	<b>Salary Increase</b>	<b>Benefit Increase</b>	<b>Total</b>
Abraham Baldwin Agricultural College	\$822,312	\$271,363	\$1,093,675
Albany State University	\$4,471,048	\$1,475,446	\$5,946,493
Armstrong Atlantic State University	\$2,255,580	\$744,341	\$2,999,921
Atlanta Metropolitan College	\$671,047	\$221,446	\$892,493
Augusta State University	\$2,351,250	\$775,913	\$3,127,163
Bainbridge College	\$645,101	\$212,883	\$857,984
Clayton State University	\$2,354,790	\$777,081	\$3,131,870
Coastal Georgia Community College	\$432,456	\$142,710	\$575,166
Columbus State University	\$1,420,388	\$468,728	\$1,889,115
Dalton State College	\$1,755,653	\$579,365	\$2,335,018
Darton College	\$551,902	\$182,128	\$734,030
East Georgia College	\$253,802	\$83,754	\$337,556
Fort Valley State University	\$3,541,245	\$1,168,611	\$4,709,856
Gainesville State College	\$649,709	\$214,404	\$864,113
Georgia Aviation & Technical College	\$373,815	\$123,359	\$497,174
Georgia College and State University	\$6,649,392	\$2,194,299	\$8,843,691
Georgia Highlands College	\$429,828	\$141,843	\$571,671
Georgia Institute of Technology-Main Campus	\$21,145,345	\$6,977,964	\$28,123,308
Georgia Perimeter College	\$6,427,377	\$2,121,034	\$8,548,411
Georgia Southern University	\$10,616,743	\$3,503,525	\$14,120,269
Georgia Southwestern State University	\$2,815,043	\$928,964	\$3,744,007
Georgia State University	\$9,081,681	\$2,996,955	\$12,078,636
Gordon College	\$0	\$0	\$0
Kennesaw State University	\$12,297,189	\$4,058,072	\$16,355,262
Macon State College	\$2,778,124	\$916,781	\$3,694,905
Medical College of Georgia	\$3,102,340	\$1,023,772	\$4,126,112
Middle Georgia College	\$557,160	\$183,863	\$741,023
North Georgia College & State University	\$1,529,285	\$504,664	\$2,033,949
Savannah State University	\$3,581,054	\$1,181,748	\$4,762,801
South Georgia College	\$139,820	\$46,141	\$185,961
Southern Polytechnic State University	\$3,946,264	\$1,302,267	\$5,248,531
University of Georgia	\$12,568,774	\$4,147,695	\$16,716,469
University of West Georgia	\$2,991,788	\$987,290	\$3,979,077
Valdosta State University	\$4,091,906	\$1,350,329	\$5,442,234
Waycross College	\$99,981	\$32,994	\$132,975
<b>TOTALS</b>	<b>\$127,399,188</b>	<b>\$42,041,732</b>	<b>\$169,440,919</b>

Setting the average faculty salary target equal to the 75<sup>th</sup> percentiles of the ranges for each institution dramatically increases the cost needed to raise faculty salaries in the University System of Georgia to \$169.4 million. The Georgia Institute of Technology would need an additional \$28.1 million, and both Kennesaw State University and the University of Georgia would require an additional \$16 million per year for faculty compensation to reach this goal. Table 13 shows that an additional \$22.4 million would be required to bring each technical/adult college in Georgia up to the 75<sup>th</sup> percentiles for their respective peers.

**Table 14: Cost of Raising Faculty Salaries in the Georgia Department of Technical and Adult Education to the 75<sup>th</sup> Percentile of Peer Group in 2006, All Ranks Combined**

<b>Institution</b>	<b>Salary Increase</b>	<b>Benefit Increase</b>	<b>Total</b>
Albany Technical College	\$825,643	\$272,462	\$1,098,105
Altamaha Technical College	\$525,568	\$173,437	\$699,005
Appalachian Technical College	\$370,450	\$122,249	\$492,699
Athens Technical College	\$0	\$0	\$0
Atlanta Technical College	\$1,641,363	\$541,650	\$2,183,013
Augusta Technical College	\$378,318	\$124,845	\$503,163
Central Georgia Technical College	\$1,035,602	\$341,749	\$1,377,351
Chattahoochee Technical College	\$434,629	\$143,428	\$578,057
Columbus Technical College	\$261,206	\$86,198	\$347,404
Coosa Valley Technical College	\$600,598	\$198,197	\$798,795
Dekalb Technical College	\$252,144	\$83,208	\$335,352
East Central Technical College	\$765,017	\$252,456	\$1,017,473
Flint River Technical College	\$362,778	\$119,717	\$482,494
Griffin Technical College	\$647,166	\$213,565	\$860,731
Gwinnett Technical College	\$0	\$0	\$0
Heart of Georgia Technical College	\$280,162	\$92,453	\$372,615
Lanier Technical College	\$550,126	\$181,542	\$731,668
Middle Georgia Technical College	\$1,143,420	\$377,329	\$1,520,749
Moultrie Technical College	\$471,850	\$155,711	\$627,561
North Georgia Technical College	\$959,778	\$316,727	\$1,276,505
North Metro Technical College	\$245,327	\$80,958	\$326,285
Northwestern Technical College	\$263,979	\$87,113	\$351,092
Ogeechee Technical College	\$785,331	\$259,159	\$1,044,490
Okefenokee Technical College	\$522,900	\$172,557	\$695,457
Sandersville Technical College	\$406,791	\$134,241	\$541,032
Savannah Technical College	\$335,794	\$110,812	\$446,605
South Georgia Technical College	\$474,548	\$156,601	\$631,148
Southeastern Technical College	\$109,880	\$36,260	\$146,140
Southwest Georgia Technical College	\$239,584	\$79,063	\$318,646
Swainsboro Technical College	\$332,631	\$109,768	\$442,399
Valdosta Technical College	\$848,694	\$280,069	\$1,128,763
West Central Technical College	\$781,622	\$257,935	\$1,039,557
West Georgia Technical College	\$17,775	\$5,866	\$23,640
<b>TOTALS</b>	<b>\$16,870,671</b>	<b>\$5,567,321</b>	<b>\$22,437,992</b>

**KEY POINT:** To bring average faculty salaries in Georgia up to the median salaries for peers, an additional \$38.2 million would be required for the University System of Georgia and \$8.4 million would be needed for the Georgia Department of Technical and Adult Education. Similarly, \$169.4 million and \$22.4 million, respectively, would be required to raise average faculty salaries in both systems up to the 75<sup>th</sup> percentiles of the ranges for peers.

### **Effects of Rank on Salary Adjustments**

The analyses shown earlier in this report rely on the overall average salaries for faculty across ranks. There is the possibility, however, that the market deficiencies in the preceding tables are influenced by the rank distribution of faculty at Georgia public institutions relative to their peers. Faculty (tenure-eligible) positions are typically broken down into three categories: Assistant, Associate, and Full professor. The three ranks are ordered in that faculty members typically begin their careers as Assistant professors, are then promoted to Associate professor and finally to Full professor. The structure means that average salaries are typically highest at the Full Professor rank, followed by Associate and then Assistant professor. Table 15 contains the average faculty salaries broken down by academic rank and type of institution for the year 2006-07 using national data:

**Table 15: National Average Faculty Salaries by Rank and Type of Institution, 2006-07**

<u>Institution Type</u>	<u>Full Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>All Ranks Combined</u>
Doctoral	\$106,495	\$74,075	\$63,131	\$79,448
Masters	\$ 81,855	\$65,059	\$55,085	\$63,499
Baccalaureate	\$ 76,745	\$62,716	\$51,854	\$59,595
Two Year w/Ranks	\$ 68,424	\$55,429	\$48,923	\$54,895
Two Year w/o Ranks	-----	-----	-----	\$50,474
<b>All Institutions Combined</b>	<b>\$ 98,974</b>	<b>\$69,911</b>	<b>\$58,662</b>	<b>\$73,207</b>

Source: American Association of University Professors. "The Annual Report on the Economic Status of the Profession." *Academe*, Table 4, March/April 2007. Institutional are categorized based on the highest level of degree awarded to students.

