



**North Dakota
University System**

Creating a University System

For the 21st Century

Report of the State Board
of Higher Education's
Committee on Employee
Compensation

NORTH DAKOTA
UNIVERSITY SYSTEM
The Vital Link to a Brighter Future

March 2010

**Report of the State Board of Higher Education's
Committee on Employee Compensation
March 2010**

Purpose

The North Dakota University System (NDUS) Compensation Committee was created by the Chancellor to develop recommendations and a long-term strategic plan concerning salary and compensation for NDUS faculty and staff.

Members

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Council of College Faculties is a state wide organization, operating under the NDUS, with members from all eleven University System institutions

Human Resources Council is also a state-wide organization, operating under the NDUS, with members from all eleven University System institutions

Staff and technical support provided by the NDUS System Office

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Reasons to Invest in Higher Education

Progressive businesses know the value of offering a competitive salary. It is what keeps you in the marketplace. Competitive salaries attract a worthy resource: knowledgeable employees. Knowledgeable and talented employees, who are dedicated to their institutions and the state of North Dakota, are the single greatest resource for institutions of higher education.

An Opportunity

- **Attract and retain expertise**
- **Recruit top industry and students in ND**
- **Create a world-class workforce**
- **Provide access to intellectual resources**
- **Create cutting-edge research opportunities**
- **Increase the prospects for growth in our state**
- **Fulfill the mission of NDUS**

- Compensation plays a critical role in the ability of our institutions to attract and retain expertise. In turn, this expertise attracts both industry and students, resulting in a world-class workforce.
- Business and industry are the greatest contributors to the tax base of our state. Intellectual resources provided by higher education are a significant factor for business and industry to create high-wage jobs.
- Faculty and staff engage in cutting-edge research which increase the prospects for growth in our state.
- Competitive higher education plays a significant role in the education of our citizenry. Government statistics indicate citizens who achieve higher levels of education are healthier, achieve higher levels of income, contribute more tax dollars, and are least likely to be incarcerated.¹
- NDUS employees who are compensated competitively improve North Dakota education at large, leading to a better-educated public and private sector and a better-educated citizenry.

This report examines measures associated with NDUS faculty and staff compensation and highlights some positive indicators and some areas of concern, as well as suggestions for changes. The information in this report will enable the State Board of Higher Education to develop appropriate recommendations for compensation along with its strategic plan to fulfill the NDUS mission with North Dakota legislators and public.

Compensation Assessment and Recommendations

Acknowledgements

We would like to thank the State Board of Higher Education and campus leadership for recognizing faculty and staff needs and for efforts made in securing improved compensation and benefits.

The 2009-11 legislative appropriation for the North Dakota University System included funding for parity to provide for inflationary costs, including the general fund share of a 5 percent per year salary increase and full funding of health insurance increases. Campuses went beyond this level, providing overall NDUS average salary increases of 5.5 percent for 2009-10, through reallocation of funds and the use of other funding sources.

Higher education is becoming increasingly competitive where students, faculty, staff, and business partnerships are concerned. Despite the challenges we have faced in the past, we are in a better position today to continue this effort and be a strong competitive player within the marketplace of higher education. The efforts of the legislature to provide increases of 5 percent per year over the past two biennia have contributed to lower staff and faculty turnover, as well as narrowing the gap between NDUS and market/regional salaries, but continuing the focus in these areas is very important.

The Value of Equitable Compensation

The state of North Dakota stands to gain more by compensating NDUS faculty and staff at market value pay. NDUS staff and faculty salaries, compared to regional and national salaries, is a consequence of budgetary constraints over several biennia. This presents a drain to the citizens of North Dakota in terms of a loss of students, business and industry, employment opportunities, and tax revenues. Although improvements have been made in some areas, the exhibits in this report point out the noticeable effects of low pay in rates of turnover, inability to recruit and retain employees, wage compression, and expressed discontent with pay as indicated in exit interviews and surveys.

Exhibit A2 indicates that significant progress has been made since 2001, at the doctoral, masters and two-year campuses, to move staff salaries closer to regional averages for almost all broadband categories. Although progress has also been made at the four-year campuses, it doesn't appear as significant as at the other NDUS campuses.

As indicated in Exhibits E1-E3, NDUS average faculty salaries have gained some ground over the past five years at the doctoral, masters and two-year campuses, but the national and regional averages are still significantly higher than the NDUS averages. Average faculty salaries at the four-year campuses have lost ground. Exhibit E4 demonstrates how the disparity with the national and regional averages grows wider as faculty progress in rank. Bringing faculty pay closer to market value, and addressing the salary compression issue, will enable our institutions to overcome the challenges of attracting and retaining faculty and students, as well as the state's ability to attract business and industry. The NDUS institutions will be in a competitive position to recruit and retain students and provide the type of workforce employers are hiring.

Exhibits F1-F3 show that faculty pay ranks near the bottom in the region and nation. We fall into the bottom 5 states for all categories when taking into account the states that did not report. NDUS institutions need to be concerned about the perception low faculty pay creates for our educational product in the minds of prospective students. It is a general expectation that individuals with expertise are paid higher. In the mind of an employer that same perception translates to inadequate intellectual resources and a limited workforce.

Following the State Board of Higher Education's approval of new pay ranges for all Presidents and the Chancellor, to be more competitive with the market, extending the process to the faculty and staff will place the NDUS institutions in a better position to address the market issues.

The Cost of Staff and Faculty Turnover

Although staff turnover has decreased from a high of 11.8% in 2007 to 9.6% in 2009 (Exhibit B), it continues to be of major concern. Exhibit C shows that, of the staff who responded to the exit interviews, 22 percent were employed for 1 year or less, and 59 percent were employed less than 5 years before leaving. These high turnover rates are accompanied by loss of expertise as well as increased financial costs associated with training new employees, as well as the physical and emotional costs on existing staff who must assume additional duties for either a short or long period of time.

The six year average faculty turnover rate was 8.1 percent for 2004-2009 (Exhibit G). The 7.8% turnover rate in 2009 reflected a marked improvement, reversing the upward trend which had been continuing from 2004 through 2008. Exhibit H shows that, of the faculty who responded to the exit interviews, 15 percent of newly hired faculty leave in one year or less and 51 percent leave in less than 5 years. The exhibit further indicates faculty are finding better salaries elsewhere along with better advancement opportunities and changes in career.

Over time, low salaries produce salary inversion and pay compression, which occurs when less experienced people earn as much as or more than longer-term employees, due to rising starting salaries. Tight budgets deter hiring of more experienced faculty and staff. Exhibits D and I indicate that over 40 percent of staff and almost half the faculty are over the age of 50 which suggests a high propensity for pay compression issues where more experienced faculty and staff salaries have not kept pace with market pay. Perceived or real pay inequities reduce employee morale.

Long-term faculty and staff who feel valued by their institutions instill a sense of pride. This carries over into the community, which enhances the community perception and support of that institution. NDUS schools are in a better position to attract and retain students when faculty and staff turnover is reduced. NDUS and the community can expect greater contributions by faculty and staff who feel valued. This is accomplished by paying faculty and staff competitively with their peers.

Benefits Package

The state of North Dakota offers a comprehensive benefit package to NDUS employees, as do other states. Exhibit J shows North Dakota's benefit package, based on regional average hourly salary, dropped from an 8th place ranking to a 9th place ranking among the 12 states in the region. North Dakota also ranks 9th based on actual average hourly salary. From both views our salary rank regionally placed us 10th while the benefits package ranks us 9th which are both near the bottom of the region. It is crucial that the state continue to fund 100 percent of employee health insurance premiums with no changes to deductibles or co-payments.

Cost of Living as a Benchmark

Exhibits F1-F4 indicate that average salaries for North Dakota faculty members continue to be ranked near the last for those states reporting data. The question is, "Where should North Dakota faculty salaries be ranked?" According to the ACCRA cost of living index, North Dakota has the 34th highest cost of living index in the nation and is 6th highest in the 12 states in the central states region (Exhibit N).

While the cost of living is not the only factor that influences average salaries around the nation, it seems reasonable that North Dakota faculty salaries should be ranked much closer to 34th instead of 46th- 48th in the nation. Following is a comparison 2007-08 salaries of the states that ranked 34th, compared to North Dakota:

- Ohio ranked 34th (of 50 reporting states) for doctoral schools, and average faculty salaries were \$74,435, compared to \$63,332 in North Dakota (Exhibit F1)
- Indiana, which ranked 34th (of 48 reporting states) for masters institutions, had an average salary of \$57,042, compared to \$50,400 in North Dakota (Exhibit F2).
- North Dakota ranked 34th (of 37 reporting states) for four-year institutions. (Exhibit F3)
- Utah, which ranked 34th (of 49 reporting states) for two-year colleges, had an average salary of \$48,024, compared to \$42,804 in North Dakota (Exhibit F4).

