



MONTANA UNIVERSITY SYSTEM
Office of the Commissioner of Higher Education

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Compensation Study
Report to Board of Regents
Budget Committee
September 2004

The design, scope and objectives of the compensation study requested by the Board of Regents were defined at the March 2004 Regent Budget Committee meeting. Subsequently, staff from The University of Montana-Missoula, Montana State University-Bozeman, and the Office of the Commissioner of Higher Education gathered and analyzed data. The results follow.

I. SALARY AND BENEFITS SURVEYS

A. DATA SOURCES:

1. Faculty Salaries

Salary data, categorized by Carnegie Classification, from the *National Faculty Salary Survey by Discipline in Public Four-Year Colleges and Universities* was examined for all four-year campuses. The *Community College Faculty Salary Survey* was utilized for colleges of technology. Both surveys are conducted and published by the College and University Professional Association-Human Resources (CUPA-HR).

Carnegie classifications used for comparison purposes are:

- The University of Montana-Missoula and Montana State University-Bozeman – *Public Doctoral/Research Universities-Intensive*.
- Montana State University-Billings – *Public Master's (Comprehensive) Colleges and Universities I*.
- Montana State University-Northern – *Public Master's (Comprehensive) Colleges and Universities II*.
- The University of Montana-Western – *Public Baccalaureate Colleges-General*.
- Montana Tech of The University of Montana – *Public Doctoral/Research Universities-Intensive* for engineering and computer science disciplines; *Public Master's (Comprehensive) Colleges and Universities I* for all other disciplines.

Current Carnegie category definitions are attached as Appendix A. The Carnegie Classification was revised in 2000 as an interim step toward a major revision that will be completed in 2005. The 2005 revision is expected to define more subtle variances among institutions. While a set of peer institutions different from those defined by Carnegie Classification could be used, the Carnegie Classification is a customary method of identifying comparator institutions throughout the nation. Therefore, this report is based on Carnegie definitions in their current form.

2. Administrative and Professional Salaries

Administrative and professional salary comparisons were gathered from the CUPA-HR *Administrative Compensation Survey*. Carnegie Classification categories identified in A.1. of this report are used for comparison purposes.

3. Classified Salaries

The *Montana Occupational and Employment Statistics Survey* was evaluated to compare classified salaries. The survey is conducted by the U.S. Department of Labor, Bureau of Labor Statistics and encompasses over 700 job titles. Approximately 395,000 employees in Montana are included in the survey data.

4. Benefits

The *2002 CUPA-HR Comprehensive Survey of College and University Benefits Programs* and, in some instances, the *State of Montana 2002 Total Compensation Survey of Montana Employers* provided data for comparison with Montana University System benefits programs. This is the first benefits survey conducted by CUPA-HR.

Responding to the survey were 392 participants (599 individual institutions). Of the respondents, 36 percent are public institutions; 36 percent are private, non-religious institutions; and 28 percent are private, religious institutions. All survey data is in aggregate form; no differentiation is made among types of institutions.

B. CAMPUS SALARY DATA

The following data provides a general indication of the relationship of campus salaries to national comparator data. Results are dependent on a number of factors not readily apparent. Some factors affecting the outcome include: academic disciplines on individual campuses, employees' average length of employment, and the combination and numbers of positions on each campus.

For example, the Helena College of Technology appears to be the furthest behind (64 percent) other campuses in salaries paid to administrative staff. However, the percentage alone is inadequate to assume that Helena College of Technology administrative salaries are insufficient. This particular percentage results from a small number of positions (11) at Helena CoT that have relatively high CUPA-HR average salaries, along with the fact that the average length of employment for Helena CoT administrators is less than one year. In comparison, there is a wider range of CUPA-HR salaries among UM-Western positions. The specific mix of positions contributes to the overall CUPA-HR average and causes UM-Western salaries to appear more competitive than Helena CoT salaries if the percentage alone is used as the basis for decision-making.

**TABLE 1A
FACULTY SALARY COMPARISON**

Faculty data is matched and weighted on the basis of discipline and rank.