The rank distribution of faculty at an institution can therefore affect the overall average salary at an institution. An institution with an unusually high proportion of faculty at the Full Professor rank may appear to have relatively high average salaries for the institution, and yet the salaries within ranks may not be very competitive. This is illustrated below in Table 16 with hypothetical data for two institutions (A and B). In this example, the average faculty salaries are higher at Institution A than at Institution B across all three ranks. Nonetheless, because a higher proportion of faculty at Institution B are at the Full professor rank, the overall average salary for Institution B is higher than for Institution A.

**Table 16: Illustration of Effects of Faculty Rank Mix on Average Salaries (Hypothetical)**

<b>Institution</b>	<b>Average Salary By Rank</b>			<b>Number of Faculty by Rank</b>			<b>Average Salary: All Ranks</b>
	<b>Full Professor</b>	<b>Associate Professor</b>	<b>Assistant Professor</b>	<b>Full Professor</b>	<b>Associate Professor</b>	<b>Assistant Professor</b>	
Institution A	\$80,000	\$60,000	\$40,000	100	300	600	\$50,000
Institution B	\$75,000	\$55,000	\$35,000	600	300	100	\$65,000

To examine whether the rank distribution of faculty has a material effect on the calculations provided earlier, data were obtained on the average faculty salaries by rank (when available) for the public institutions in Georgia and their peer institutions. These breakdowns are

not available for institutions in the technical/adult college system because they do not categorize faculty according to the same academic ranks. Table 17 provides the breakdown of average salary by rank for institutions in the University System of Georgia where data exist. It should also be noted that in a number of instances, average salary data by rank are also missing for peer institutions.

**Table 17: Average Faculty Salaries by Rank for the University System of Georgia Institutions and Their Peers, 2006**

Institution	Average Salary By Rank: Georgia Public Institutions			Median Salary by Rank: Peer Institutions		
	Full Professor	Associate Professor	Assistant Professor	Full Professor	Associate Professor	Assistant Professor
Abraham Baldwin Agricultural College	\$57,472	\$46,777	\$41,278	\$58,638	\$47,902	\$40,872
Albany State University	\$65,232	\$55,754	\$49,281	\$70,119	\$59,840	\$50,733
Armstrong Atlantic State University	\$69,191	\$58,124	\$50,662	\$75,023	\$60,668	\$51,588
Atlanta Metropolitan College	\$64,824	\$51,961	\$45,905	\$65,953	\$54,993	\$47,759
Augusta State University	\$76,495	\$56,240	\$50,462	\$77,146	\$61,312	\$52,316
Bainbridge College	\$60,153	\$48,917	\$42,697	\$56,869	\$47,206	\$41,282
Clayton State University	\$67,200	\$64,224	\$49,444	\$70,268	\$56,399	\$47,525
Coastal Georgia Community College	\$57,008	\$49,507	\$42,617	\$56,848	\$47,818	\$41,787
Columbus State University	\$67,699	\$54,882	\$44,857	\$75,896	\$61,044	\$51,664
Dalton State College	\$76,646	\$55,762	\$43,826	\$71,076	\$59,081	\$48,652
Darton College	\$54,373	\$53,927	\$42,239	\$57,808	\$49,314	\$41,746
East Georgia College	\$57,112	\$46,884	\$43,468	\$56,737	\$52,241	\$43,780
Fort Valley State University	\$68,061	\$50,869	\$43,984	\$75,074	\$59,255	\$49,972
Gainesville State College	\$56,625	\$47,851	\$39,557	\$57,808	\$49,920	\$42,239
Georgia College and State University	\$65,707	\$55,713	\$49,171	\$76,494	\$61,442	\$52,228
Georgia Highlands College	\$56,869	\$47,557	\$42,355	\$58,580	\$50,230	\$42,824
Georgia Institute of Technology	\$123,913	\$85,914	\$72,481	\$125,390	\$85,479	\$73,932
Georgia Perimeter College	\$62,496	\$51,942	\$43,823	\$64,762	\$58,256	\$45,145
Georgia Southern University	\$79,740	\$62,115	\$54,709	\$80,156	\$63,226	\$52,778
Georgia Southwestern State University	\$69,511	\$57,385	\$46,865	\$70,119	\$59,840	\$50,733
Georgia State University	\$110,274	\$69,066	\$59,852	\$93,979	\$69,129	\$58,997
Gordon College	\$56,021	\$49,314	\$44,206	\$57,808	\$49,920	\$41,746
Kennesaw State University	\$74,750	\$60,668	\$53,692	\$85,557	\$68,908	\$59,848
Macon State College	\$69,691	\$61,855	\$46,823	\$72,954	\$58,388	\$48,652
Medical College of Georgia	\$109,371	\$76,262	\$61,344	\$106,908	\$76,301	\$62,292
Middle Georgia College	\$59,562	\$45,833	\$37,678	\$56,869	\$48,917	\$42,319
North Georgia College & State University	\$66,919	\$59,840	\$47,376	\$73,687	\$60,045	\$51,588
Savannah State University	\$64,627	\$57,553	\$49,366	\$75,074	\$59,255	\$49,972
South Georgia College	\$55,841	\$54,768	\$41,523	\$57,372	\$50,349	\$44,405
Southern Polytechnic State University	\$74,894	\$62,173	\$53,164	\$69,511	\$58,761	\$50,552
University of Georgia	\$99,879	\$71,027	\$64,966	\$109,010	\$75,843	\$65,903
University of West Georgia	\$77,828	\$57,583	\$51,455	\$74,750	\$60,668	\$51,588
Valdosta State University	\$67,883	\$53,997	\$48,959	\$77,341	\$63,187	\$52,201
Waycross College	\$56,865	\$51,990	\$40,532	\$77,495	\$53,240	\$45,956

Table 18 provides the dollar and percentage differences between each institution's average faculty salary by rank and the median average salary for their peer institutions. Table 19 repeats the information from Table 18, except that the 75<sup>th</sup> percentiles of the peer institutions are used as the target average salaries for each institution. As noted earlier, comparisons are only shown for those institutions in the University System of Georgia that reported faculty salaries separately by academic rank to the National Center for Education Statistics.

**Table 18: Comparison of Average Faculty Salaries by Rank in the University System of Georgia to the Peer Group Medians, 2006**

Institution	Amount Above/Below Peer Median			Percentage Above/Below Peer Median		
	Full Professor	Associate Professor	Assistant Professor	Full Professor	Associate Professor	Assistant Professor
Abraham Baldwin Agricultural Coll.	-\$1,166	-\$1,125	\$406	-2%	-2%	1%
Albany State University	-\$4,887	-\$4,086	-\$1,452	-7%	-7%	-3%
Armstrong Atlantic State University	-\$5,832	-\$2,544	-\$926	-8%	-4%	-2%
Atlanta Metropolitan College	-\$1,129	-\$3,032	-\$1,854	-2%	-6%	-4%
Augusta State University	-\$651	-\$5,072	-\$1,854	-1%	-8%	-4%
Bainbridge College	\$3,284	\$1,711	\$1,416	6%	4%	3%
Clayton State University	-\$3,068	\$7,826	\$1,919	-4%	14%	4%
Coastal Georgia Community College	\$161	\$1,690	\$830	0%	4%	2%
Columbus State University	-\$8,197	-\$6,162	-\$6,807	-11%	-10%	-13%
Dalton State College	\$5,570	-\$3,319	-\$4,826	8%	-6%	-10%
Darton College	-\$3,435	\$4,613	\$493	-6%	9%	1%
East Georgia College	\$376	-\$5,357	-\$312	1%	-10%	-1%
Fort Valley State University	-\$7,013	-\$8,386	-\$5,988	-9%	-14%	-12%
Gainesville State College	-\$1,183	-\$2,069	-\$2,682	-2%	-4%	-6%
Georgia College and State University	-\$10,787	-\$5,729	-\$3,057	-14%	-9%	-6%
Georgia Highlands College	-\$1,711	-\$2,673	-\$469	-3%	-5%	-1%
Georgia Institute of Technology-	-\$1,477	\$435	-\$1,451	-1%	1%	-2%
Georgia Perimeter College	-\$2,266	-\$6,314	-\$1,322	-3%	-11%	-3%
Georgia Southern University	-\$416	-\$1,111	\$1,931	-1%	-2%	4%
Georgia Southwestern State Univ	-\$608	-\$2,455	-\$3,868	-1%	-4%	-8%
Georgia State University	\$16,296	-\$63	\$856	17%	0%	1%
Gordon College	-\$1,787	-\$606	\$2,460	-3%	-1%	6%
Kennesaw State University	-\$10,807	-\$8,240	-\$6,156	-13%	-12%	-10%
Macon State College	-\$3,263	\$3,467	-\$1,829	-4%	6%	-4%
Medical College of Georgia	\$2,464	-\$39	-\$948	2%	0%	-2%
Middle Georgia College	\$2,693	-\$3,084	-\$4,641	5%	-6%	-11%
North Georgia College & State U	-\$6,768	-\$205	-\$4,212	-9%	0%	-8%
Savannah State University	-\$10,447	-\$1,702	-\$606	-14%	-3%	-1%
South Georgia College	-\$1,531	\$4,419	-\$2,882	-3%	9%	-6%
Southern Polytechnic State Univ	\$5,383	\$3,412	\$2,612	8%	6%	5%
University of Georgia	-\$9,131	-\$4,816	-\$937	-8%	-6%	-1%
University of West Georgia	\$3,078	-\$3,085	-\$133	4%	-5%	0%
Valdosta State University	-\$9,458	-\$9,190	-\$3,242	-12%	-15%	-6%
Waycross College	-\$20,630	-\$1,250	-\$5,424	-27%	-2%	-12%