The variance between average salaries for NDUS staff employees and their respective market rates (by type of institution) is .1 percent to 15.5 percent (Exhibit A2) for 2009. The market rates used in this comparison primarily include local data provided by Job Service of North Dakota as well as regional data for certain positions in higher education from the College and University Professional Association. The real purchasing power of NDUS wages remains below the average real purchasing power for the region (Exhibit M).

Conclusion

The College and University Professional Association for Human Resources (CUPA-HR) recently released its annual report on faculty salaries for 2009-10. According to this national report, 21.2 percent of faculty members received no salary increase for 2009-10, while 32.6 percent had salary reductions, with a median decrease of 3 percent. This is in sharp contrast to the 5 percent increases funded by the legislature for the NDUS, made possible because of North Dakota's strong economy compared to most other states. However, the practice of paying below market value has spanned more than 20 years in our state, resulting in increased turnover and a tighter labor market, stimulated by competing entities paying higher salaries than the NDUS. Bringing NDUS salaries to a more competitive level with regional and national averages will not happen over a two or four year span. It is important that the positive steps that have been taken to turn things around continue.

North Dakota has acknowledged the significant contributions Higher Education makes to our state and has taken significant steps to bring NDUS salary and benefits towards parity with regional University Systems.

As stated in the 2008 Accountability Measures Report, "Passage of SB 2003 in 2001 signaled that the university system can and should play a larger role in enhancing the economic and social vitality of North Dakota, as envisioned by the Roundtable on Higher Education."ⁱⁱⁱ NDUS has one of the most efficient systems of higher education in the nation.ⁱ North Dakota needs to leverage that efficiency towards a competitive regional University System by bringing total compensation in line with regional costs of living for faculty and staff of its Higher Education Institutions.

Recommendations

Based on the findings within this report, the following actions are recommended:

1. Continue full funding of health insurance premium with no changes to deductibles or co-payments.
2. Support average 5 percent salary increases for each of the next two years (2011-12 and 2012-13) for both faculty and staff, at an **estimated cost to the state of \$27.4 million.**
3. Should increases in the NDPERS retirement contribution be deducted from participant salaries, support a corresponding across-the-board increase for all employees (NDPERS and TIAA-CREF) to support the deduction from NDPERS participant salaries. This increase would come from the overall 5% increase.
4. Campuses use a portion of the total to address market and equity issues regarding salary compression between faculty ranks.

Ultimately, the compensation package represents an investment for the future growth of our NDUS institutions, our state and its citizens.

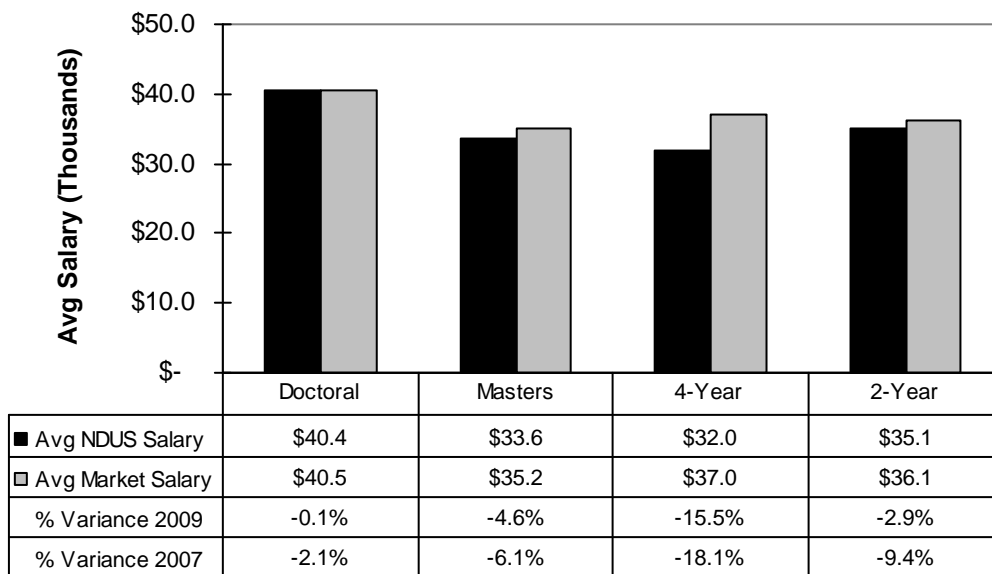
Measures Used for This Report: Staff Exhibits

1.1 Current Compensation: NDUS Staff Salaries

Exhibit A1: Weighted Broadband Staff Salaries

NDUS staff salaries continue to be lower than the regional averages for all types of institutions, with the average institutional salary variances ranging from .1 percent to 15.5 percent. Average NDUS broadband salaries are equal or better than the average regional market for three broadband categories, but the regional averages are from 2.4 percent to 9.6 percent higher in the remaining categories.

**2009 NDUS Weighted Broadband Staff Salaries
Compared to Regional Job Market
By Type of Institution**



**2009 NDUS Weighted Broadband Staff Salaries
Compared to Regional Job Market
By Broadband Category**

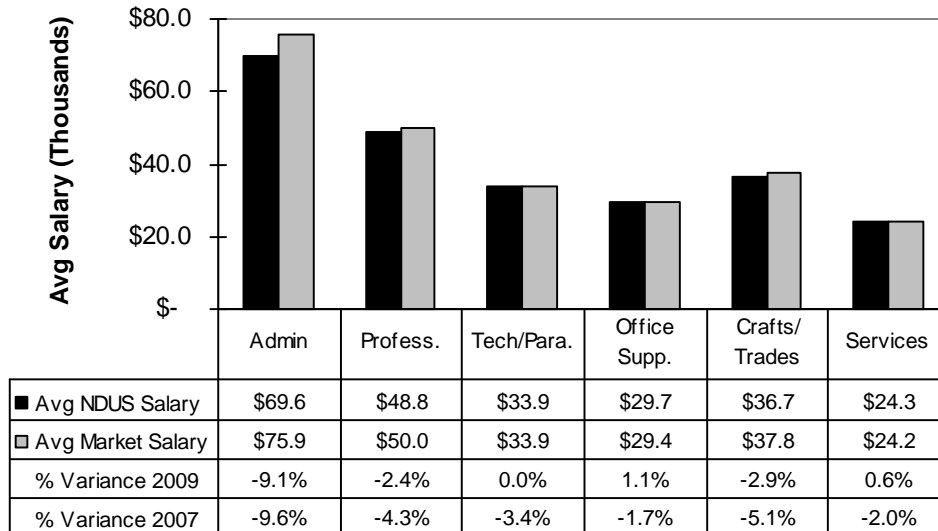


Exhibit A2: Average Broadband Staff Salaries Compared to Job Market

Overall improvement has been made at all types of institutions since 2007, however a number of job families have lost ground, most notably in the Administrative/Managerial job family at UND and NDSU and office support job family at the 4-year institutions, which has lost ground since 2001.