Campus	Campus Average Salary	Campus Employees W/CUPA-HR Matches	CUPA-HR Average Salary	CUPA-HR Respondent Employees	Campus Percentage of CUPA-HR Average
UM-Missoula	56,431	451	60,286	15,216	94%
MSU-Bozeman	59,253	401	65,184	12,527	91%
MSU-Billings	49,049	128	56,758	2,920	86%
MSU-Northern	42,329	76	50,934	581	83%
UM-Western	42,939	48	51,127	1,445	84%
MT Tech (<i>Engr</i>)	58,129	43	77,540	497	75%
MT Tech (<i>Non-Eng</i>)	50,178	55	57,130	19,561	88%
MSU CoT-Great Falls	37,000	40	46,328	809	80%
UM-Helena CoT	37,371	31	45,674	732	82%
UM-Msla CoT	40,802	41	44,666	460	91%
MT Tech CoT	40,265	13	45,672	579	88%
MSU-Billings CoT	37,914	28	45,056	595	84%

**TABLE 1B
ADMINISTRATIVE / PROFESSIONAL SALARY COMPARISONS**

Campus	Campus Average Salary	Campus Employees W/CUPA-HR Matches	CUPA-HR Average Salary	CUPA-HR Respondent Employees	Campus Percentage of CUPA-HR Average
UM-Missoula	76,828	72	87,348	1,998	88%
MSU-Bozeman	80,947	65	89,319	1,990	91%
MSU-Billings	71,296	28	84,416	2,817	84%
MSU-Northern	67,915	15	88,866	1,575	76%
UM-Western	57,942	17	77,616	231	75%
Montana Tech	50,937	32	75,796	2,216	67%
MSU CoT-Great Falls	52,421	14	78,709	2,047	67%
UM-Helena CoT	53,577	11	84,008	1,481	64%

- Billings, Butte, and Missoula Colleges of Technology are included in four-year campus averages

**TABLE 1C
CLASSIFIED STAFF SALARY COMPARISONS**

Campus	Campus Average Hourly Rate	Campus Job Titles	Campus Employees	Montana OES Average Hourly Rate	Montana OES Respondent Employees	Campus Percentage of Montana OES
UM-Missoula	12.98	145	897	14.26	124,470	91%
MSU-Bozeman	12.75	131	922	13.51	122,485	94%
MSU-Billings	12.39	50	207	14.04	79,231	88%
MSU-Northern	11.90	32	75	12.41	61,109	96%
UM-Western	12.12	30	55	12.70	67,770	95%
Montana Tech	10.94	35	95	11.30	72,150	97%
MSU-CoT Great Falls	10.93	24	41	13.06	59,330	84%
UM-Helena CoT	12.52	12	18	13.25	23,530	94%

- Billings, Butte, Missoula Colleges of Technology are included in four-year campus averages

C. BENEFITS

Direct correlations between survey data and Montana University System benefits are difficult because survey results aggregate responses from all types of institutions and benefit plan structures vary widely. Therefore, assumptions derived from survey data must be nonspecific.

1. Retirement Contribution Comparisons

Employee and Employer contribution rates to both *defined benefit* and *defined contribution* plans are illustrated. Only 145 institutions reported valid data concerning *defined benefit* plans, and 274 institutions are included in the survey results for *defined contribution* plans.

**TABLE 2A
DEFINED BENEFIT PLANS**

	CUPA-HR Survey Defined Benefit Plans Mean/Median	MUS Defined Benefit Plan (TRS)	MUS Defined Benefit Plan (PERS)
Employer Contribution (% of pay)	3.9/5.0	7.47	6.9
Employee Contribution (% of pay)	6.8/6.0	7.15	6.9

**TABLE 2B
DEFINED CONTRIBUTION PLANS**

	CUPA-HR Survey Defined Contribution Plans Mean/Median	MUS Defined Contribution Plan (ORP) Faculty/Admins.	MUS Defined Contribution Plan (ORP) Staff	MUS Defined Contribution Plan (PERS) Staff
Employer Contribution (% of pay)	7.9/8.0	4.956- <i>employee account</i> 4.04 - <i>TRS unfunded liability</i>	4.49- <i>employee account</i> 2.41- <i>PERS unfunded liability</i>	4.19 – <i>employee account</i> 2.41 <i>PERS unfunded liability</i>
Employee Contribution (% of pay)	3.7/5.0	7.044	6.9	6.9

Both the MUS employee and employer contribution to defined benefit plans are higher than survey participants.