**Table 19: Comparison of Average Faculty Salaries by Rank in the University System of Georgia to the 75<sup>th</sup> Percentile of Peer Groups, 2006**

Institution	Amount Above/Below Peer 75 <sup>th</sup> Percentile			Percentage Above/Below Peer 75 <sup>th</sup> Percentile		
	Full Professor	Associate Professor	Assistant Professor	Full Professor	Associate Professor	Assistant Professor
Abraham Baldwin Agricultural College	-\$5,496	-\$3,785	-\$2,520	-9%	-7%	-6%
Albany State University	-\$45,704	-\$28,096	-\$30,334	-41%	-34%	-38%
Armstrong Atlantic State University	-\$16,301	-\$9,282	-\$7,156	-19%	-14%	-12%
Atlanta Metropolitan College	-\$9,599	-\$13,030	-\$6,250	-13%	-20%	-12%
Augusta State University	-\$10,381	-\$11,620	-\$7,837	-12%	-17%	-13%
Bainbridge College	-\$2,944	-\$1,190	-\$569	-5%	-2%	-1%
Clayton State University	-\$26,309	-\$4,687	-\$9,134	-28%	-7%	-16%
Coastal Georgia Community College	-\$1,410	-\$570	-\$2,239	-2%	-1%	-5%
Columbus State University	-\$10,794	-\$8,513	-\$9,241	-14%	-13%	-17%
Dalton State College	-\$20,395	-\$12,824	-\$14,919	-21%	-19%	-25%
Darton College	-\$9,006	\$910	-\$5,692	-14%	2%	-12%
East Georgia College	-\$2,398	-\$6,423	-\$3,830	-4%	-12%	-8%
Fort Valley State University	-\$42,577	-\$37,441	-\$38,659	-38%	-42%	-47%
Gainesville State College	-\$6,754	-\$5,166	-\$8,374	-11%	-10%	-17%
Georgia College and State University	-\$40,492	-\$17,866	-\$10,855	-38%	-24%	-18%
Georgia Highlands College	-\$9,683	-\$7,966	-\$5,096	-15%	-14%	-11%
Georgia Institute of Technology	-\$22,860	-\$17,815	-\$15,764	-16%	-17%	-18%
Georgia Perimeter College	-\$20,445	-\$12,354	-\$9,687	-25%	-19%	-18%
Georgia Southern University	-\$13,269	-\$10,510	-\$6,410	-14%	-14%	-10%
Georgia Southwestern State University	-\$41,425	-\$26,465	-\$32,750	-37%	-32%	-41%
Georgia State University	\$1,785	-\$8,998	-\$5,414	2%	-12%	-8%
Gordon College	-\$7,358	-\$3,703	-\$3,725	-12%	-7%	-8%
Kennesaw State University	-\$20,217	-\$14,682	-\$7,460	-21%	-19%	-12%
Macon State College	-\$27,350	-\$6,731	-\$11,922	-28%	-10%	-20%
Medical College of Georgia	-\$12,752	-\$7,407	-\$13,154	-10%	-9%	-18%
Middle Georgia College	-\$6,333	-\$9,411	-\$9,058	-10%	-17%	-19%
North Georgia College & State University	-\$10,070	-\$4,053	-\$7,314	-13%	-6%	-13%
Savannah State University	-\$46,011	-\$30,757	-\$33,277	-42%	-35%	-40%
South Georgia College	-\$3,669	\$3,517	-\$5,949	-6%	7%	-13%
Southern Polytechnic State University	-\$36,042	-\$21,677	-\$26,451	-32%	-26%	-33%
University of Georgia	-\$15,175	-\$8,936	-\$7,229	-13%	-11%	-10%
University of West Georgia	-\$7,664	-\$9,823	-\$6,363	-9%	-15%	-11%
Valdosta State University	-\$16,091	-\$12,850	-\$7,111	-19%	-19%	-13%
Waycross College	-\$20,630	-\$1,530	-\$5,857	-27%	-3%	-13%

Tables 18 and 19 demonstrate that, with several exceptions (Clayton State University, Darton College, Georgia College and State University, Georgia State University, Macon State University, and Waycross College), the relative salary positions of most of Georgia's public institutions within the University System of Georgia are fairly consistent across ranks, and similar to the deficiencies shown earlier when faculty were aggregated across all ranks. To determine if the cost calculations shown earlier would change if the distribution of faculty by rank were taken into account, Table 20 calculates how much funding would be required to bring the average faculty salaries within each rank for each University System of Georgia institution up to the median average salary by rank for the peer institutions. Table 21 repeats the analysis from Table 20, except that the 75<sup>th</sup> percentiles of the ranges are used as the target average faculty salaries.

**Table 20: Cost of Raising Faculty Salaries in the University System of Georgia Up to Peer Group Medians in 2006, Separate Faculty Ranks**

<b>Institution</b>	<b>Salary Increase</b>	<b>Benefit Increase</b>	<b>Total Increase</b>
Abraham Baldwin Agricultural College	\$193,609	\$63,891	\$257,500
Albany State University	\$394,276	\$130,111	\$524,387
Armstrong Atlantic State University	\$722,522	\$238,432	\$960,954
Atlanta Metropolitan College	\$104,302	\$34,420	\$138,722
Augusta State University	\$532,059	\$175,579	\$707,638
Bainbridge College	\$36,498	\$12,044	\$48,542
Clayton State University	\$52,156	\$17,211	\$69,367
Coastal Georgia Community College	\$0	\$0	\$0
Columbus State University	\$1,667,334	\$550,220	\$2,217,554
Dalton State College	\$397,731	\$131,251	\$528,982
Darton College	\$235,404	\$77,683	\$313,087
East Georgia College	\$42,172	\$13,917	\$56,088
Fort Valley State University	\$733,319	\$241,995	\$975,314
Gainesville State College	\$336,849	\$111,160	\$448,009
Georgia Aviation & Technical College	\$37,494	\$12,373	\$49,867
Georgia College and State University	\$1,671,504	\$551,596	\$2,223,100
Georgia Highlands College	\$188,975	\$62,362	\$251,337
Georgia Institute of Technology-Main Campus	\$872,806	\$288,026	\$1,160,831
Georgia Perimeter College	\$1,508,658	\$497,857	\$2,006,514
Georgia Southern University	\$715,944	\$236,262	\$952,206
Georgia Southwestern State University	\$245,734	\$81,092	\$326,826
Georgia State University	\$18,207	\$6,008	\$24,215
Gordon College	\$49,771	\$16,424	\$66,195
Kennesaw State University	\$5,275,356	\$1,740,867	\$7,016,223
Macon State College	\$303,065	\$100,011	\$403,076
Medical College of Georgia	\$211,388	\$69,758	\$281,145
Middle Georgia College	\$277,459	\$91,561	\$369,020
North Georgia College & State University	\$689,632	\$227,579	\$917,211
Savannah State University	\$399,082	\$131,697	\$530,779
South Georgia College	\$63,754	\$21,039	\$84,793
Southern Polytechnic State University	\$0	\$0	\$0
University of Georgia	\$9,563,579	\$3,155,981	\$12,719,560
University of West Georgia	\$657,975	\$217,132	\$875,107
Valdosta State University	\$2,892,203	\$954,427	\$3,846,630
Waycross College	\$82,973	\$27,381	\$110,354
<b>TOTALS</b>	<b>\$31,173,786</b>	<b>\$10,287,349</b>	<b>\$41,461,135</b>