Average Broadband Staff Salaries Compared to Job Market

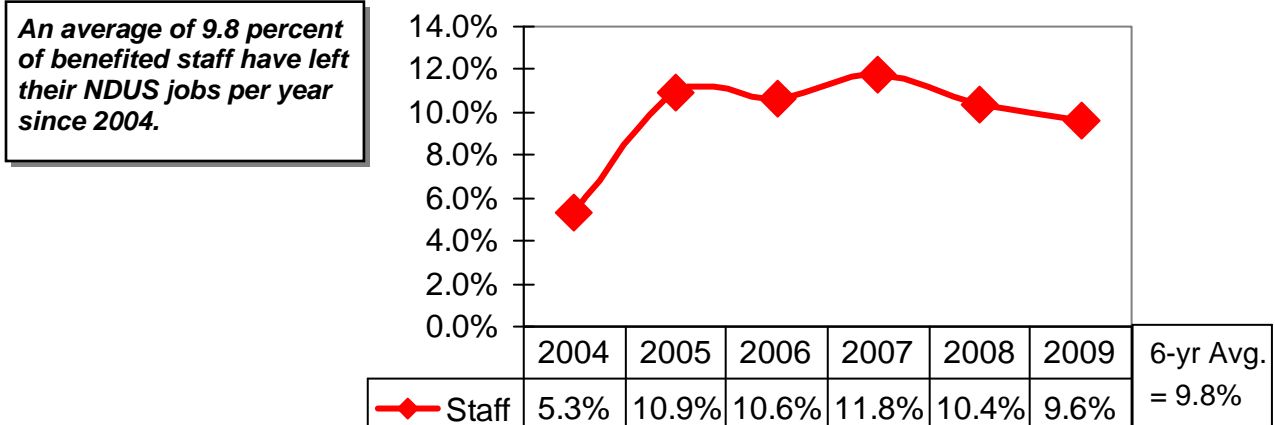
		2009			2007	2001
		Weighted Avg. NDUS Salary	Weighted Market Salary	% Variance	% Variance	% Variance
		Doctoral (NDSU, UND)				
Band #	Job Family					
1000	Administrative/Managerial	\$82,171	\$86,765	-5.6%	-1.3%	-10.7%
3000	Professional	50,687	51,382	-1.4%	-3.0%	-3.7%
4000	Technical & Paraprofessional	35,165	34,579	1.7%	-1.4%	-2.4%
5000	Office Support	30,889	29,440	4.7%	0.0%	-2.4%
6000	Crafts/Trades	39,252	39,614	-0.9%	-1.8%	-12.5%
7000	Services	24,799	25,038	-1.0%	-1.3%	-3.2%
Weighted Average		\$40,422	\$40,466	-0.1%	-2.1%	-6.9%
		Masters (MiSU)				
Band #	Job Family					
1000	Administrative/Managerial	\$58,422	\$56,534	3.2%	0.0%	-31.9%
3000	Professional	40,829	42,892	-5.1%	-5.9%	-20.9%
4000	Technical & Paraprofessional	28,947	31,108	-7.5%	-6.0%	0.0%
5000	Office Support	27,585	28,885	-4.7%	-11.6%	-20.8%
6000	Crafts/Trades	30,578	32,046	-4.8%	-4.5%	-23.0%
7000	Services	22,785	22,913	-0.6%	0.0%	-13.9%
Weighted Average		\$33,638	\$35,196	-4.6%	-6.1%	-20.3%
		4-year (DSC, MaSU, VCSU)				
Band #	Job Family					
1000	Administrative/Managerial	\$54,267	\$68,721	-26.6%	-30.8%	-17.2%
3000	Professional	38,825	43,961	-13.2%	-19.4%	-20.8%
4000	Technical & Paraprofessional	25,306	28,351	-12.0%	-11.4%	-10.0%
5000	Office Support	24,047	29,420	-22.3%	-18.6%	-12.8%
6000	Crafts/Trades	30,234	35,235	-16.5%	-18.2%	-28.1%
7000	Services	22,047	21,923	0.6%	-2.3%	-5.4%
Weighted Average		\$32,045	\$37,002	-15.5%	-18.1%	-16.6%
		2-year (BSC, DCB, LRSC, NDSCS, WSC)				
Band #	Job Family					
1000	Administrative/Managerial	\$67,350	\$67,763	-0.6%	-6.1%	-22.0%
3000	Professional	43,295	45,430	-4.9%	-8.5%	-16.1%
4000	Technical & Paraprofessional	31,787	33,172	-4.4%	-11.8%	-14.8%
5000	Office Support	27,081	29,378	-8.5%	-10.6%	-8.5%
6000	Crafts/Trades	33,270	34,119	-2.6%	-14.0%	-10.2%
7000	Services	23,815	21,688	8.9%	-6.1%	-4.0%
Weighted Average		\$35,076	\$36,107	-2.9%	-9.4%	-14.1%

Data Sources: NDUS November 2009 payroll records; ND Job Service-2008-09; Fargo Moorhead Human Resource Administration-2005-2007; College & University Professional Association, Administrative Survey-2008-09, and Mid-Level Survey-2008-09; Higher Education Information for Technology Services 2008-09; National Association of State Foresters Survey-2000. A footnote in the ND Job Service 2008 edition indicates, "Wage data from previous survey panels are adjusted using the Employment Cost Index (ECI), which brings wages current to the latest data collected in the survey, in this case May 2006. Using a similar method, North Dakota further aged the data to reflect December 2007."

1.2 Employment Data

Exhibit B: Staff Turnover Statistics 2004 through 2009

North Dakota University System

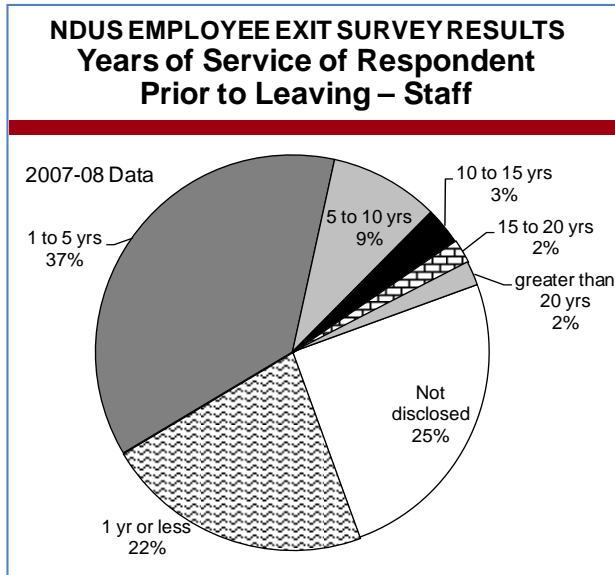


	2004 Turnover		2005 Turnover		2006 Turnover		2007 Turnover		2008 Turnover		2009 Turnover	
	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio
BSC	14	8.5%	21	12.7%	18	11.8%	18	11.4%	24	14.6%	16	8.4%
DCB*					4	10.0%	7	17.5%	7	18.4%	6	15.0%
DSU	12	9.3%	17	13.2%	14	12.3%	32	25.4%	20	13.8%	26	17.3%
LRSC	4	8.9%	4	8.9%	5	9.3%	5	8.8%	8	13.3%	5	7.0%
MaSU	11	9.2%	15	12.6%	19	16.5%	21	20.2%	15	14.2%	9	7.8%
MiSU*	15	5.4%	32	11.5%	38	14.0%	42	16.7%	42	17.4%	32	13.0%
NDSCS	8	4.0%	19	9.4%	22	10.5%	11	5.4%	21	10.2%	28	13.7%
NDSU	79	5.1%	154	9.9%	194	11.2%	205	11.6%	143	7.9%	138	7.3%
UND	79	4.3%	219	11.9%	209	9.5%	238	10.7%	220	10.7%	218	10.5%
VCSU	10	11.2%	6	6.7%	8	8.5%	10	10.9%	13	12.6%	12	11.8%
WSC	3	6.0%	0	0.0%	2	4.1%	9	18.1%	6	11.1%	5	7.7%
TOTAL	235	5.3%	487	10.9%	533	10.7%	598	11.6%	519	10.4%	495	9.6%

* MSU ratios include Dakota College-Bottineau (formerly MSU-Bottineau Campus) through 2005. They are reported separately, beginning 2006

Source: NDUS payroll records

Exhibit C: Staff Exit Survey Results

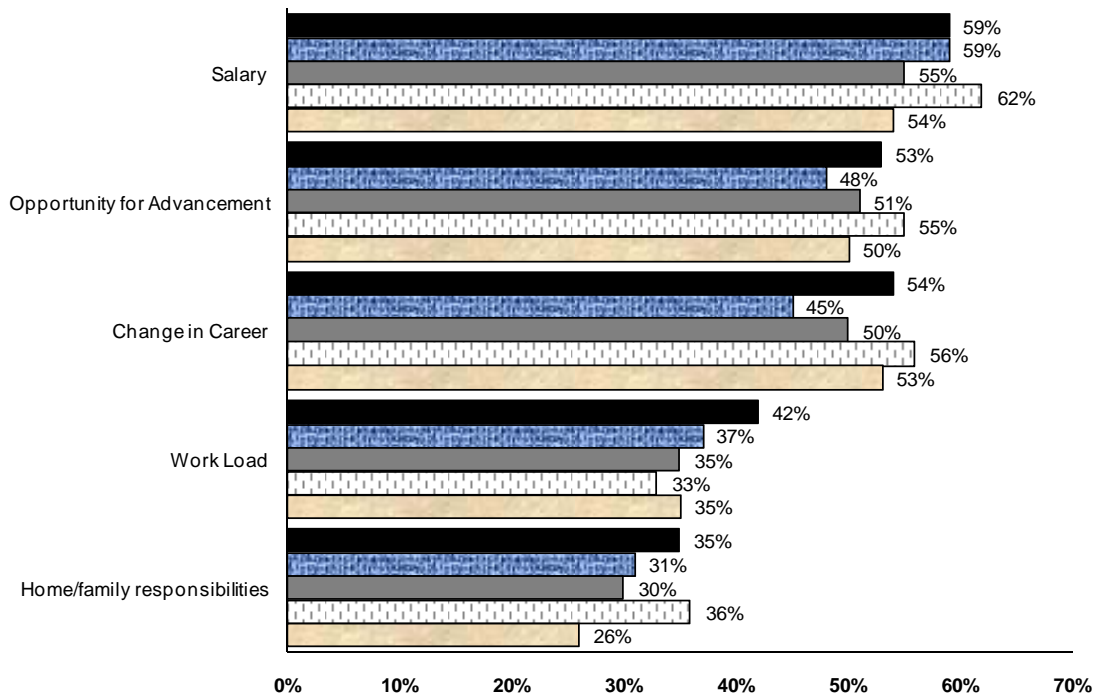


- 59 percent of staff leaving the NDUS in 2007-08 were employed less than five years prior to leaving, 4 percent higher than the last report.
- 22 percent were employed one year or less. This is also 4 percent higher than the last report.

