

**THE STATE BOARD OF COMMUNITY COLLEGES**

**Faculty Salary Report**



**Presentation to the Education Oversight Committee**

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## **COST TO ACHIEVE COMPOSITE AVERAGE FACULTY SALARY**

### **RATIONALE AND ASSUMPTIONS**

- Enrollment growth rates are the same growth rates used in the \$600M Higher Education Facilities Bonds model
- Faculty growth projection assumes the ratio of 15.87
- Benefits included are FICA at 7.65% and Retirement at 8.01%
  - Health insurance is provided for by regular enrollment growth funding and has NOT been included in this projection
- Average Composite Salary Target is projected at 4.5% per year over 5 years
- NCCCS Average Salary must grow approximately 8.5% per year to achieve the target by Year 5
- This analysis assumes normal legislative increases of 4.5% per year
- ***THESE PROJECTIONS REPRESENT ADDITIONAL FUNDING REQUIRED, OVER AND ABOVE NORMAL LEGISLATIVE INCREASES***

# NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

## Analysis of Enrollment Growth on the Number of Faculty

Enrollment and Faculty Growth Projections	Year 1	Year 2	Year 3	Year 4	Year 5
Enrollment Growth Rate	2.99%	3.88%	3.14%	3.29%	3.48%
Total Curriculum FTE Growth	119,762	124,409	128,315	132,537	137,149
<b>Additional Curriculum FTE per year</b>	<b>3,477</b>	<b>4,647</b>	<b>3,906</b>	<b>4,222</b>	<b>4,612</b>
<b>Additional Faculty Required by Enrollment Growth</b>	<b>219</b>	<b>293</b>	<b>246</b>	<b>266</b>	<b>291</b>

**Assumptions:**

The enrollment growth rates are based on the construction model growth rates for Curriculum FTE and represent the same growth rates used to establish the need for the \$600M Higher Education Facilities Bonds. The faculty growth projection assumes the current ratio of 15.87.



## **Cost to Obtain National Average**

# NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

## Analysis of Average Salary Growth

Benchmark	Year 1	Year 2	Year 3	Year 4	Year 5
Average Composite Salary Target	\$ 43,587	\$ 45,548	\$ 47,598	\$ 49,740	\$ 51,978
NCCCS Actual Average	\$ 36,205	\$ 39,282	\$ 42,621	\$ 46,244	\$ 50,175
Difference Between Target and Actual	\$ 7,382	\$ 6,266	\$ 4,977	\$ 3,496	\$ 1,803
<b>Additional Funding Required per Faculty to Achieve Average Composite Salary Target</b>	<b>\$ 1,116</b>	<b>\$ 1,289</b>	<b>\$ 1,481</b>	<b>\$ 1,692</b>	<b>\$ 1,803</b>

**THESE PROJECTIONS REPRESENT ADDITIONAL FUNDING REQUIRED, OVER AND ABOVE THE LEGISLATIVE INCREASE**

**Assumptions:**

The average composite salary benchmark growth rate is 4.5% per year.

NCCCS Average Salary must grow approximately 8.5% per year to achieve the target by Year 5.

## NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

### Cost per Year to Achieve Composite Average Faculty Salary including Faculty Growth Projections and Phased Implementation

	Year 1	Year 2	Year 3	Year 4	Year 5
Additional Faculty/Enrollment Growth Cost	\$ 244,504	\$ 377,517	\$ 364,528	\$ 450,210	\$ 523,992
Returning Faculty Cost to Maintain Average	\$ 7,123,492	\$ 8,512,253	\$ 10,210,693	\$ 12,085,935	\$ 13,354,630
<b>COST TO ACHIEVE TARGET</b>	<b>\$ 7,367,996</b>	<b>\$ 8,889,770</b>	<b>\$ 10,575,221</b>	<b>\$ 12,536,145</b>	<b>\$ 13,878,622</b>
<b>PLUS BENEFITS @ 15.66%</b>	<b>\$ 1,153,828</b>	<b>\$ 1,392,138</b>	<b>\$ 1,656,080</b>	<b>\$ 1,963,160</b>	<b>\$ 2,173,392</b>
<b>TOTAL COST PER YEAR</b>	<b>\$ 8,521,824</b>	<b>\$ 10,281,908</b>	<b>\$ 12,231,301</b>	<b>\$ 14,499,306</b>	<b>\$ 16,052,015</b>