**Table 21: Cost of Raising Faculty Salaries in the University System of Georgia to the 75<sup>th</sup> Percentiles of Peer Groups in 2006, Separate Faculty Ranks**

<b>Institution</b>	<b>Salary Increase</b>	<b>Benefit Increase</b>	<b>Total Increase</b>
Abraham Baldwin Agricultural College	\$455,699	\$150,381	\$606,079
Albany State University	\$4,605,161	\$1,519,703	\$6,124,864
Armstrong Atlantic State University	\$2,277,411	\$751,546	\$3,028,956
Atlanta Metropolitan College	\$463,654	\$153,006	\$616,659
Augusta State University	\$2,176,879	\$718,370	\$2,895,249
Bainbridge College	\$343,213	\$113,260	\$456,473
Clayton State University	\$1,827,633	\$603,119	\$2,430,752
Coastal Georgia Community College	\$210,279	\$69,392	\$279,671
Columbus State University	\$2,256,776	\$744,736	\$3,001,512
Dalton State College	\$1,548,481	\$510,999	\$2,059,480
Darton College	\$526,398	\$173,711	\$700,109
East Georgia College	\$196,379	\$64,805	\$261,184
Fort Valley State University	\$4,166,750	\$1,375,027	\$5,541,777
Gainesville State College	\$911,465	\$300,783	\$1,212,248
Georgia Aviation & Technical College	\$373,815	\$123,359	\$497,174
Georgia College and State University	\$6,104,417	\$2,014,458	\$8,118,874
Georgia Highlands College	\$623,612	\$205,792	\$829,404
Georgia Institute of Technology-Main Campus	\$17,960,508	\$5,926,967	\$23,887,475
Georgia Perimeter College	\$6,081,814	\$2,006,999	\$8,088,813
Georgia Southern University	\$7,002,391	\$2,310,789	\$9,313,180
Georgia Southwestern State University	\$2,909,249	\$960,052	\$3,869,301
Georgia State University	\$6,133,659	\$2,024,107	\$8,157,766
Gordon College	\$407,464	\$134,463	\$541,927
Kennesaw State University	\$8,450,087	\$2,788,529	\$11,238,615
Macon State College	\$2,399,909	\$791,970	\$3,191,879
Medical College of Georgia	\$2,286,906	\$754,679	\$3,041,585
Middle Georgia College	\$687,346	\$226,824	\$914,170
North Georgia College & State University	\$1,312,615	\$433,163	\$1,745,778
Savannah State University	\$4,010,224	\$1,323,374	\$5,333,597
South Georgia College	\$161,616	\$53,333	\$214,949
Southern Polytechnic State University	\$3,876,299	\$1,279,179	\$5,155,478
University of Georgia	\$19,012,595	\$6,274,156	\$25,286,751
University of West Georgia	\$3,006,676	\$992,203	\$3,998,879
Valdosta State University	\$4,990,985	\$1,647,025	\$6,638,010
Waycross College	\$129,699	\$42,801	\$172,500
<b>TOTALS</b>	<b>\$119,888,060</b>	<b>\$39,563,060</b>	<b>\$159,451,119</b>

Overall, the analysis suggests that the total cost of raising faculty salaries in the University System of Georgia would be slightly lower if adjustments were made separately by

academic rank, as opposed to being based on the overall average faculty salary at each institution. This arises because in some instances the faculty salaries across all ranks are not below the medians for their peer groups. One institution in the University System of Georgia that would clearly benefit from having separate salary adjustments made for each rank would be the University of Georgia, due in part to the large number of faculty who would be affected. Because it would add substantial complexity to the state's funding formula to provide separate funding levels for faculty based on academic rank, however, the overall gains from doing so would not appear to offset the losses for the entire University System of Georgia.

**KEY POINT:** The cost of raising faculty compensation in most of Georgia's public institutions up to specified targets is not substantially affected by whether separate salary targets are set for each academic rank.

### **Faculty Salary Compression**

In addition to ensuring that the levels of faculty salaries in Georgia's public institutions are competitive with external markets, policy makers are also concerned that faculty salaries are distributed in a fair and equitable manner within each institution. Many institutions periodically conduct salary equity studies to determine if there is any evidence that faculty salaries are

influenced by personal characteristics such as gender and race, and make adjustments to faculty salaries when inequities are discovered.<sup>2</sup>

Another potential form of salary inequity within institutions can arise when the difference between salaries for junior and senior faculty is determined to be too small or is found to be decreasing over time. This phenomenon is known as salary compression. Salary compression is often thought to occur when the salaries paid to recently-hired faculty grow at a faster rate than the salary increases given to faculty who were already employed by the institution. The explanation given for salary compression is that universities increase the salary offers to newly-hired faculty in response to changes in the faculty labor market, whereas the salaries for continuing faculty are less sensitive to changes in the market. The existence of salary compression at an institution can lead to discontent among faculty due to concerns that the institution is not basing compensation for all of its faculty members on the going rate in the external market.

Two general approaches have been used to examine salary compression in academia. The most commonly-used method is to compare the average salaries at an institution for faculty at different academic ranks. For example, if the average salary for Full professors is \$80,000 and the average salary for Assistant professors is \$40,000, then the average salary ratio would be  $\$80,000 / \$40,000 = 200\%$ . If the ratios of salaries for more senior to junior faculty are found to be falling over time, say from 200% to 190%, then this would suggest that the salary distribution within the institution is becoming more compressed over time. Another way to examine salary compression is to compare the salary ratios for specific institutions to the same salary ratios for their peer institutions. In this way, it is possible to determine if the level of salary compression at

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<sup>2</sup> A description of the types of salary equity studies that have been conducted in academe can be found in R. Toutkoushian (ed.), *Conducting Salary-Equity Studies: Alternative Approaches to Research*. New Directions for Institutional Research, number 115. San Francisco: Jossey-Bass, 2002.

an institution is comparable to that found at other institutions. One advantage of using the average salary ratios to measure compression is that the information on average salaries by rank is readily available from the federal government through the mandatory data reporting of institutions. A limitation, however, is that the ratios do not take into account factors such as the prior experience and research productivity of recently-hired faculty that could have an impact on starting salaries and hence average salary ratios between ranks.

A second approach to examining salary compression is to estimate the statistical relationship between faculty salaries and experience at an institution for “senior” faculty, and use the resulting statistical model to predict salaries for “junior” faculty members. The actual salaries for junior faculty members could then be compared to their predicted salaries if they were paid in the same way as their senior colleagues. If junior faculty are found to be paid more than would be predicted, then this would be evidence of salary compression. This approach was first used at the University of Minnesota, where despite concerns at the institution over salary compression, the salaries for more junior faculty were not shown to be lower than what would be predicted based on the salary profile for more senior faculty.<sup>3</sup> The statistical approach can be more difficult to implement than the ratio approach, however, because it requires information on all faculty members at an institution regarding their salaries, experience levels, educational attainment, and other factors that are commonly thought to affect faculty salaries.

This report relies on the average salary ratios of faculty approach to test whether faculty salaries at each public institution in Georgia are overly compressed relative to the peer institutions, and whether faculty salaries are becoming more compressed over time. Because faculty in the technical/adult college system are not classified according to ranks, the salary

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<sup>3</sup> This approach is described in detail in Toutkoushian, R. (1998), “Using Regression Analysis to Determine if Faculty Salaries are Overly Compressed.” *Research in Higher Education*, 39(1), 87-100.

compression analysis shown here pertains only to those institutions in the University System of Georgia that reported average faculty salaries by rank to the federal government in 2006.

To examine how compressed faculty salaries are nationally, the average faculty salaries by rank for all institutions in the United States, shown earlier in Table 15, are used to calculate the average salary ratios in Table 22. The average salary ratios are provided for Full to Assistant professors, and for Associate to Assistant professors, broken down by type of institution.