Over the past five years, staff have identified low salary as the major factor influencing their decision to leave the NDUS, followed by opportunity for advancement and career change.

NDUS EMPLOYEE EXIT SURVEY RESULTS* - Staff

Percent of Respondents Who Indicated Factors "Greatly Influenced" or "Influenced Somewhat" Their Decision to Leave

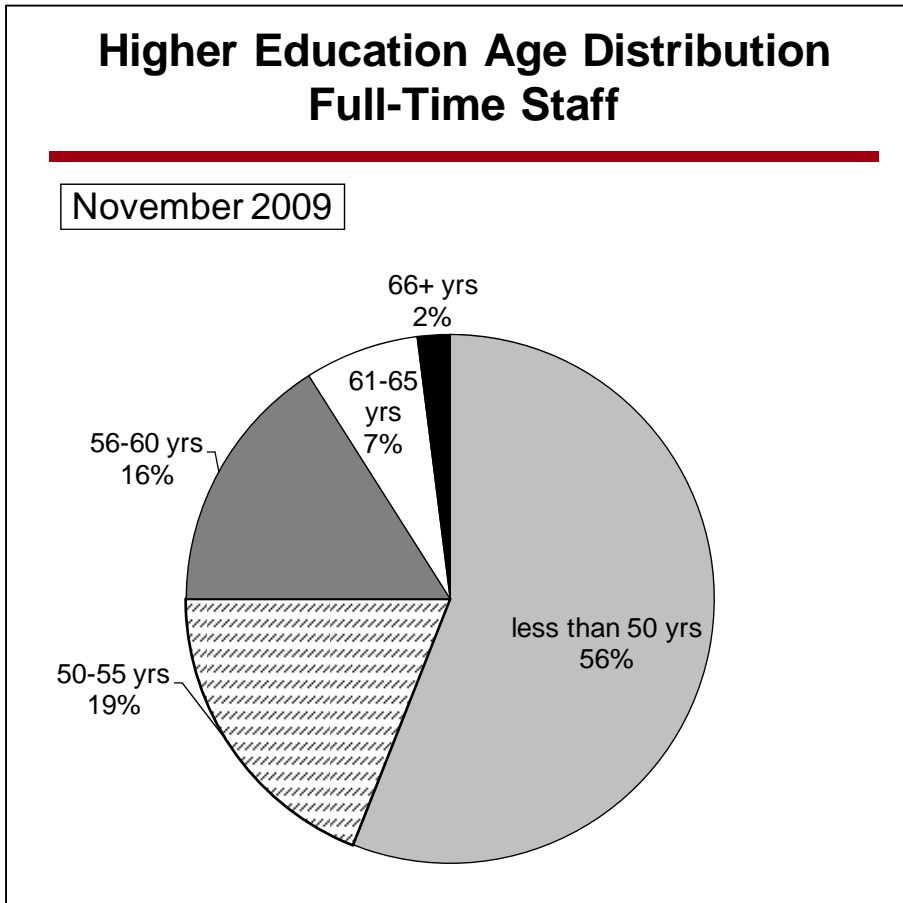


Source: NDUS Exit Interviews (30 percent response rate)

* Other reasons include fringe benefits, facilities, funding, and other.

Exhibit D: Age Distribution Full-Time Staff

Over 40 percent of staff are 50 years of age or over, and 9 percent are older than 60 years of age. The high percentage of younger staff leaving their institutions suggests fewer and fewer staff will be available to follow experienced employees into seniority positions.



Source: NDUS Payroll Records

Measures Used for This Report: Faculty Exhibits

1.3 Current Compensation: NDUS Faculty Salaries

Comparison to National and Regional Salaries by Rank

Faculty Rank	2006-07		2008-09	
	National Variance	Regional Variance	National Variance	Regional Variance
Professor	- 31 %	- 22 %	- 27 %	- 17 %
Associate Professor	- 23 %	- 17 %	- 22 %	- 17 %
Assistant Professor	- 15 %	- 10 %	- 13 %	- 8 %
Instructor	- 12%	- 11 %	- 6%	- 4 %

The above percentages represent the weighted average national and regional variances, by faculty rank, for all NDUS institutions for 2006-07 and 2008-09. This data suggests that campuses pay closer to market competitive rates at the time of hire; however, NDUS salaries do not keep pace over time. Greater loyalty, reduced turnover, and higher commitment to achieve institutional performance objectives are more likely if employees believe they are compensated fairly and will share in the growth of the institution. Compensation rates that fall below market value result in higher turnover and/or having to hire less-qualified faculty. Exhibit E4 shows the national and regional salary lag by type of institution for 2006-07 and 2008-09. This exhibit shows that all campuses have made progress reducing the regional and national variance in most ranks over the two-year period, some campuses better than others. (Exhibit E4)

Percentage Salary Differential Between NDUS and Regional Average

Type of Institution	Regional Salary Gap		Regional Salary Gap
	1998-99	2006-07	2008-09
Doctoral Institutions	- 32.4 %	- 27.5 %	- 24.1 %
Master's Institutions	- 21.6 %	- 26.2 %	- 17.8 %
Baccalaureate Institutions	- 20.4 %	- 23.1 %	- 24.1 %
Two-Year Institutions	- 17.8 %	- 31.6 %	- 30.3 %

While the regional average doctoral and masters faculty salary gap has decreased in the last ten years, the baccalaureate and two-year average salary gaps have increased. Over the past two years, the regional gap has decreased at the doctoral, masters and two-year institutions, most notably at the masters institutions, but has increased slightly at the baccalaureate institutions. Regional and national averages remain significantly higher than their respective NDUS institutions. To increase faculty salaries to regional average, a one-time increase of between 18 and 30 percent would be needed. (Exhibit E3).

National and Regional Ranking 2007-08

Type of Institution	National Rank (of reporting states)	Regional Rank (of reporting regional states)
Public Doctoral Universities	46 th of 50	10 th of 12
Public Masters Institution	48 th of 48	11 th of 11
Public Four-Year Institution	34 th of 37	7 th of 9
Public Two-Year Institution	47 th of 49	11 th of 12

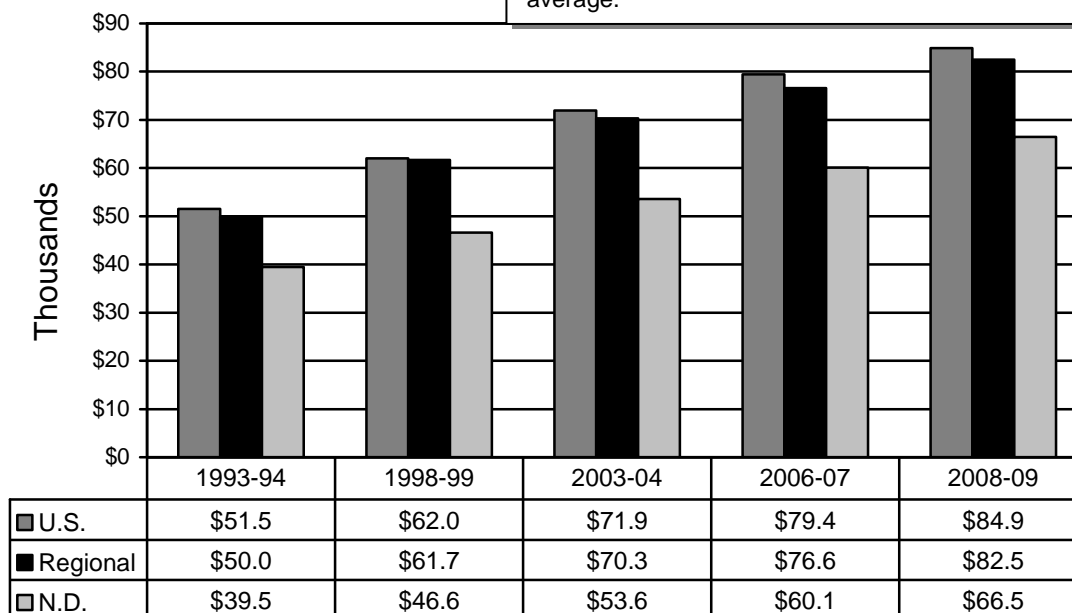
(Exhibits F1-F4)