**THESE PROJECTIONS REPRESENT ADDITIONAL FUNDING REQUIRED, OVER AND ABOVE REGULAR ENROLLMENT GROWTH**

**Assumptions:**

Benefits are included are FICA at 7.65% and Retirement at 8.01%  
Health insurance is provided for by regular enrollment growth funding and is NOT included in this analysis

# NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Cost to Achieve Composite Average Faculty Salary  
including Faculty Growth Projections and Phased Implementation

	Year 1	Year 2	Year 3	Year 4	Year 5
Additional Faculty/Enrollment Growth Cost	\$ 244,504	\$ 622,021	\$ 986,550	\$ 1,436,760	\$ 1,960,752
Existing Faculty Cost	\$ 7,123,492	\$ 15,635,745	\$ 25,846,438	\$ 37,932,373	\$ 51,287,002
<b>COST TO ACHIEVE TARGET</b>	<b>\$ 7,367,996</b>	<b>\$ 16,257,766</b>	<b>\$ 26,832,987</b>	<b>\$ 39,369,133</b>	<b>\$ 53,247,755</b>
<b>PLUS BENEFITS @ 15.66%</b>	<b>\$ 1,153,828</b>	<b>\$ 2,545,966</b>	<b>\$ 4,202,046</b>	<b>\$ 6,165,206</b>	<b>\$ 8,338,598</b>
<b>TOTAL COST</b>	<b>\$ 8,521,824</b>	<b>\$ 18,803,732</b>	<b>\$ 31,035,033</b>	<b>\$ 45,534,339</b>	<b>\$ 61,586,353</b>

**FACULTY SALARY STUDY ORIGINAL COST PLUS BENEFITS**

\$ 54,496,462

**PHASED IMPLEMENTATION ADDITIONAL COST**

\$ 7,089,891

*THESE PROJECTIONS REPRESENT ADDITIONAL FUNDING REQUIRED, OVER AND ABOVE THE LEGISLATIVE INCREASE*

Assumptions:

Benefits are included are FICA at 7.65% and Retirement at 8.01%

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2000FacultySalaryStudy  
Average Target Total



# **Cost to Obtain National Median**



# NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

## Analysis of Median Salary Growth

	Benchmark	Year 1	Year 2	Year 3	Year 4	Year 5
Median Composite Salary Target	\$ 42,675	\$ 44,595	\$ 46,602	\$ 48,699	\$ 50,891	\$ 53,181
NCCCS Actual Average	\$ 36,205	\$ 39,101	\$ 42,230	\$ 45,608	\$ 49,257	\$ 53,181
Difference Between Target and Actual	\$ 6,470	\$ 5,494	\$ 4,373	\$ 3,091	\$ 1,634	\$ 0
<b>Additional Funding Required per Faculty to Achieve Median Composite Salary Target</b>		\$ 976	\$ 1,121	\$ 1,281	\$ 1,457	\$ 1,634

**THESE PROJECTIONS REPRESENT ADDITIONAL FUNDING REQUIRED, OVER AND ABOVE THE LEGISLATIVE INCREASE**

**Assumptions:**

The median composite salary benchmark growth rate is 4.5% per year.

NCCCS Median Salary must grow approximately 8.5% per year to achieve the target by Year 5.

# NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

## Cost per Year to Achieve Composite Median Faculty Salary including Faculty Growth Projections and Phased Implementation

	Year 1	Year 2	Year 3	Year 4	Year 5
Additional Faculty/Enrollment Growth Cost	\$ 213,835	\$ 328,324	\$ 315,386	\$ 387,619	\$ 475,008
Returning Faculty Cost to Maintain Average	\$ 6,229,968	\$ 7,403,054	\$ 8,834,170	\$ 10,405,661	\$ 12,106,189
<b>COST TO ACHIEVE TARGET</b>	<b>\$ 6,443,803</b>	<b>\$ 7,731,378</b>	<b>\$ 9,149,555</b>	<b>\$ 10,793,280</b>	<b>\$ 12,581,197</b>
<b>PLUS BENEFITS @ 15.66%</b>	<b>\$ 1,009,099</b>	<b>\$ 1,210,734</b>	<b>\$ 1,432,820</b>	<b>\$ 1,690,228</b>	<b>\$ 1,970,215</b>
<b>TOTAL COST PER YEAR</b>	<b>\$ 7,452,902</b>	<b>\$ 8,942,112</b>	<b>\$ 10,582,376</b>	<b>\$ 12,483,507</b>	<b>\$ 14,551,413</b>