**Table 22. National Average Faculty Salary Ratios, 2006**

<b>Institution Type</b>	<b>Full/Assistant</b>	<b>Associate/Assistant</b>
Doctoral	168.7%	117.3%
Masters	148.6%	118.1%
Baccalaureate	148.0%	120.9%
All Institutions	168.7%	119.2%

*Source:* American Association of University Professors. “The Annual Report on the Economic Status of the Profession.” *Academe*, Table 4, March/April 2007. Institutional are categorized based on the highest level of degree awarded to students.

The ratio of salaries for Full to Assistant professors provides a longer-term perspective on salary compression that does the ratio of salaries for Associate to Assistant professors because the difference in experience levels is typically larger between Full and Assistant professors.

According to these national figures, the average salaries for Full professors are 169 percent of the level for Assistant professors at doctoral institutions, and they are substantially more compressed at the masters and baccalaureate institutions (148%). In contrast, the average salary ratios between Associate and Assistant professors is fairly constant across types of institutions.

One limitation with using national data to establish benchmarks for salary compression is that even when broken down by broad types of institutions, the resulting groups may include institutions that are not comparable to each other in terms of mission, size, and other factors.

Table 23 contains the ratios of average salaries between (1) Full and Assistant professors, and (2)

Associate and Assistant professors for each of the public institutions in the University System of Georgia as well as for their designated peer institutions. The first and fourth columns of figures show the two average salary ratios for each public institution in Georgia. The second and fifth columns of figures report the same two ratios calculated from the median average faculty salaries for each institution's peer group. Finally, the third and sixth columns contain the difference in the ratios between each public institution in Georgia and its respective peer group. When the value in the "% Above Peers" column is negative, this would indicate that the salaries in the public institution in Georgia are more compressed, on average, than they are for the peer institutions.

**Table 23: Comparison of Average Faculty Salary Ratios at the University System of Georgia Institutions to Their Peer Groups, 2006**

Institution	Average Salary Ratio: Full to Assistant			Average Salary Ratio: Associate to Assistant		
	Georgia	Peers	% Above Peers	Georgia	Peers	% Above Peers
Abraham Baldwin Agricultural College	139.2%	143.5%	-4.2%	113.3%	117.2%	-3.9%
Albany State University	132.4%	138.2%	-5.8%	113.1%	118.0%	-4.8%
Armstrong Atlantic State University	136.6%	145.4%	-8.9%	114.7%	117.6%	-2.9%
Atlanta Metropolitan College	141.2%	138.1%	3.1%	113.2%	115.1%	-2.0%
Augusta State University	151.6%	147.5%	4.1%	111.5%	117.2%	-5.7%
Bainbridge College	140.9%	137.8%	3.1%	114.6%	114.4%	0.2%
Clayton State University	135.9%	147.9%	-11.9%	129.9%	118.7%	11.2%
Coastal Georgia Community College	133.8%	136.0%	-2.3%	116.2%	114.4%	1.7%
Columbus State University	150.9%	146.9%	4.0%	122.3%	118.2%	4.2%
Dalton State College	174.9%	146.1%	28.8%	127.2%	121.4%	5.8%
Darton College	128.7%	138.5%	-9.7%	127.7%	118.1%	9.5%
East Georgia College	131.4%	129.6%	1.8%	107.9%	119.3%	-11.5%
Fort Valley State University	154.7%	150.2%	4.5%	115.7%	118.6%	-2.9%
Gainesville State College	143.1%	136.9%	6.3%	121.0%	118.2%	2.8%
Georgia College and State University	133.6%	146.5%	-12.8%	113.3%	117.6%	-4.3%
Georgia Highlands College	134.3%	136.8%	-2.5%	112.3%	117.3%	-5.0%
Georgia Institute of Technology	171.0%	169.6%	1.4%	118.5%	115.6%	2.9%
Georgia Perimeter College	142.6%	143.5%	-0.8%	118.5%	129.0%	-10.5%
Georgia Southern University	145.8%	151.9%	-6.1%	113.5%	119.8%	-6.3%
Georgia Southwestern State University	148.3%	138.2%	10.1%	122.4%	118.0%	4.5%
Georgia State University	184.2%	159.3%	24.9%	115.4%	117.2%	-1.8%
Gordon College	126.7%	138.5%	-11.7%	111.6%	119.6%	-8.0%
Kennesaw State University	139.2%	143.0%	-3.7%	113.0%	115.1%	-2.1%
Macon State College	148.8%	150.0%	-1.1%	132.1%	120.0%	12.1%
Medical College of Georgia	178.3%	171.6%	6.7%	124.3%	122.5%	1.8%
Middle Georgia College	158.1%	134.4%	23.7%	121.6%	115.6%	6.1%
North Georgia College & State University	141.3%	142.8%	-1.6%	126.3%	116.4%	9.9%
Savannah State University	130.9%	150.2%	-19.3%	116.6%	118.6%	-2.0%
South Georgia College	134.5%	129.2%	5.3%	131.9%	113.4%	18.5%
Southern Polytechnic State University	140.9%	137.5%	3.4%	116.9%	116.2%	0.7%
University of Georgia	153.7%	165.4%	-11.7%	109.3%	115.1%	-5.8%
University of West Georgia	151.3%	144.9%	6.4%	111.9%	117.6%	-5.7%
Valdosta State University	138.7%	148.2%	-9.5%	110.3%	121.0%	-10.8%
Waycross College	140.3%	168.6%	-28.3%	128.3%	115.9%	12.4%

From the data presented in Table 23, it does not appear that public institutions in Georgia overall have either a higher or lower degree of salary compression than their peer institutions. Eighteen of the thirty-four public institutions in Georgia (53%) have average salary ratios for Full to Assistant professors and/or Associate to Assistant professors that are lower than for their peer groups, and sixteen public institutions in the state have ratios that are higher than for their peers. With regard to the ratio of salaries for Full to Assistant professors, several institutions -- Clayton State University, Georgia College and State University, Gordon College, Savannah State University, the University of Georgia, and Waycross College -- have average salary ratios that are 11% or more below the ratios for their peer institutions. At the same time, the ratio of average salaries for Full to Assistant professors at Dalton State College (+28.8%), Georgia State University (+24.9%), and Middle Georgia College (+23.7%) are over twenty percent higher than for their peers, suggesting that faculty salaries at these three institutions are notably less compressed than they are for their peers.

In looking across both average salary ratios, the following institutions were found to have average salary ratios for both groups that were below their peers: Abraham Baldwin Agricultural College, Albany State University, Armstrong Atlantic State University, Georgia College and State University, Georgia Highlands College, Georgia Perimeter College, Georgia Southern University, Gordon College, Kennesaw State University, Savannah State University, the University of Georgia, and Valdosta State University. It is also important to note, however, that the patterns of salary compression are somewhat uneven when comparing the average salary ratios for Full/Assistant to Associate/Assistant professors. For example, although the Full/Assistant average salary ratio at Waycross College is substantially lower than their peers,

the ratio of average salaries for Associate/Assistant at Waycross College is considerably higher than for the same set of peer institutions.

Table 24 provides a comparison of the average faculty salary ratios for institutions in the University System of Georgia for 1991 and 2006. When the average salary ratios for faculty decrease over time, this would be evidence to possibly suggest that faculty salaries are becoming more compressed.