Exhibit E1: Average Faculty Salaries by Type of Institution – Doctoral and Masters Institutions

(U.S., Regional and NDUS)

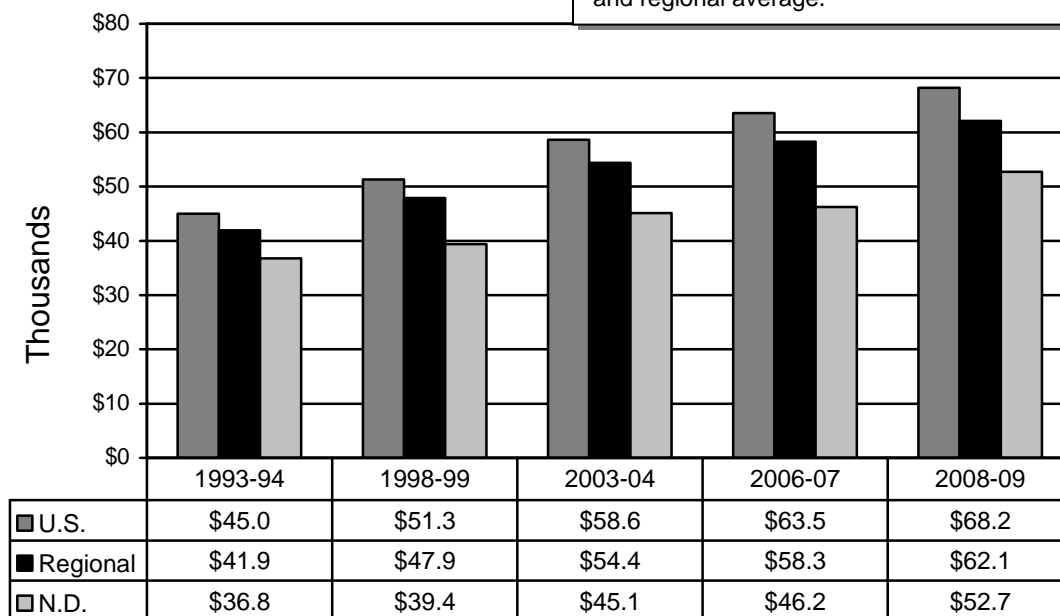
Doctoral Institutions - NDSU, UND

While gaining some ground in the last five years, ND's average doctoral salary continues to lag significantly behind the national and regional average.



Comprehensive (Masters) Institutions - MiSU

ND's average comprehensive salary has improved but still lags behind the national and regional average.



Source: AAUP, *Academe*, Annual Reports

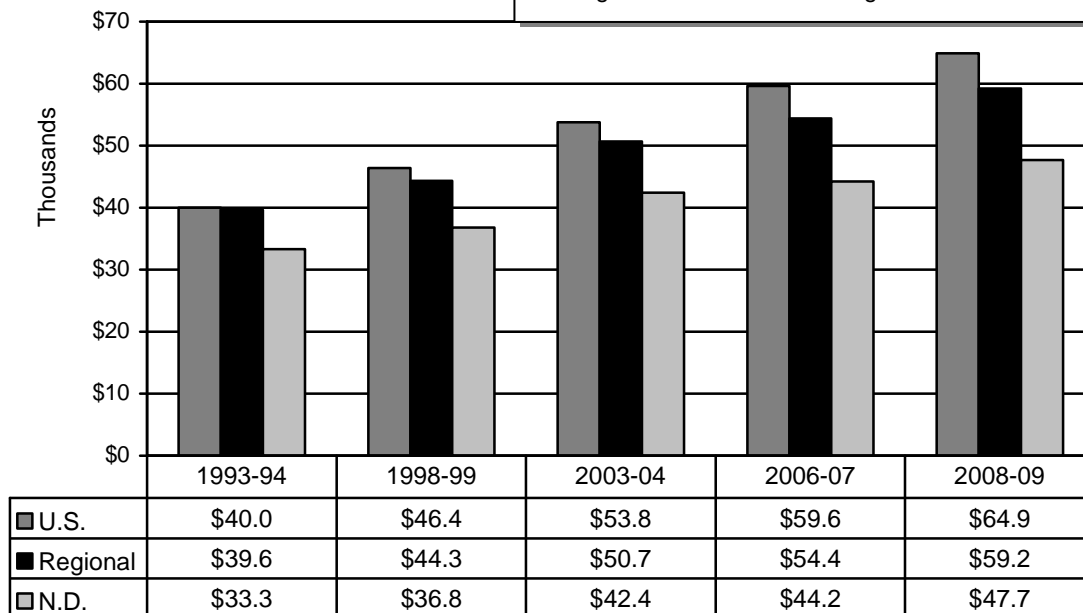
Regional states include: CO, IA, KS, MN, MO, MT, ND, NE, OK, SD, WI and WY.

Exhibit E2: Average Faculty Salaries By Type of Institution – Baccalaureate and Two-Year Institutions

(U.S., Regional and NDUS)

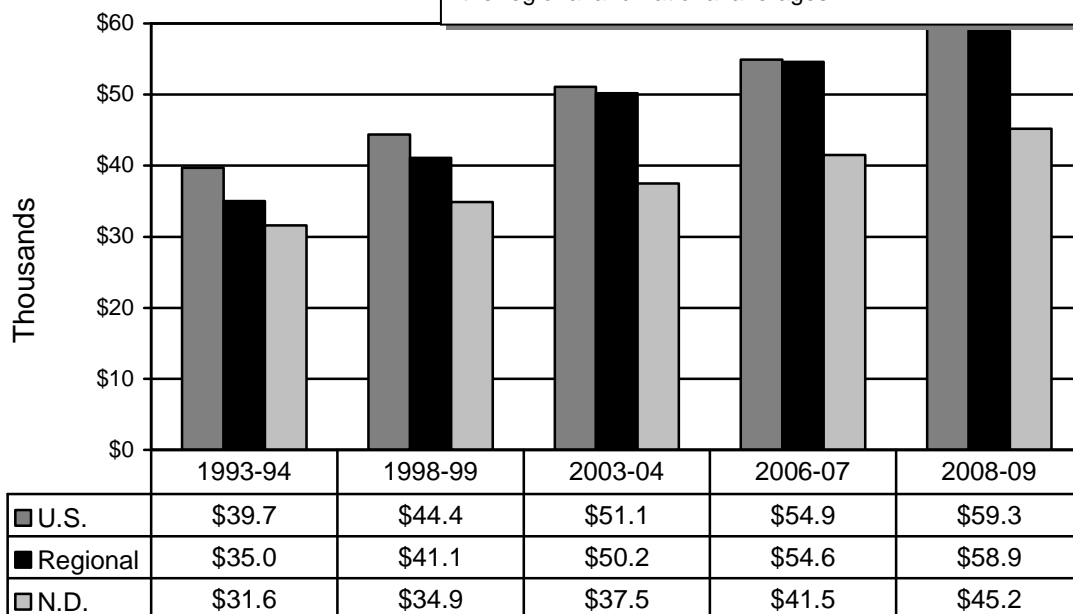
Baccalaureate Institutions - DSU, MaSU, VCSU

In the last five years, ND's average baccalaureate salary has lost ground and continues to lag behind the regional and national average.



Two-Year Institutions - BSC, DCB, LRSC, NDSCS, WSC

In the last five years, ND's average two-year salary has gained ground but continues to lag significantly behind the regional and national averages.