The total MUS contribution rate to the *defined contribution* plan for faculty and administrators is higher than that contributed by survey participants. However, a clear distinction should be made in noting that only a portion of the MUS contribution is allocated to the employee's account. The remainder is allocated to the TRS and PERS unfunded liability. The MUS employee's contribution rate is higher than that identified by survey participants.

2. Paid Leave Comparisons

Montana University System vacation, sick leave, and holiday benefits are compared in Table 3 to CUPA-HR survey data and information from the Montana private sector and Montana governmental agencies.

**TABLE 3
PAID LEAVE COMPARISONS**

	CUPA-HR Executive	CUPA-HR Manager	CUPA-HR Non-manager	Montana Private Sector Manager	Montana Private Sector Non-manager	Montana Governmental Agencies	MUS Executive, Manager, Non-manager	MUS Admins. W/Academic rank (12 month)
Vacation Days 1st year	16	11	11	10 (average)	9 (average)	15	15	21
Vacation Days after 10 years	20	20	18	--	--	18	18	21
Vacation Days after 20 years	21	22	21	--	--	24	24	21
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Sick Days 1st year	17	15	15	8 (average)	7 (average)	12	12	12
Sick Days after 10 years	18	17	17	--	--	12	12	12
Sick Days after 20 years	19	17	17	--	--	12	12	12
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Holidays	12	12	12	7	7	10/11	10/11	10/11

Vacation leave granted to MUS employees over the course of their employment is greater than that available to Montana private sector employees and comparable overall to surveyed colleges and universities.

MUS sick leave accrual rates are lower than days granted by CUPA-HR survey participants. However, the majority of survey respondents limit the number of sick days allowed for carryover from year to year; MUS imposes no limit on allowable carryover. The MUS payoff rate of 25 percent is the same as the survey median payoff rate. The fact that MUS allows unlimited accruals would typically result in a higher dollar amount payoff for MUS employees.

3. Medical Insurance Plan Contributions

The Montana University System offers a typical benefits package relative to deductibles and out-of-pocket limits compared to survey respondents. Dental and vision insurance, life and accidental death and dismemberment insurance,

an employee assistance program, and flexible spending accounts are provided by a majority of survey institutions. All institutions provide some type of medical insurance.

Tables 4A and 4B reflect rates in effect during 2002. Comparisons are based on the Preferred Provider Organization (PPO) survey category and the MUS premium plan.

**TABLE 4A
MEDICAL INSURANCE EMPLOYEE CONTRIBUTIONS**

Employee Monthly Contributions	CUPA-HR Survey (mean)	CUPA-HR Survey (median)	MUS
Employee Only	\$44	\$36	\$7
Employee & Spouse	\$201	\$179	\$128
Employee & Family	\$249	\$209	\$205

* Montana private sector and local government data is unavailable.

**TABLE 4B
MEDICAL INSURANCE EMPLOYER CONTRIBUTIONS**

Employer Monthly Contribution	CUPA-HR Survey (mean)	CUPA-HR Survey (median)	Montana Local Government	Montana Private Sector	MUS
Employee Only	\$255	\$242	\$320 (average)	\$233 (average)	\$283
Employee & Spouse	\$430	\$427	---	---	\$283
Employee & Family	\$493	\$516	---	---	\$283

Among survey respondents, the median increase in health care premiums was 11.9 percent during the year prior to March 2002. MUS experienced a 9.93 percent increase during the same period.

MUS does not contribute toward the cost of dependent health care premiums. As indicated in Table 4B, responding CUPA-HR institutions contribute an additional \$175 to \$274 per month for dependent premiums. The combined employee and employer premiums are higher among survey institutions than the MUS combined premiums. An MUS employee still contributes less per month for dependent health care premiums than do employees of CUPA-HR survey institutions even though MUS does not assist with dependent premium contributions.

II. ECONOMIC INDICATORS

A. PER CAPITA PERSONAL INCOME AND MEDIAN VALUE OF HOUSING

Per capita personal income and median housing value are two indicators of overall cost of living. The information in Table 5 is provided in order to place the salary and benefits comparison data in a relative context to overall cost-of-living in Montana.

