**Faculty Compensation Model**

**Goal:** To have Faculty salaries at 85% plus 1% for every year at rank up to 10 years for a goal of 95% of market value. 5% is taken into account for our benefit package for a total of 100%. Another goal is to provide an opportunity for faculty to receive merit awards. The annual funds provided by the Legislature for compensation will be dispersed in two components (across the board and market/equity) as outlined below:

1. **Across the Board (83.33% of annual increase)**
   Everyone will receive the same annual increase percent.

2. **Market/Equity (16.67% of annual increase)**
   To determine the amount given for market/equity, the percentage of the total dollar amount needed for all to be at market is figured using CUPA and Job Service data. For example, if it takes $100,000 to get everyone to market and someone is $5,000 behind their market value, then they need 5% of the total dollars. This person would receive 5% of the market/equity funds.

Example of allocation with a 4% Legislative increase:

<table>
<thead>
<tr>
<th>Faculty</th>
<th>Percent of Annual Increase</th>
<th>Percent of Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Across the Board</td>
<td>83.33%</td>
<td>3.33%</td>
</tr>
<tr>
<td>Market/Equity</td>
<td>16.67%</td>
<td>0.67%</td>
</tr>
</tbody>
</table>

**Staff & Coaches Compensation Model**

**Goal:** To have Staff & Coaches’ salaries at 80% plus 0.75% for every year in position up to twenty years for a goal of 95% of market value. 5% is taken into account for our benefit package for a total of 100%. Another goal is to provide compensation based on performance. The annual funds provided by the Legislature for compensation will be dispersed in three components (across the board, market/equity and merit) as outlined below:

1. **Across the Board (50% of annual increase)**
   Everyone will receive the same annual increase percent.

2. **Market/Equity (15% of annual increase)**
   To determine the amount given for market/equity, the percentage of the total dollar amount needed for all to be at market is figured using CUPA and Job Service data. For example, if it takes $100,000 to get everyone to market and someone is $5,000 behind their market value, then they need 5% of the total dollars. This person would receive 5% of the market/equity funds.

3. **Merit (35% of annual increase)**
   Each Department Head will receive funds based on their department’s total salaries. They will then determine how much each person in their department will receive. The funds cannot be divided equally without presidential approval; performance reviews will aid in this process.

Example of allocation with a 4% Legislative increase:

<table>
<thead>
<tr>
<th>Staff and Coaches</th>
<th>Percent of Annual Increase</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Across the Board</td>
<td>50%</td>
<td>2%</td>
</tr>
<tr>
<td>Market/Equity</td>
<td>15%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Merit</td>
<td>35%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

*If the annual percentage increase given is less than 3% then everyone will receive an equal across the board percentage increase and the Compensation Model will not be used.*
Additional Compensation
Not Included in the Model

Faculty
$2,000 from institutional funds will be set aside for merit awards. A committee will determine who receives them. For example, four people may receive a one-time $500 award. In addition, compensation is also given for degree completion, professional certification (approval needed to qualify) and changes in rank.

Staff & Coaches
$2,000 from institutional funds will be set aside for the Staff Member of the Quarter Awards. Each awardee will receive $500. In addition, compensation is also given for degree completion and professional certification (approval needed to qualify).

Compensation Model

The primary purpose of the salary administration process at Valley City State University is to further the institution's mission by attracting and retaining qualified employees.

This model is in compliance with SBHE Policy 702.4 Campus Administration of Salary Increase Funds.