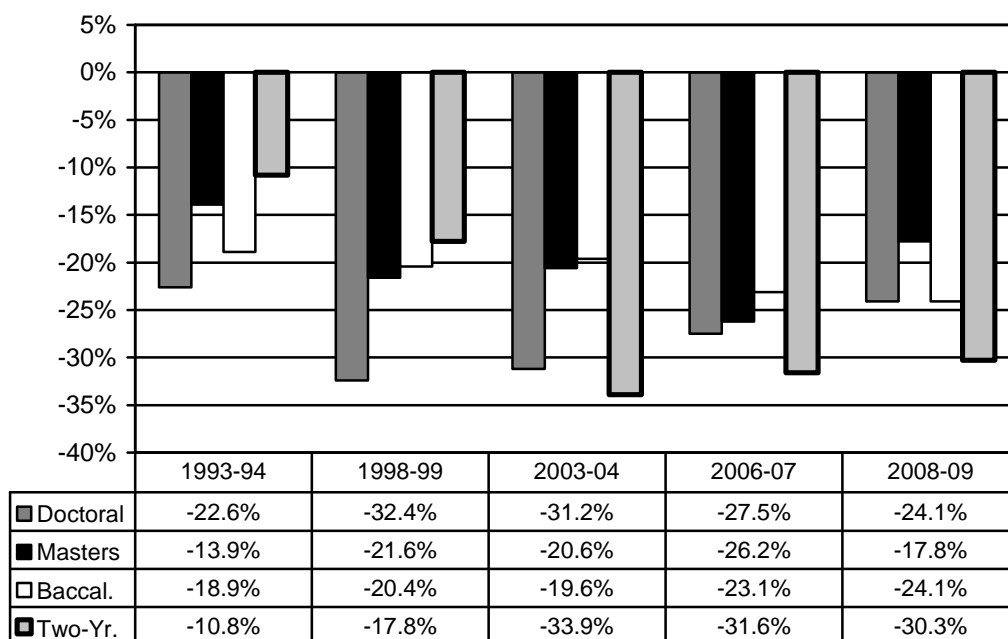
Source: AAUP, *Academe*, Annual Reports

Regional states include: CO, IA, KS, MN, MO, MT, ND, NE, OK, SD, WI and WY.

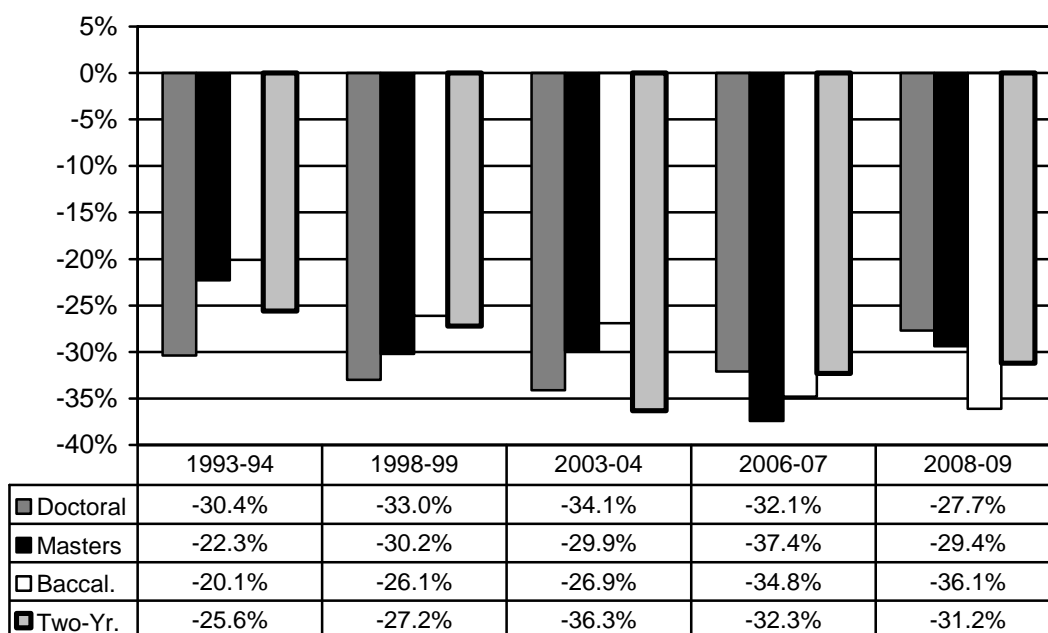
Exhibit E3: NDUS Average Faculty Salary Variance from Regional and National Averages

While the average doctoral, masters and two-year faculty salary gap has decreased in the last five years, the baccalaureate average salary gap has increased. Significant variances remain between all NDUS institutions and their respective regional and national averages.

Regional Averages



National Averages



Source: AAUP, *Academe*, Annual Reports and NDUS annual budget data.
Regional states include: CO, IA, KS, MN, MO, MT, ND, NE, OK, SD, WI and WY.

Exhibit E4: NDUS Average Faculty Salary Variance From Regional and National Averages, By Rank

As faculty progress in rank at all types of institutions, their pay disparity with the national and regional averages grows wider. Pay compression results when labor market pay levels increase more rapidly than an employee's pay adjustment. There are cases where more experienced employees make less than salaries paid to attract and retain new employees from outside.

	2008-09				2006-07		
	NDUS	Regional		National			
	NDUS Weighted Avg Salary ¹	Regional Weighted Avg Salary ^{2,3}	% Variance Between NDUS & Regional Avg	National Weighted Avg Salary ²	% Variance Between NDUS & National Avg	% Variance Between NDUS & Regional Avg	% Variance Between NDUS & National Avg
Rank	DOCTORAL (NDSU, UND)						
Professor	\$ 87,712	\$ 109,492	-25%	\$ 115,509	-32%	-29%	-38%
Associate	\$ 68,403	\$ 78,015	-14%	\$ 79,986	-17%	-14%	-18%
Assistant	\$ 60,946	\$ 65,824	-8%	\$ 68,048	-12%	-10%	-13%
Instructor	\$ 48,300	\$ 46,252	4%	\$ 45,491	6%	-2%	0%
Rank	MASTER'S (MiSU)						
Professor	\$ 69,500	\$ 78,766	-13%	\$ 88,357	-27%	-15%	-29%
Associate	\$ 57,000	\$ 63,838	-12%	\$ 70,308	-23%	-15%	-26%
Assistant	\$ 50,100	\$ 55,062	-10%	\$ 59,416	-19%	-13%	-21%
Instructor	\$ 39,200	\$ 42,063	-7%	\$ 43,183	-10%	-17%	-18%
Rank	BACCALAUREATE (DSU, MaSU, VCSU)						
Professor	\$ 60,792	\$ 74,458	-22%	\$ 84,488	-39%	-33%	-42%
Associate	\$ 52,814	\$ 61,588	-17%	\$ 68,193	-29%	-18%	-30%
Assistant	\$ 46,401	\$ 52,528	-13%	\$ 56,977	-23%	-14%	-20%
Instructor	\$ 41,140	\$ 39,741	3%	\$ 43,970	-7%	-2%	-11%
Rank	TWO-YEAR (BSC, DCB, LRSC, NDSCS, WSC)						
Professor	\$ 54,679	\$ 64,448	-18%	\$ 74,933	-37%	-29%	-43%
Associate	\$ 48,078	\$ 54,399	-13%	\$ 60,737	-26%	-16%	-24%
Assistant	\$ 44,542	\$ 48,300	-8%	\$ 53,427	-20%	-10%	-19%
Instructor	\$ 41,360	\$ 43,458	-5%	\$ 46,063	-11%	-10%	-13%
TOTAL	ALL CAMPUSES						
Professor	\$ 82,538	\$ 96,569	-17%	\$ 104,493	-27%	-22%	-31%
Associate	\$ 61,444	\$ 71,835	-17%	\$ 75,205	-22%	-17%	-23%
Assistant	\$ 55,979	\$ 60,635	-8%	\$ 63,430	-13%	-10%	-15%
Instructor	\$ 42,043	\$ 43,609	-4%	\$ 44,716	-6%	-11%	-12%

¹Per AAUP, Academe Annual Reports, and NDUS annual budget reports

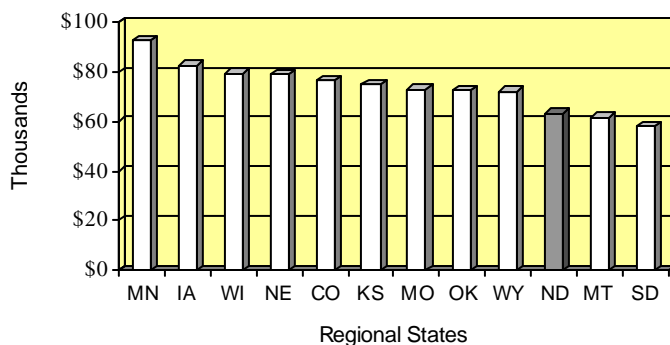
²AAUP, Academe Annual Reports, public institutions

³Includes CO, IA, KS, MN, MO, MT, NE, OK, SD, WI and WY

Exhibit F1: Listing of States by Rank of Average Salary for 9/10 Month Faculty of Public Higher Education Institutions in 50 States and DC

Public Doctoral Universities, 2007-08

Average Faculty Salary
Public Doctoral Universities - 2007-08



In 2007-08, ND ranked 46th nationally and 10th regionally out of 12 states in salaries among 9/10 month faculty at public doctoral universities. Progress has been made since 2005-06, when ND ranked 50th nationally and 12th regionally.