TABLE 5

	Per Capita Personal Income (2002)			Median Value of All Owner-Occupied Housing (2000)		
	Per Capita Income	Percentage of US Average	Percentage of Montana Average	Median Value	Percentage of US Median	Percentage of Montana Median
United States	30,903	100%	124%	111,800	100%	117%
Montana	24,831	80%	100%	95,800	86%	100%
Gallatin County	26,890	87%	108%	140,000	125%	146%
Missoula County	26,823	87%	108%	128,700	115%	134%
Beaverhead County	23,524	76%	95%	86,300	77%	90%
Cascade County	26,546	86%	107%	89,600	80%	94%
Hill County	24,437	79%	98%	74,600	67%	78%
L&C County	27,453	89%	111%	105,800	95%	110%
Silver Bow County	25,624	83%	103%	73,600	66%	77%
Yellowstone County	28,330	92%	114%	97,200	87%	101%

B. MONTANA SALARIES VERSUS NATIONAL SALARIES

In addition to the salary analyses for the MUS campuses in section I, a separate analysis was made of Montana salaries statewide compared to the US overall. This analysis, covering more than seventy positions in both public and private sectors, provides a general point of reference for salary levels paid throughout the state of Montana, not just in the Montana University System. The data are from the annual federal Occupational Employment Statistics (OES) survey (2002), conducted in all states, including Montana.

While many of the positions in this analysis also exist within the Montana University System, some do not. For example, MUS does not employ any real estate brokers. However, inclusion of non-MUS positions is appropriate in order to derive a representative overview of all Montana salaries, not just MUS salaries.

The positions were grouped into salary ranges and the respective group averages were then compared (Table 6). Overall, Montana salaries on average were roughly 78 percent of the US averages, ranging from 76 percent to 87 percent among the salary groups in 2002.

**TABLE 6
MONTANA VERSUS U.S. SALARY COMPARISON**

Montana Salary Level	Montana OES Average Annual Salary	U.S. OES Average Annual Salary	Montana as a Percentage of U.S.
\$50,000+	69,922	91,636	76.3%
\$31,000 – 49,999	36,577	46,022	79.5%
\$20,000 – 30,999	25,624	31,801	80.6%
\$13,000 – 19,999	16,940	19,546	86.7%
Overall Comparison	26,626	33,922	78.5%

- Source: 2002 OES Survey for Montana and U.S.
- Appendix specifies positions compared

Appendix B provides the complete listing of all the positions being compared, along with the respective salary averages. The detail in Appendix B, not unexpectedly, indicates a wider range of salary differences, from a low of 62 percent of the US average (for financial managers) to a high of 118 percent (logging equipment operators).

In the aggregate, MUS faculty and administrative/professional salaries are relatively comparable to Montana statewide salaries, based on the OES data. Some individual campuses, of course, lag further behind in overall salary levels due to varying degrees of budget constraints and other factors (e.g. MSU – Northern and Montana Tech). Although MUS faculty and administrative/professional salaries compare favorably to statewide averages, MUS must compete nationally to attract qualified and high quality faculty and administrators. Not all the positions covered by the OES survey require similar recruitment strategies to hire qualified employees. Therefore, the relationship between MUS and Montana statewide salary levels is not necessarily indicative of whether MUS salaries for faculty and administrators are, in all cases, competitive and adequate to attract and retain highly qualified individuals.

For the MUS classified staff positions, on the other hand, comparison with the national data is less relevant, because recruitments for most classified jobs are typically conducted statewide or locally. National and regional recruitments are required for some select classified positions, to locate fully qualified candidates. In these instances, it is important to have the flexibility to offer salaries that are competitive within the appropriate recruitment area.

III. GENERAL OBSERVATIONS

There are no surprises in the survey results. As expected, average MUS salaries are universally below relevant comparators—whether faculty, classified staff, or administrators.

Anecdotal comments over the past years resulted in an assumption by some individuals that MUS benefits are substandard. This is not case. MUS benefits are more competitive than those provided in the Montana private sector and are comparable to comparator institutions on a national level. The one notable exception is the lesser amount MUS contributes to employees' defined contribution (ORP) retirement accounts. As long as the unfunded liability contribution to TRS continues to increase, it is unlikely that progress will be made in improving this aspect of the benefits programs.