**Table 24: Change in Average Faculty Salary Ratios in the University System of Georgia, 1991 to 2006**

Institution	Ratio: Full to Assistant			Ratio: Associate to Assistant		
	1991	2006	Change: 1991-06	1991	2006	Change: 1991-06
	Abraham Baldwin Agricultural College	125.6%	139.2%	13.7%	113.3%	113.3%
Albany State University	140.0%	132.4%	-7.6%	125.6%	113.1%	-12.4%
Armstrong Atlantic State University	148.0%	136.6%	-11.4%	121.4%	114.7%	-6.7%
Atlanta Metropolitan College	124.2%	141.2%	17.0%	110.4%	113.2%	2.8%
Augusta State University	142.5%	151.6%	9.1%	110.4%	111.5%	1.0%
Bainbridge College	134.8%	140.9%	6.1%	114.0%	114.6%	0.5%
Clayton State University	138.8%	135.9%	-2.9%	106.8%	129.9%	23.1%
Coastal Georgia Community College	136.2%	133.8%	-2.5%	112.3%	116.2%	3.9%
Columbus State University	132.2%	150.9%	18.7%	112.0%	122.3%	10.3%
Dalton State College	131.3%	174.9%	43.6%	116.8%	127.2%	10.5%
Darton College	117.0%	128.7%	11.8%	106.4%	127.7%	21.3%
East Georgia College	123.9%	131.4%	7.5%	114.1%	107.9%	-6.3%
Fort Valley State University	146.7%	154.7%	8.0%	113.5%	115.7%	2.2%
Gainesville State College	146.7%	143.1%	-3.5%	113.9%	121.0%	7.1%
Georgia College and State University	132.0%	133.6%	1.6%	108.8%	113.3%	4.5%
Georgia Highlands College	147.6%	134.3%	-13.3%	110.5%	112.3%	1.8%
Georgia Institute of Technology	151.5%	171.0%	19.4%	110.8%	118.5%	7.7%
Georgia Perimeter College	139.6%	142.6%	3.0%	123.1%	118.5%	-4.6%
Georgia Southern University	149.1%	145.8%	-3.3%	123.4%	113.5%	-9.9%
Georgia Southwestern State University	138.1%	148.3%	10.2%	118.0%	122.4%	4.5%
Georgia State University	163.7%	184.2%	20.5%	118.9%	115.4%	-3.5%
Gordon College	141.6%	126.7%	-14.8%	122.6%	111.6%	-11.0%
Kennesaw State University	153.3%	139.2%	-14.1%	121.8%	113.0%	-8.8%
Macon State College	138.6%	148.8%	10.2%	116.9%	132.1%	15.2%
Medical College of Georgia	181.1%	178.3%	-2.8%	129.8%	124.3%	-5.5%
Middle Georgia College	132.0%	158.1%	26.1%	118.7%	121.6%	2.9%
North Georgia College & State University	136.6%	141.3%	4.6%	113.8%	126.3%	12.6%
Savannah State University	143.1%	130.9%	-12.2%	113.1%	116.6%	3.4%
South Georgia College	145.6%	134.5%	-11.1%	121.4%	131.9%	10.5%
Southern Polytechnic State University	130.0%	140.9%	10.9%	107.5%	116.9%	9.4%
University of Georgia	164.1%	153.7%	-10.3%	116.3%	109.3%	-6.9%
University of West Georgia	133.4%	151.3%	17.8%	108.4%	111.9%	3.5%
Valdosta State University	143.0%	138.7%	-4.3%	117.2%	110.3%	-6.9%
Waycross College	145.3%	140.3%	-5.0%	113.8%	128.3%	14.4%

Overall, there is no clear pattern of rising salary compression for the majority of public institutions in the University System of Georgia over the fifteen year period examined here.

Fifteen of the thirty-four institutions shown in Table 24 experienced a decline in the average

salary ratio of Full to Assistant professors over this period, which would be consistent with faculty salaries becoming more compressed. However, the remaining nineteen institutions (56%) saw an increase in the ratio of average faculty salaries over time. Only eight out of thirty-four institutions (Albany State University, Armstrong Atlantic State University, Georgia Southern University, Gordon College, Kennesaw State University, Medical College of Georgia, University of Georgia, and Valdosta State University) showed declines in their average faculty salary ratios between Assistant professors and both Full and Associate professors.

**KEY POINT:** Overall, the average faculty salaries at most of Georgia's public institutions are not more compressed than for their peers, nor have they become more compressed from 1991 to 2006. There are, however, a few institutions where salary compression may be a problem that requires additional investigation.

### **Georgia's Higher Education Funding Formula for Instruction**

Because funding for faculty salaries at Georgia's public institutions are obtained through the state's higher education funding formula, modifications would have to be made to the funding formula in order to achieve the faculty salary goals described earlier in this report. This section provides an overview of state funding formulas for higher education and how they provide funding for faculty salaries. Specific attention is then directed towards Georgia's funding formula and the component that allocates funding for instruction, and recommendations

are made as to how the funding formula could be adjusted to meet designated goals for average faculty salaries.

## **Overview of Higher Education Funding Formulas**

There have been several studies and reports produced during the past ten years that have summarized the funding formulas used for higher education, and the rationales behind the designs of these formulas. The most current information available on the different funding formulas used by states for higher education is contained in a report produced by MGT of America (2006).<sup>4</sup> According to the MGT report, 36 states use a funding formula at some point during the budget setting process for their public colleges and universities. Georgia is one of only seven states that apply their funding formula to all public institutions in the state. However, fewer than half of the states that use funding formulas (16) use them to set either lump-sum or direct appropriations to institutions. In other instances, funding formulas are used to make recommendations to the Governor or Legislature regarding funding needs for public institutions.

In general, funding formulas can base appropriations on a variety of approaches. These approaches would include the following:

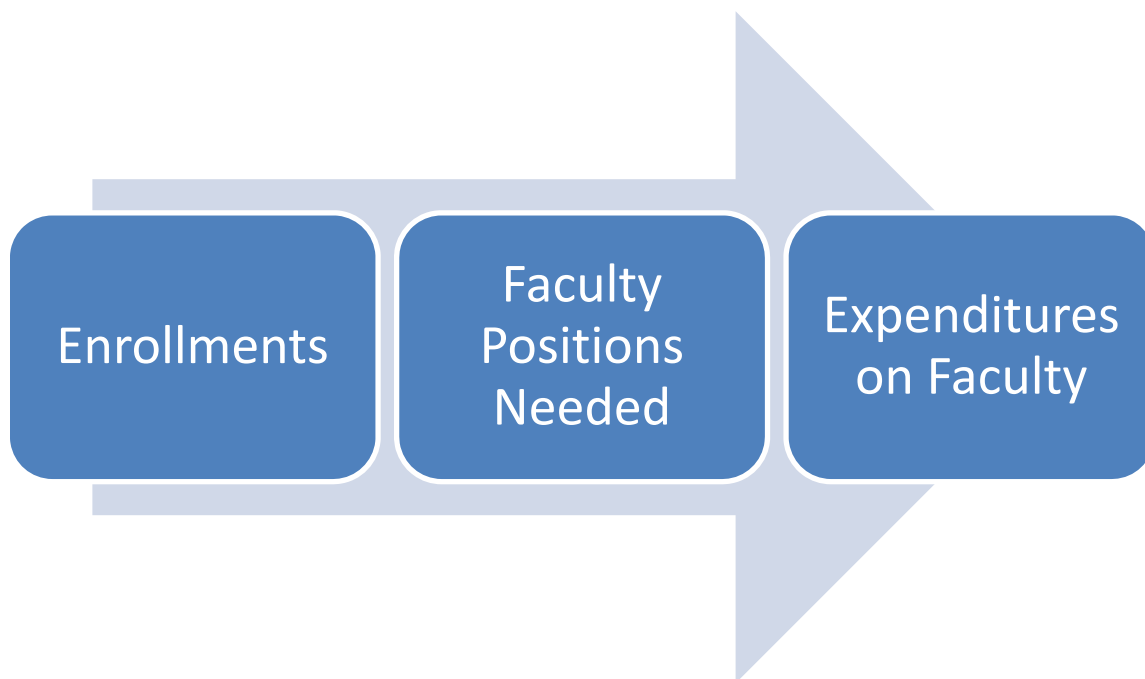
- (1) Funding to meet estimated expenditures
- (2) Funding to keep pace with peers/benchmarks
- (3) Funding to reward institutional performance
- (4) Funding to meet expenses not covered by tuition

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<sup>4</sup> MGT of America. "Survey Results: 2006 Survey of Funding Formula Use." Paper presented at the SHEEO Professional Development Conference, Chicago, IL, August 2006. Other studies of note include Marks, J., and Caruthers, J. "A Primer on Funding of Public Higher Education." Atlanta, GA: Southern Regional Education Board, August 1999. MGT of America. "Funding Formula Use in Higher Education." Discussion Paper, Washington, DC: MGT of America, 2001.

Most states that use funding formulas during the budgeting process rely on the “expenditure” approach where the funding formula estimates the cost of delivering higher education services. The funding formulas in neighboring states to Georgia such as Florida, South Carolina, and Alabama all use this approach to some extent. The expenditure-based formulas typically use enrollments to estimate funding levels for instruction, as depicted in Figure 1:

**Figure 1: Depiction of Expenditure-based Funding Formula for Higher Education**



In the expenditure approach to public university funding, enrollments (measured by student headcount or credit hours taken) represent the demand for educational services. Dividing the enrollment counts by the state’s prescribed workload for faculty results in estimates of the number of faculty positions needed to meet the demand. The needed expenditures on faculty are then obtained by multiplying the number of faculty positions needed by a specified average faculty salary. In practice, these calculations are often made separately by the level of the student, academic field, and/or type of institution, and then summed at the institution level.