**THESE PROJECTIONS REPRESENT ADDITIONAL FUNDING REQUIRED, OVER AND ABOVE REGULAR ENROLLMENT GROWTH**

**Assumptions:**

Benefits are included are FICA at 7.65% and Retirement at 8.01%  
Health insurance is provided for by regular enrollment growth funding and is NOT included in this analysis

# NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

## Cost to Achieve Composite Median Faculty Salary including Faculty Growth Projections and Phased Implementation

	Year 1	Year 2	Year 3	Year 4	Year 5
Additional Faculty/Enrollment Growth Cost	\$ 213,835	\$ 542,159	\$ 857,545	\$ 1,245,164	\$ 1,720,172
Existing Faculty Cost	\$ 6,229,968	\$ 13,633,021	\$ 22,467,191	\$ 32,872,852	\$ 44,979,041
<b>COST TO ACHIEVE TARGET</b>	<b>\$ 6,443,803</b>	<b>\$ 14,175,181</b>	<b>\$ 23,324,736</b>	<b>\$ 34,118,016</b>	<b>\$ 46,699,213</b>
<b>PLUS BENEFITS @ 15.66%</b>	<b>\$ 1,009,099</b>	<b>\$ 2,219,833</b>	<b>\$ 3,652,654</b>	<b>\$ 5,342,881</b>	<b>\$ 7,313,097</b>
<b>TOTAL COST</b>	<b>\$ 7,452,902</b>	<b>\$ 16,395,014</b>	<b>\$ 26,977,390</b>	<b>\$ 39,460,897</b>	<b>\$ 54,012,310</b>

### FACULTY SALARY STUDY ORIGINAL COST PLUS BENEFITS

\$ 47,766,435

### PHASED IMPLEMENTATION ADDITIONAL COST

\$ 6,245,875

*THESE PROJECTIONS REPRESENT ADDITIONAL FUNDING REQUIRED, OVER AND ABOVE THE LEGISLATIVE INCREASE*

Assumptions:

Benefits are included are FICA at 7.65% and Retirement at 8.01%

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2000FacultySalaryStudy  
Median Target Total



## **Average Benefits Comparison**

# NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

## Average Benefits as a Percent of Total Compensation

State	Selected Benefits	Average Salary	Total Average Compensation	Percent of Total	Rank
Alabama	\$ 9,777	\$ 43,296	\$ 53,073	18.4%	7
* Arizona	8,677	53,686	62,363	13.9%	15
Arkansas	6,714	35,801	42,515	15.8%	14
Delaware	13,255	47,954	61,209	21.7%	1
Florida	10,886	44,226	55,112	19.8%	3
Georgia	11,888	44,709	56,597	21.0%	2
* Illinois	2,552	52,888	55,440	4.6%	19
* Iowa	7,670	38,413	46,083	16.6%	12
Kentucky	5,980	40,316	46,296	12.9%	16
* Minnesota	10,232	47,592	57,824	17.7%	9
Mississippi	5,348	40,824	46,172	11.6%	17
* Ohio	10,382	47,267	57,649	18.0%	8
South Carolina	8,813	37,007	45,820	19.2%	4
Tennessee	7,156	37,102	44,258	16.2%	13
Texas	5,448	42,399	47,847	11.4%	18
Virginia	9,956	43,989	53,945	18.5%	6
* Washington	8,495	42,329	50,824	16.7%	11
* Wisconsin	12,663	53,273	65,936	19.2%	5
North Carolina	\$ 7,725	\$ 36,205	\$ 43,930	17.6%	10
Peer Average	\$ 8,661	\$ 44,060	\$ 52,720	16.4%	

\* Systems outside the Southern Regional Education Board (SREB)

Source: 1999-2000 IPEDS Faculty Salary Survey.