# South Carolina
# Commission on Higher Education

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ACAP
Agenda Item 1
12/04/08

December 4, 2008

**MEMORANDUM**

**To:** Dr. Bettie Rose Horne, Chair, and Members, Committee on Academic Affairs and Licensing

**From:** Dr. Gail M. Morrison, Director of Academic Affairs and Licensing

## Consideration of Nursing Salary Allocation

### Background

The Critical Needs in Nursing Initiative Act (CNNIA) provides for $869,475 (reduced from $1 million as a result of the mid-year budget reductions, and exclusive of the Governor's request of 11/24/08 to sequester additional appropriated funds by state agencies) to be distributed to accredited associate and baccalaureate nursing degree programs in South Carolina's public institutions of higher education for the fiscal year 2008-2009. This year is the second in which an allocation is being made to bring nursing faculty salaries "within the average for the geographic area in which the State of South Carolina competes for nursing faculty."

Last year the distribution was carried out using a one-time only formula based solely upon the number of FTE faculty positions at the eligible public institutions in order to expedite the distribution of funds. However, because of the way that Proviso 5A.27 of the 2007-2008 Appropriations Act had been written, the Budget Office of the Budget and Control Board directed that the funds be provided to existing faculty as bonuses rather than as permanent adjustments to faculty base salaries. As a result, for fiscal year 2008-2009, CHE sought and received legislative authorization through an amendment to the previous year's proviso, so that funds appropriated for nursing faculty salary enhancement could be added by the administrations of the affected public institutions to the base salaries of nursing faculty members.

## Two Rank-and-Sector Distribution Models

Over the past year, staff developed two different models for potential distribution of CNNIA funds for 2008-2009. The first model (hereafter referred to as the "national peer model") calculated the average nursing faculty salaries by rank and sector based upon institutional peer data and determined the amount needed to reach the rank/sector averages appropriate to each institution. The second model (hereafter referred to as the "state model") considered the actual salaries of existing faculty and calculated an equal percentage by which each salary could be increased given the limitations of the funding provided.

The national peer model was first presented by staff on December 18, 2007, to the Deans and Directors. At that time the Deans and Directors were advancing a fixed increase model that would have raised each faculty member's salary by $15,000, regardless of rank or sector. This amount was selected arbitrarily and was used to request $6 million from the General Assembly for nursing faculty salaries. Staff did not support the Deans and Directors' model because of the absence of any parameters to determine need or measure attainment of an appropriate level of support. The Deans and Directors did not accept at that time the national peer model presented by staff. Thus, the state model was offered as a compromise to the FTE model which had been used in Year 1. Staff of the Commission, however, continued to prefer the national peer model since it more accurately reflected conditions under which institutions compete for faculty at various ranks. The national peer model also adjusted funding for the level at which each institution is currently meeting their individual salary needs.

After analysis of updated data which was provided by the CHE staff, the Deans and Directors at their meeting of August 26, 2008, voted to support the national peer model as the basis for distributing funds appropriated by the General Assembly under the Critical Nursing Needs Initiative Act for 2008-2009. On October 9, 2008, at the regularly scheduled meeting of the Advisory Committee on Academic Programs (ACAP), the national peer model was again approved, albeit narrowly. Subsequent to that meeting, one of the ACAP members who had not sustained the approval now indicates support for the national peer model because of additional information which was requested. That additional information included the following:

- ***Target salaries for each sector and rank****:
    - Research Sector:
        - Professor=$103,766
        - Associate Professor=$78,761
        - Assistant Professor=$64,349
        - Instructor/Lecturer=$ $60,673
    - Comprehensive Teaching Sector
        - Professor=$75,326

- Associate Professor=$66,349
- Assistant Professor=$54,708
- Instructor/Lecturer=$50,348

o Technical College (unranked)=$57,683

*These salaries are based on a Fall 2006 survey of peer institutions for each sector except the Technical College Sector which is based on data from the *Chronicle of Higher Education.*

- ***Institutions with salaries lower than the rank/sector average salaries receive more funding under the national peer model, so that all institutions will reach the average level at the same time.***

- ***Allocations are rank and sector specific. Thus, once an allocation for a given rank reaches the peer average or "target," that rank will receive no more funding. Available funding will be used to remove gaps for other ranks. Since the Technical Colleges' faculty are non-ranked, for an institution to meet the national peer model salary automatically means the targeted average salary for all nursing faculty in that institution will have been reached.***

- ***The fundamental principle recommending the national peer model is that it takes into account rank and sector. As such, it is more sensitive to real world competition for recruitment to and retention of faculty, as recognized by professional preparation and professional expectations.***

*As Table 1 shows, before the distribution of this year's funds $2.69 million is required to meet the average salary benchmark for the state's public nursing programs under the legislation. With the infusion of the $869,475 under consideration for distribution during 2008-2009, that figure will have been reduced to $1.8 million needed in future funding.* The Critical Needs in Nursing Initiative Act states that once the average for the geographical area in which South Carolina's institutions compete for faculty has been attained, appropriated funds shall be used for addressing other elements contained in the legislation. The next priority stipulated in the statute is recruitment of additional faculty members to promote program expansion.