A word of caution -- Salary and benefit survey data are insufficient to fully assess Montana University System's ability to attract and retain highly qualified and competent faculty, staff, and administrators. Objective and detailed information regarding turnover and recruitment experiences and trends is an essential component in a comprehensive strategy.

APPENDIX A

Category Definitions²

The 2000 Carnegie Classification includes all colleges and universities in the United States that are degree-granting and accredited by an agency recognized by the U.S. Secretary of Education. The 2000 edition classifies institutions based on their degree-granting activities from 1995-96 through 1997-98.

Doctorate-granting Institutions

Doctoral/Research Universities—Extensive: These institutions typically offer a wide range of baccalaureate programs, and they are committed to graduate education through the doctorate. During the period studied, they awarded 50 or more doctoral degrees per year across at least 15 disciplines.

Doctoral/Research Universities—Intensive: *These institutions typically offer a wide range of baccalaureate programs, and they are committed to graduate education through the doctorate. During the period studied, they awarded at least ten doctoral degrees per year across three or more disciplines, or at least 20 doctoral degrees per year overall.*

Master's Colleges and Universities

Master's Colleges and Universities I: *These institutions typically offer a wide range of baccalaureate programs, and they are committed to graduate education through the master's degree. During the period studied, they awarded 40 or more master's degrees per year across three or more disciplines.*

Master's Colleges and Universities II: *These institutions typically offer a wide range of baccalaureate programs, and they are committed to graduate education through the master's degree. During the period studied, they awarded 20 or more master's degrees per year.*

Baccalaureate Colleges

Baccalaureate Colleges—Liberal Arts: These institutions are primarily undergraduate colleges with major emphasis on baccalaureate programs. During the period studied, they awarded at least half of their baccalaureate degrees in liberal arts fields.

Baccalaureate Colleges—General: *These institutions are primarily undergraduate colleges with major emphasis on baccalaureate programs. During the period studied, they awarded less than half of their baccalaureate degrees in liberal arts fields.*

Baccalaureate/Associate's Colleges: These institutions are undergraduate colleges where the majority of conferrals are below the baccalaureate level (associate's degrees and certificates). During the period studied, bachelor's degrees accounted for at least ten percent of undergraduate awards.

² Source: <http://www.carnegiefoundation.org/Classification/>

Associate's Colleges

These institutions offer associate's degree and certificate programs but, with few exceptions, award no baccalaureate degrees.¹ This group includes institutions where, during the period studied, bachelor's degrees represented less than 10 percent of all undergraduate awards.

Specialized Institutions

These institutions offer degrees ranging from the bachelor's to the doctorate, and typically award a majority of degrees in a single field. The list includes only institutions that are listed as separate campuses in the *2000 Higher Education Directory*. Specialized institutions include:

Theological seminaries and other specialized faith-related institutions:

These institutions primarily offer religious instruction or train members of the clergy.

Medical schools and medical centers: These institutions award most of their professional degrees in medicine. In some instances, they include other health professions programs, such as dentistry, pharmacy, or nursing.

Other separate health profession schools: These institutions award most of their degrees in such fields as chiropractic, nursing, pharmacy, or podiatry.

Schools of engineering and technology: These institutions award most of their bachelor's or graduate degrees in technical fields of study.

Schools of business and management: These institutions award most of their bachelor's or graduate degrees in business or business-related programs.

Schools of art, music, and design: These institutions award most of their bachelor's or graduate degrees in art, music, design, architecture, or some combination of such fields.

Schools of law: These institutions award most of their degrees in law.

Teachers colleges: These institutions award most of their bachelor's or graduate degrees in education or education-related fields.

Other specialized institutions: Institutions in this category include graduate centers, maritime academies, military institutes, and institutions that do not fit any other classification category.