07-08 Data (2009 Almanac)				05-06			
State	Avg Salary	Rank	Rank	State	Avg Salary	Rank	Rank
California	\$100,644	1	1	South Carolina	\$75,629	27	26
New Jersey	\$97,557	2	4	Indiana	\$75,274	28	28
Connecticut	\$96,492	3	5	Utah	\$75,151	29	36
Minnesota*	\$92,920	4	3	Kansas*	\$75,130	30	33
Delaware	\$90,211	5	10	Alabama	\$74,774	31	30
Massachusetts	\$88,364	6	9	Florida	\$74,565	32	19
New York	\$87,261	7	12	Maine	\$74,529	33	44
Virginia	\$85,116	8	14	Ohio	\$74,435	34	31
Maryland	\$84,178	9	7	Missouri*	\$72,988	35	34
Pennsylvania	\$84,147	10	11	Oklahoma*	\$72,815	36	38
Michigan	\$84,083	11	6	Wyoming*	\$72,329	37	41
Nevada	\$83,449	12	17	Vermont	\$72,226	38	39
Hawaii	\$82,970	13	27	New Mexico	\$70,793	39	40
Iowa*	\$82,657	14	25	Louisiana	\$69,639	40	37
Arizona	\$82,310	15	16	Tennessee	\$67,061	41	32
New Hampshire	\$81,056	16	15	Oregon	\$66,828	42	42
North Carolina	\$80,666	17	13	West Virginia	\$65,929	43	43
Wisconsin*	\$79,644	18	8	Arkansas	\$64,931	44	35
Nebraska*	\$79,221	19	23	Alaska	\$64,877	45	45
Georgia	\$78,500	20	18	North Dakota*	\$63,332	46	50
Washington	\$77,638	21	2	Mississippi	\$62,779	47	47
Illinois	\$77,627	22	24	Montana*	\$61,809	48	48
Kentucky	\$76,865	23	29	Idaho	\$60,223	49	46
Texas	\$76,790	24	20	South Dakota*	\$57,853	50	49
Rhode Island	\$76,716	25	22	Dist. Of Columbia	n/a	n/a	n/a
Colorado*	\$76,545	26	21	U.S. (AAUP table 4)	\$80,962		

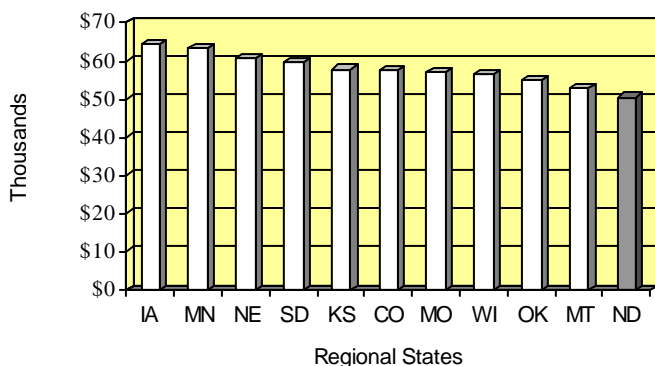
*Central States Region

Notes: From the Chronicle of Higher Ed/Facts and Figures/Almanac of Higher Education/State Profiles (looked up each state) <http://chronicle.com/section/Almanac-of-Higher-Education/141/>

Exhibit F2: Listing of States by Rank of Average Salary for 9/10 Month Faculty of Public Higher Education Institutions in 50 States and DC

Public Masters Institutions, 2007-08

Average Faculty Salary
Public Masters Universities - 2007-08



In 2007-08, ND ranked 48th nationally and 11th regionally out of 12 states in salaries among 9/10 month faculty at public masters institutions. Previous reports have combined masters and four-year campuses so 2005-06 comparable data is not available.

07-08 Data (2009 Almanac)

State	Avg Salary	Rank
New Jersey	\$85,166	1
California	\$76,238	2
Connecticut	\$73,710	3
New York	\$72,299	4
Pennsylvania	\$72,028	5
Maine	\$70,918	6
Arizona	\$68,750	7
Massachusetts	\$67,973	8
New Hampshire	\$67,765	9
North Carolina	\$67,140	10
Ohio	\$66,197	11
Delaware	\$65,025	12
Hawaii	\$64,785	13
Iowa*	\$64,413	14
Michigan	\$64,334	15
Virginia	\$64,026	16
Maryland	\$63,431	17
Minnesota*	\$63,198	18
Alaska	\$63,103	19
Washington	\$62,723	20
Florida	\$61,447	21
South Carolina	\$61,028	22
Nebraska*	\$60,686	23
Tennessee	\$60,563	24
Rhode Island	\$60,020	25
Illinois	\$59,789	26

07-08 Data (2009 Almanac)

State	Avg Salary	Rank
South Dakota*	\$59,624	27
Texas	\$58,986	28
Kentucky	\$58,642	29
Idaho	\$58,203	30
Kansas*	\$57,678	31
Alabama	\$57,600	32
Colorado*	\$57,524	33
Indiana	\$57,042	34
Missouri*	\$57,041	35
Utah	\$56,817	36
Wisconsin*	\$56,543	37
Georgia	\$55,676	38
Louisiana	\$54,773	39
Oklahoma*	\$54,771	40
New Mexico	\$54,276	41
Vermont	\$53,209	42
Montana*	\$52,898	43
West Virginia	\$52,590	44
Oregon	\$51,844	45
Arkansas	\$51,377	46
Mississippi	\$50,615	47
North Dakota*	\$50,400	48
Dist. of Columbia	n/a	
Nevada	n/a	
Wyoming*	n/a	
U.S. (AAUP table 4)	\$66,107	

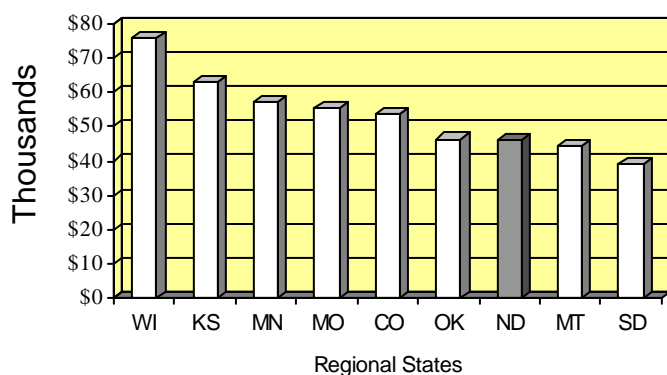
* Central States Region

Notes: From the Chronicle of Higher Ed/Facts and Figures/Almanac of Higher Education/State Profiles (looked up each state) <http://chronicle.com/section/Almanac-of-Higher-Education/141/>

Exhibit F3: Listing of States by Rank of Average Salary for 9/10 Month Faculty of Public Higher Education Institutions in 50 States and DC

Public Four-Year Institutions, 2007-08

**Average Faculty Salary
Public 4-Year Institutions - 2007-08**



In 2007-08, ND ranked 34th nationally out of 37 states reporting data for four-year institutions and 7th regionally out of 9 states in salaries among 9/10 month faculty at public four-year institutions. Previous reports have combined masters and four-year campuses, so 2005-06 comparable data is not available.

07-08 Data (2009 Almanac)		
State	Avg Salary	Rank
Wisconsin*	\$75,849	1
California	\$71,528	2
New Hampshire	\$69,526	3
Massachusetts	\$69,520	4
Alabama	\$67,042	5
New York	\$66,041	6
North Carolina	\$65,569	7
Virginia	\$65,439	8
Nevada	\$63,815	9
Maryland	\$63,487	10
Kansas*	\$62,977	11
Hawaii	\$62,589	12
Pennsylvania	\$62,528	13
Florida	\$59,308	14
Louisiana	\$58,898	15
Minnesota*	\$57,297	16
Ohio	\$56,872	17
Utah	\$56,102	18
Missouri*	\$55,641	19
Michigan	\$55,117	20
Indiana	\$54,626	21
Maine	\$54,569	22
Arkansas	\$54,001	23
Colorado*	\$53,764	24
Oregon	\$53,498	25
Washington	\$52,643	26