In addition, the General Assembly is to provide $1 million from unclaimed lottery prize money (if those funds exist in the Spring 2009) to be distributed to public institutions with nursing programs to support simulation and technology. Thus, in the near future an expenditure plan, which is developed by the Commission staff, the Advisory Committee on Academic Programs, and the Deans and Directors of Nursing Education and approved by the Commission on Higher Education, needs to be ready for implementation when this prize money becomes available later this fiscal year.

## Recommendation

Staff recommends that the Committee on Academic Affairs and Licensing commend favorably to the Commission approval of the "national peer model" distribution methodology as presented in *Attachment 1* for the period of 2008-2009.

Attachment

Attachment 1

| FY 2008-09 Allocation of Funds Provided In Support of the South Carolina Critical Needs Nursing Initiative Act. | | | | | | | Funding Needed to Meet Peer Average | Percent of Need Addressed Using Peer Model |
|---|---|---|---|---|---|---|---|---|
| | | Allocation per Rank | | | | | | |
| Institution | Fall 2007 Total Headcount | Professor | Assoc. Prof. | Asst. Prof | Instructor | FY 2008-09 Allocation (Peer Based) | | |
| Clemson University* | 25 | $14,778 | $15,534 | $7,220 | $47,616 | 85,148 | 263,524 | 32.3% |
| U. S. C. - Columbia | 40 | 0 | 69,735 | 55,944 | 18,059 | 143,738 | 444,856 | 32.3% |
| Medical University of South Carolina | 33 | 18,987 | 33,017 | 23,252 | 26,999 | 102,256 | 316,474 | 32.3% |
| Francis Marion University | 9 | 0 | 0 | 0 | 5,687 | 5,687 | 17,600 | 32.3% |
| Lander University ** | 9 | 6,404 | 6,433 | 1,638 | 5,243 | 19,719 | 61,029 | 32.3% |
| South Carolina State University | 4 | 0 | 2,455 | 0 | 291 | 2,745 | 8,497 | 32.3% |
| U.S.C. - Aiken | 15 | 8,830 | 0 | 1,172 | 3,048 | 13,050 | 40,387 | 32.3% |
| U. S. C. - Beaufort *** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| U. S. C. - Upstate | 40 | 2,889 | 11,617 | 0 | 22,520 | 37,025 | 114,590 | 32.3% |
| U.S.C. - Lancaster | 1 | 0 | 0 | 0 | 3,449 | 3,449 | 10,673 | 32.3% |
| Aiken Tech | 9 | | | | | 13,619 | 42,149 | 32.3% |
| Central Carolina Tech | 11 | | | | | 26,611 | 82,360 | 32.3% |
| Florence-Darlington Tech | 14 | | | | | 31,680 | 98,045 | 32.3% |
| Greenville Tech | 51 | | | | | 77,289 | 239,202 | 32.3% |
| Horry-Georgetown Tech | 15 | | | | | 25,189 | 77,959 | 32.3% |
| Midlands Tech | 30 | | | | | 73,555 | 227,647 | 32.3% |
| Orangeburg-Calhoun Tech | 11 | | | | | 25,023 | 77,443 | 32.3% |
| Piedmont Tech | 16 | | | | | 56,011 | 173,348 | 32.3% |
| Spartanburg Community College *** | 10 | | | | | 0 | 0 | N/A |
| Technical College of The Lowcountry | 11 | | | | | 21,365 | 66,124 | 32.3% |
| Tri-County Tech | 16 | | | | | 42,342 | 131,044 | 32.3% |
| Trident Tech | 31 | | | | | 53,300 | 164,958 | 32.3% |
| York Tech | 13 | | | | | 10,674 | 33,035 | 32.3% |
| Total Technical Colleges | 238 | | | | | 456,658 | 1,413,313 | 32.3% |
| Grand Total | 414 | $51,889 | $138,791 | $89,226 | $132,911 | $869,475 | $2,690,943 | 32.3% |

Notes:

* Allocation for 2008-09 includes 11 full-time faculty classified as Lecturers.

** Included in the terms of contract for 9 month is 1 faculty member holding a 6 month contract.

*** Programs at USC Beaufort and Spartanburg CC are not yet fully accredited and are not eligible to participate per 59-110-40(A)