The details behind each step in the calculations in the expenditure approach can have important implications for the effectiveness of the funding formula. The enrollment data are usually based on actual credit hours attempted or completed by institutions, are lagged by one or more years, and may be calculated separately by student level and academic field. The prescribed workloads for faculty may be based on historical averages of the ratios of credit hours to faculty members, or the maximum workloads for designated groups of institutions (such as research intensive institutions). In Georgia, the prescribed workloads are referred to as “instructional productivity” measures. States can also allow the prescribed workloads to vary according to the level of the student, academic field, and/or institutional mission. Finally, the average faculty salary level can differ depending on field and mission of the institution in recognition of the fact that faculty salaries often vary by academic discipline as well as the mission of the institution.

The expenditure approach to estimating faculty salary needs has several appealing features for state policy makers. First, it allows states to impose some measure of oversight on institutions by controlling the expected number of faculty positions for institutions and the average compensation level for faculty. Because funding is based on the estimated number of positions needed and targeted average salary, institutions cannot increase their appropriations by either hiring too many faculty or by paying excessively-high salaries to faculty. A second appealing feature of the expenditure approach for state policy makers is that appropriations will rise and fall along with need, as represented by changes in enrollment patterns across the state’s public institutions.

At the same time, there are challenges to implementing an expenditure-based funding formula for instruction. One challenge is that the expenditure approach requires good

information about what the prescribed workloads should be for faculty. Using data on the actual ratios of enrollments to faculty may overstate or understate the “ideal” ratios, and could thus provide either too little or too much funding to institutions. As noted in the Interim Report to the Joint Subcommittee on Higher Education (1999),<sup>5</sup> there are no objective sources of information available as to what the ideal ratios should be. A second challenge with the expenditure-based approach is that reliable information is also needed as to the correct faculty salary targets to use when computing needed instructional expenditures.

### **Details of Georgia’s Higher Education Funding Formula**

Georgia’s higher education funding formula uses an expenditure based approach in which appropriations are set equal to the estimated expenditures for each institution. These expenditures are divided into six main categories: (1) enrollment, (2) plant operations, (3) fringe benefits, (4) continuing education, (5) public service institutions, and (6) technology factor. Salaries for faculty are derived through the enrollment category. The enrollment category is further broken down into four sub-categories: (1a) instruction, (1b) research, (1c) academic support, and (1d) student services and institutional support. In this report, we focus solely on the instruction subcategory of the enrollment component of the funding formula because it is through this subcategory that public institutions receive appropriations from the state for faculty salaries.

The instructional subcategory calculates total instructional expenses as the sum of academic salary expenses for faculty, instructional support position expenses, and instructional operating expenses:

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<sup>5</sup> Interim Report to the Joint Subcommittee on Higher Education, October 1999 (report was downloaded on October 19, 2007 from <http://www.epi.elps.vt.edu/BRC/Report/Report.htm>).

(1) Total Instructional Expenses = Academic Salary Expenses

+ Instructional Support Position Expenses + Instructional Operating Expenses

To determine the academic salary expenses, the funding formula begins by dividing the credit hours produced by each institution in each of five groups of fields by the designated productivity ratios, as shown in Table 25. The faculty productivity ratios are intended to represent the typical number of credit hours that could be produced by a faculty member in each of the five fields. The faculty productivity ratios are further broken down by the academic level of the student (lower division undergraduate, upper-division undergraduate, and graduate):

**Table 25. Instructional Productivity Factors Used in Georgia’s Funding Formula, 2008**

<b>Discipline Group</b>	<b>←-----Level of Student-----→</b>		
	<b>Lower Division</b>	<b>Upper Division</b>	<b>Graduate</b>
Group 1	884	624	265
Group 2	794	693	429
Group 3	627	512	227
Group 4	1888	-----	-----
Group 5	-----	-----	253

*Notes:* The figures represent targeted credit hours produced per faculty member. Group 1 = Law, Letters, Library Science, Psychology, and Social Sciences. Group 2 = Business, Communications, Education, Mathematics, Public Affairs, and Interdisciplinary Studies. Group 3 = Agriculture, Architecture, Biological Sciences, Computer Science, Engineering, Fine and Applied Arts, Foreign Languages, Health Professions, Physical Sciences and Technologies. Group 4 = Learning Support Programs. Group 5 = Medicine, Dentistry, and Veterinary Medicine.

The following table (Table 26) shows how the dollar totals for faculty salaries were computed for the state of Georgia for 2008:

**Table 26: Calculations Used in Georgia’s Higher Education Funding Formula for Instruction, 2008**

**A. ACADEMIC POSITIONS REQUIRED**

Program	Semester Credit Hours			÷	Instructional Productivity			=	Academic Positions			
	Lower	Upper	Graduate		Lower	Upper	Graduate		Lower	Upper	Graduate	Total
Group 1	1,460,725	350,495	113,398		884	624	265		1,652	562	428	2,642
Group 2	1,060,001	764,764	331,095		794	693	429		1,335	1,104	772	3,211
Group 3	1,270,552	531,652	310,673		627	512	227		2,026	1,038	1,369	4,433
Group 4	287,441				1,888				152	0	0	152
Group 5			125,366				253		0	0	496	496
TOTALS	4,078,719	1,646,911	880,532						5,165	2,704	3,065	10,934
		Total Credit Hours	<b>6,606,162</b>									

**B. ACADEMIC SALARIES**

Program	Academic Positions			X	Average Salary Rate	=	Academic Position Salary Amount			
	Lower	Upper	Graduate				Lower	Upper	Graduate	Total
Group 1	1,652	562	428		59,983		99,091,916	33,710,446	25,672,724	158,475,086
Group 2	1,335	1,104	772		65,039		86,827,065	71,803,056	50,210,108	208,840,229
Group 3	2,026	1,038	1,369		72,662		147,213,212	75,423,156	99,474,278	322,110,646
Group 4	152	0	0		47,147		7,166,344	0	0	7,166,344
Group 5	0	0	496		146,555		0	0	72,691,280	72,691,280
TOTALS	5,165	2,704	3,065				340,298,537	180,936,658	248,048,390	769,283,585
			10,934							

The funding formula for faculty salaries in Georgia has several desirable features. First, the formula takes into account the differences that exist in the nature of faculty work and compensation across academic disciplines. The formula sets different instructional productivity expectations for faculty depending on their academic field grouping. For example, the higher instructional productivity value at the lower division level for faculty in Group 1 (Law, Letters, Library Science, Psychology, and Social Sciences) relative to Group 3 (Agriculture, Architecture, Biological Sciences, Computer Science, Engineering, Fine and Applied Arts, Foreign Languages, Health Professions, Physical Sciences and Technologies) is consistent with the notion of smaller class sizes and added instructional expenses for undergraduate courses in science-related fields. Similarly, the state's funding formula sets higher average salaries for faculty in the sciences and medical professions than in the social sciences and learning support programs.

The main limitation of the funding formula approach used by Georgia for funding faculty salaries is that there are no distinctions made in funding based on the mission of public institutions. As shown earlier in Table 15, faculty salaries are typically higher for more research intensive institutions than they are at less research-intensive institutions. Given the differences in faculty salaries by research intensity, the use of a common average salary figure in the state's funding formula for all types of institutions works to the disadvantage of research-intensive institutions and benefits less research-intensive institutions. Similarly, the instructional productivity ratios may also vary according to the research intensiveness of institutions.

**KEY POINT:** The state's funding formula relies on the expenditure approach to funding public institutions. The formula's design imposes accountability on institutions, but does not vary funding according to institutional mission.