**APPENDIX B
MONTANA and U.S. SALARY COMPARISONS
OES 2002**

Job Title	Average Annual Salary		Montana as a Percentage of U.S
	Montana (OES)	United States (OES)	
Surgeons	170,870	189,590	90%
Family & General Practitioners	154,940	136,260	114%
Dentists	94,040	133,350	71%
Chief Executives	92,210	134,960	68%
Real Estate Brokers	81,850	72,130	113%
Lawyers	71,130	105,890	67%
Education Administrators, Postsecondary	67,030	71,630	94%
Computer & Info Systems Managers	60,910	90,444	67%
Chemistry Teachers, Postsecondary	60,810	60,800	100%
Business Teachers, Postsecondary	58,860	61,400	96%
Computer Software Engineers	56,660	73,800	77%
Mining & Geological Engineers	56,430	64,770	87%
Environmental Engineers	55,310	63,440	87%
Education Administrators, Elem. & Secondary	55,070	74,050	74%
Education Teachers, Postsecondary	52,270	52,240	100%
Financial Managers	51,910	83,080	62%
Agricultural & Food Scientists	51,530	52,800	98%
Computer Programmers	51,430	63,690	81%
Human Resource Managers	50,390	70,960	71%
\$50,000 and above	69,922	91,636	76%
Environmental Scientists	48,730	50,970	96%
Budget Analysts	46,440	55,470	84%
Insurance Sales Agents	46,260	53,800	86%
Chemists	43,980	57,670	76%
Plumbers	43,670	42,630	102%
Electricians	43,100	43,910	98%
Accountants & Auditors	42,510	53,230	80%
Clinical Counseling & School Psychologists	41,890	56,540	74%
Registered Nurses	41,630	49,840	84%
Loan Officers	41,500	52,160	80%
Educational, Vocational & School Counselors	34,760	46,160	75%
Police & Sheriffs Officers	34,420	43,390	79%
Computer Support Specialists	34,410	42,320	81%
Elementary School Teachers	33,530	44,080	76%
Forest & Conservation Technicians	33,130	32,700	101%
Logging Equipment Operators	32,950	27,850	118%
Child/Family Social Workers	31,790	35,640	89%
Secondary School Teachers	31,590	46,010	69%
Carpenters	31,500	36,840	86%
Middle School Teachers	31,280	44,110	71%
\$31,000 - \$49,999	36,577	46,022	79%

Job Title	Average Annual Salary		Montana as a Percentage of U.S
	Montana (OES)	United States (OES)	
Truck Drivers, Heavy & Tractor-Trailer	30,370	34,340	88%
Advertising Sales Agents	30,000	47,610	63%
Graphic Designers	29,570	44,110	67%
Mental Health Counselors	28,370	32,800	86%
Construction Laborers	27,970	28,570	98%
Fire Fighters	27,800	37,530	74%
Food Service Managers	27,660	41,090	67%
Maintenance Workers	27,160	31,010	88%
Printing Machine Operators	26,450	30,780	86%
Executive Secretaries & Admin. Assistants	26,310	35,580	74%
Butchers & Meat Cutters	25,530	27,160	94%
Photographers	24,850	28,810	86%
Medical Transcriptionists	24,330	27,730	88%
Dental Assistants	23,780	27,910	85%
Bookkeeping, Accounting & Auditing Clerks	23,050	28,650	80%
Travel Agents	22,370	28,370	79%
Tire Repairers & Changers	21,550	21,730	99%
Secretaries	20,970	26,390	79%
Announcers	20,310	29,190	70%
\$20,000 - \$30,999	25,624	31,801	81%
Hairdressers, Hair Stylists & Cosmetologists	19,730	22,110	89%
Security Guards	19,720	21,060	94%
Office Clerks	19,710	23,540	84%
Retail Sales Persons	19,640	21,750	90%
Landscaping & Groundskeeping Workers	18,630	21,490	87%
Tellers	18,560	20,750	89%
Janitors	18,080	20,150	90%
Nurses Aides	17,750	20,540	86%
Ambulance Drivers & Attendants	17,030	20,840	82%
Farmworkers, Farm & Ranch Animals	16,750	18,560	90%
Floral Designers	16,120	20,600	78%
Laundry & Dry Cleaning Workers	16,030	17,750	90%
Cashiers	16,000	16,680	96%
Service Station Attendants	15,720	17,770	88%
Bartenders	15,210	16,900	90%
Child Care Workers	15,210	17,310	88%
Maids & Cleaners, Housekeeping	14,930	17,330	86%
Dishwashers	13,440	15,410	87%
Cooks, Fast Food	13,390	14,930	90%
Waiters/Waitresses	13,320	15,770	84%
\$13,000 - \$19,999	16,940	19,546	87%
Overall Comparison, All Positions	26,626	33922	78%