## **Recommendations**

Several main findings have emerged from this study of faculty compensation in the State of Georgia. They are as follows:

1. In general, faculty salaries in the majority of Georgia's public institutions are not competitive with their peer institutions. The average faculty salaries at most public institutions in Georgia are below the median salaries for their designated peer institutions. In addition, the average faculty salaries at virtually every public institution in the state are below the 75<sup>th</sup> percentiles of the ranges of average salaries for their peers.
2. The additional funding needed to bring average faculty salaries up to specific targets is relatively insensitive to whether the salary deficiency analysis takes into account pay disparities at individual ranks. However, there are several institutions for which the cost of removing salary deficiencies would differ if ranks were taken into account.
3. In general, the faculty salaries at Georgia's public institutions are not more compressed than for their respective peers, nor have they become more compressed between 1991 and 2006. However, there are several institutions that appear to have

faculty salaries that are either overly compressed or have become more compressed over time.

4. Because the state's higher education funding formula does not provide for separate funding levels by institutional mission, and the target average faculty salaries are not set with regard to compensation levels at peer institutions, the funding formula is limited in its ability to ensure that all institutions are able to pay faculty salaries that enable them to keep pace with their respective peer institutions.

The following are some specific recommendations as to how the State of Georgia can help ensure that faculty salaries in the public institutions across the state are competitive relative to peer institutions. When considering modifications to the state's higher education funding formula, it is important to keep in mind several desirable goals of higher education funding formulas. The funding formula should strive to:

- (1) distribute revenues among institutions in a fair and equitable manner;
- (2) be relatively simple to understand;
- (3) recognize the complexities of institutions of higher education with regard to mission and disciplinary mix;
- (4) use verifiable, objective data;
- (5) be immune to changes in institutional behavior that could unintentionally affect funding levels;

In particular, there are often trade-offs between these goals in that changes that improve one goal may harm progress towards other goals. For example, as funding formulas are modified to recognize differences across institutions (goal 3), the formula usually becomes more complicated

and hence difficult for state policy makers and educational administrators and stakeholders to understand (goal 2).

*Recommendation 1: Expand the funding formula so that each public institution in the State of Georgia has its own average faculty salary target.*

Because each institution has its own unique set of peer institutions, and faculty salaries typically vary according to the mission of the institution, the funding formula should be expanded to allow each institution to have its own average faculty salary target. In this way, each institution would have its unique goal with regard to faculty salaries. A single average salary target should also be used for each institution rather than have separate average salary targets by rank. This recommendation follows from the fact that the overall cost differences of raising faculty salaries to their peers was not greatly affected by using separate targets for each rank, and thus the added complexity of doing so would outweigh the minimal gains. Likewise, the use of a single salary target would preserve institutional flexibility on how to compensate faculty by rank and how to staff their institutions with faculty at different ranks.

*Recommendation 2: Set the average faculty salary target for each institution equal to the maximum of the currently-used average faculty salary and the target salary for peer institutions, with an appropriate adjustment for inflation.*

The state could begin by bringing the average faculty salaries at all public institutions up to the medians for their respective peer groups, and then attempt to reach a more aggressive goal such as the 75<sup>th</sup> percentiles of the average salary ranges for peers. Used in this way, the funding formula would become a hybrid between the expenditure-based approach and the peer approach to funding. Because some institutions already have average faculty salaries that exceed the medians for their peers, a “hold harmless provision” should be introduced to ensure that these institutions are not unfairly penalized by the change in the funding formula. This can be accomplished by letting the average faculty salary target be the maximum of the currently-used average salary level and the median salary level for peers. The average faculty salary targets also need to be adjusted annually for inflation because of the two-year time lag between when the median of average faculty salaries for peers can be calculated and when funding is distributed to public institutions. The average faculty salary targets should be recalculated every year or every second year so that changes in the market can be routinely incorporated into the state’s funding formula.

*Recommendation 3: Continue the use of separate credit hours produced by discipline group to identify the number of faculty positions needed by each institution, but use only one average faculty salary number of each institution rather than having separate figures for each discipline group.*

The practice of separating credit hours produced into five disciplinary categories and three levels of students is appropriate for allowing the number of faculty positions needed to vary according to the disciplinary and student mixes at each institution. However, the use of separate faculty salary targets for each disciplinary mix is not needed in the state's funding formula because these differences will already be reflected in the overall average salary for faculty at the institution. This change will help simplify the state's funding formula without a substantial loss in accuracy.

*Recommendation 4: Conduct a thorough review of the instructional productivity ratios currently used in the state's funding formula.*

The instructional productivity ratios are a critical component in Georgia's funding formula for identifying how many faculty positions should be needed by each institution given the student credit hours that they produced. It is therefore crucial that these ratios represent efficient, and yet attainable, credit hour ratios per faculty member that would allow each

institution to be competitive with their peer institutions in salaries and have incentives to be efficient in the delivery of services.

The first step in the review should be to reexamine the ratios used for each of the five disciplinary groups and three levels of students and determine if they are appropriate for all types of institutions or whether separate ratios should also be developed for institutions with different missions. It is possible that the productivity ratios for each disciplinary group for undergraduate students, for example, should differ depending on the research intensity of the institutions and the size of the institution because of differences in class structures and reliance on graduate students and non-tenure eligible faculty to teach specific courses. A determination could then be made as to whether any such differences would be large enough to justify the use of separate faculty productivity ratios by institution mission and size. The five groupings of fields should also be reexamined to determine if they are the best groupings for the purpose of identifying expected faculty productivity within the groups.

The second step in the review should be to identify how the faculty productivity ratios used in the state's funding formula compare to the actual productivity ratios for each of the public institutions in the state. When the actual productivity ratios are lower than the ratios used in the funding formula, the ratios could be modified when rationales are presented that would justify a lower ratio.

Alternatively, when such justifications for lower instructional productivity ratios are not applicable, strategies should be identified to increase the ratios at specific institutions up to the expectations of the state. Some of the strategies that might be considered for raising the productivity ratios at an institution up to the state standards include: (1) increases in the minimum class sizes at institutions, (2) restructuring classes to take better advantage of

economies of scale, (3) reexamining the policies in place at institutions regarding teaching loads for faculty, and (4) expanded use of non-tenure eligible instructors (such as graduate students, clinical faculty, and/or adjunct faculty) in specific classes or academic programs. It is important to note, however, that while the expanded use of non-tenure eligible faculty for instructional purposes would free up dollars to be used to help institutions meet salary targets for tenure-eligible faculty, it is possible that the changes could have negative effects (real or perceived) on the quality of instruction at the institution. For example, an increased reliance on non-tenure eligible faculty may lead to reductions in the amount of research produced by an institution and less involvement and interactions with students. Institutions would need to carefully consider whether any of the possible strategies shown here are consistent with the mission and goals of the institution.

*Recommendation 5: Work with the public institutions in the state to identify appropriate sets of peer institutions for use in the state's funding formula.*

If the state's funding formula is modified to determine funding, in part, based on the salary levels at competing institutions, then the institutions chosen to be used as peers for each of Georgia's public institutions become very important. The state would need to play a large role in selecting peer institutions to protect against the possibility of public institutions choosing peers with higher average faculty salaries to help secure more state funding.

The selection of peer institutions can be a very difficult exercise. Institutions compete with each other for students, faculty, and financial resources, and may have different peers for each of these purposes. As used in the state's funding formula, the peers should include those

institutions that each public institution in Georgia competes against the most for attracting and retaining faculty. Identifying these sets of institutions, however, can be very challenging because data are not available on where faculty are hired from and where departing faculty go after they leave an institution.

A further complication is that for each of these purposes, some peers may be selected because they are viewed as being “similar” to the institution in question, while others may be chosen as peers because they are more “aspirational.” The mix of institutions that are considered to be similar and aspirational is very important because peer sets containing more aspirational peers will, in general, have higher average faculty salary targets and hence would require more funding from the state to reach their targeted salary. There is no firm guideline that can be used to determine the optimal mix of similar and aspirational peers that should be included in an institution’s peer set.

Given these complications, it is recommended that the state identify several specific criteria that will be used to determine the initial set of comparator institutions for each of Georgia’s public institutions. These criteria should include the mission of the institution, as represented by the highest degree offered (doctorate, masters, bachelor, associate) and the research intensity of the institution. Data can be used on the total amount of research funding secured by institutions, or publications produced by faculty, or the relative emphasis on research at each institution. Both criteria – highest degree offered and research intensity – would clearly have an impact on the types of faculty that would be hired by institutions and hence would be relevant for the selection of peers. The size of the institution, as represented by the number of faculty, is a third criteria that would be useful for identifying potential peer institutions for each of Georgia’s public institutions. Finally, data on degrees awarded by disciplinary categories