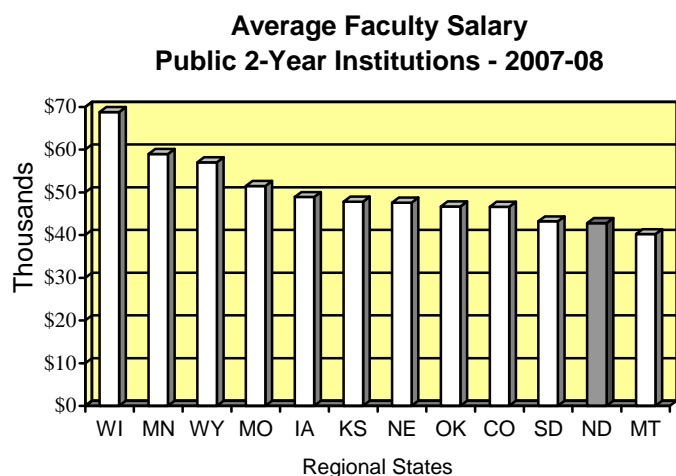
07-08 Data (2009 Almanac)		
State	Avg Salary	Rank
South Carolina	\$51,965	27
Vermont	\$51,112	28
West Virginia	\$50,895	29
Georgia	\$49,663	30
Texas	\$48,928	31
Idaho	\$47,613	32
Oklahoma*	\$46,378	33
North Dakota*	\$46,289	34
New Mexico	\$44,960	35
Montana*	\$44,210	36
South Dakota*	\$39,020	37
Alaska	n/a	
Arizona	n/a	
Connecticut	n/a	
Delaware	n/a	
Dist. Of Columbia	n/a	
Illinois	n/a	
Iowa*	n/a	
Kentucky	n/a	
Mississippi	n/a	
Nebraska*	n/a	
New Jersey	n/a	
Rhode Island	n/a	
Tennessee	n/a	
Wyoming*	n/a	
U.S. (AAUP table 4)	\$62,447	

* Central States Region

Notes: From the Chronicle of Higher Ed/Facts and Figures/Almanac of Higher Education/State Profiles (looked up each state) <http://chronicle.com/section/Almanac-of-Higher-Education/141/>

Exhibit F4: Listing of States by Rank of Average Salary for 9/10 Month Faculty of Public Higher Education Institutions in 50 States and DC

Public Two-Year Colleges, 2007-08



In 2007-08, ND ranked 47th nationally and 11th regionally out of 12 states in salaries among 9/10 month faculty at public two-year colleges. Slight progress has been made since 2005-06, when ND ranked 49th nationally and 12th regionally.

07-08 Data (2009 Almanac)			05-06	07-08 Data (2009 Almanac)			05-06
State	Avg Salary	Rank	Rank	State	Avg Salary	Rank	Rank
California	\$79,931	1	1	Missouri*	\$51,492	27	21
Michigan	\$72,694	2	2	Louisiana	\$49,311	28	45
Alaska	\$70,667	3	3	Kentucky	\$49,158	29	28
Wisconsin*	\$68,794	4	5	Iowa*	\$48,911	30	32
New Jersey	\$67,920	5	4	Mississippi	\$48,560	31	38
Connecticut	\$67,775	6	7	Idaho	\$48,352	32	29
Arizona	\$65,589	7	6	New Hampshire	\$48,131	33	34
New York	\$65,393	8	8	Utah	\$48,024	34	37
Maryland	\$63,350	9	12	Kansas*	\$47,760	35	31
Delaware	\$63,253	10	9	Nebraska*	\$47,618	36	33
Illinois	\$62,730	11	11	Tennessee	\$47,160	37	30
Hawaii	\$62,619	12	16	Oklahoma*	\$46,689	38	40
Nevada	\$60,273	13	10	New Mexico	\$46,627	39	36
Oregon	\$59,269	14	17	Colorado*	\$46,573	40	35
Massachusetts	\$59,238	15	19	South Carolina	\$46,148	41	39
Minnesota*	\$59,021	16	13	North Carolina	\$45,740	42	46
Pennsylvania	\$57,316	17	14	Georgia	\$44,695	43	41
Rhode Island	\$56,998	18	15	West Virginia	\$44,487	44	42
Wyoming*	\$56,986	19	27	Indiana	\$44,159	45	43
Ohio	\$56,354	20	18	South Dakota*	\$43,233	46	44
Virginia	\$54,765	21	25	North Dakota*	\$42,804	47	49
Alabama	\$53,110	22	26	Arkansas	\$42,735	48	47
Florida	\$53,073	23	20	Montana*	\$40,225	49	48
Washington	\$52,358	24	24	Dist. of Columbia	n/a	n/a	n/a
Maine	\$51,822	25	22	Vermont	n/a	n/a	n/a
Texas	\$51,675	26	23	U.S. (AAUP table 4)	\$57,772		

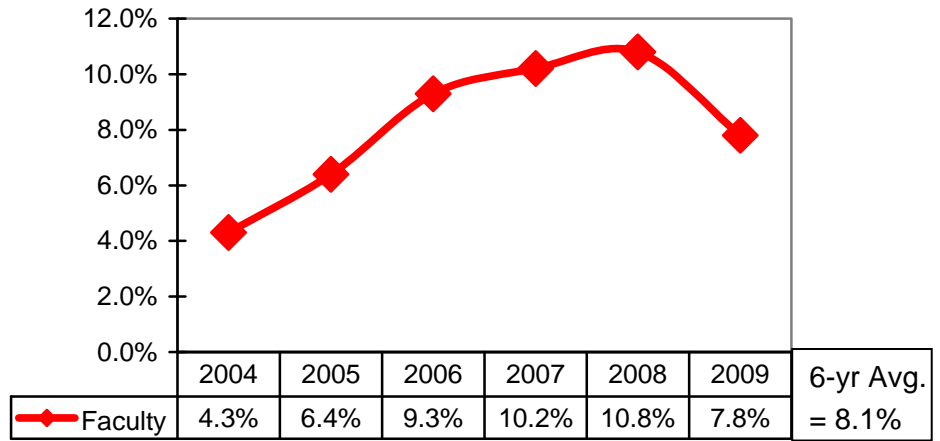
* Central States Region

Notes: From the Chronicle of Higher Ed/Facts and Figures/Almanac of Higher Education/State Profiles (looked up each state) <http://chronicle.com/section/Almanac-of-Higher-Education/141/>

1.4 Employment Data

Exhibit G: NDUS Faculty Turnover Statistics 2004 through 2009

An average of 8.1 percent of faculty have left their jobs per year since 2004.

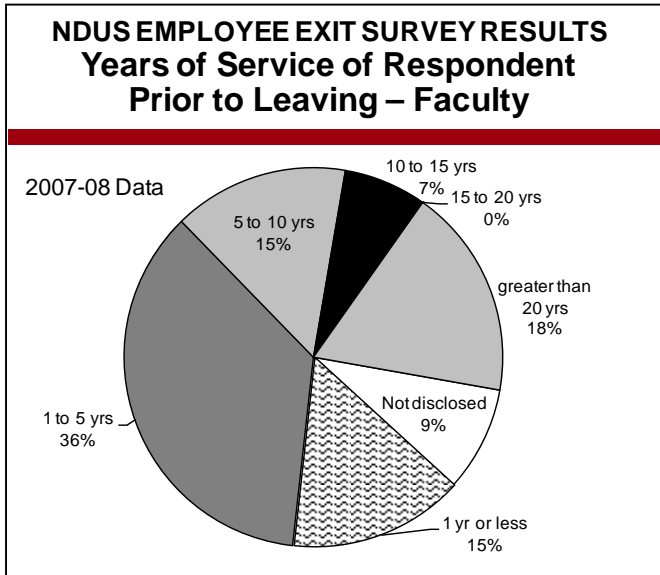


	2004 Turnover		2005 Turnover		2006 Turnover		2007 Turnover		2008 Turnover		2009 Turnover	
	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio
BSC	6	4.5%	12	10.8%	4	3.6%	8	7.4%	12	11.4%	6	5.2%
DCB*					3	13.6%	1	4.5%	5	23.8%	2	8.7%
DSU	1	1.2%	4	4.7%	8	9.0%	13	14.9%	15	19.2%	10	11.8%
LRSC	4	10.8%	2	5.4%	1	2.8%	2	5.6%	3	8.1%	2	5.1%
MaSU	6	15.0%	5	12.5%	6	15.8%	2	4.9%	4	10.0%	5	13.5%
MiSU*	7	3.7%	11	5.7%	9	5.4%	22	13.4%	9	5.2%	7	4.0%
NDSCS	7	5.5%	9	7.0%	24	19.5%	23	18.5%	6	4.7%	12	9.8%
NDSU	24	4.3%	33	5.9%	61	11.0%	65	11.7%	74	12.4%	72	11.2%
UND	25	3.7%	48	6.6%	50	7.4%	47	7.0%	69	10.1%	40	5.5%
VCSU	3	5.2%	2	3.4%	10	16.4%	8	13.8%	8	16.0%	2	3.6%
WSC	2	4.4%	1	2.2%	3	7.4%	4	10.5%	5	13.5%	3	8.6%
TOTAL	85	4.3%	127	6.4%	179	9.3%	195	10.2%	210	10.8%	161	7.8%

* MiSU ratios include Dakota College-Bottineau (formerly MiSU-Bottineau Campus) through 2005. They are reported separately beginning 2006.

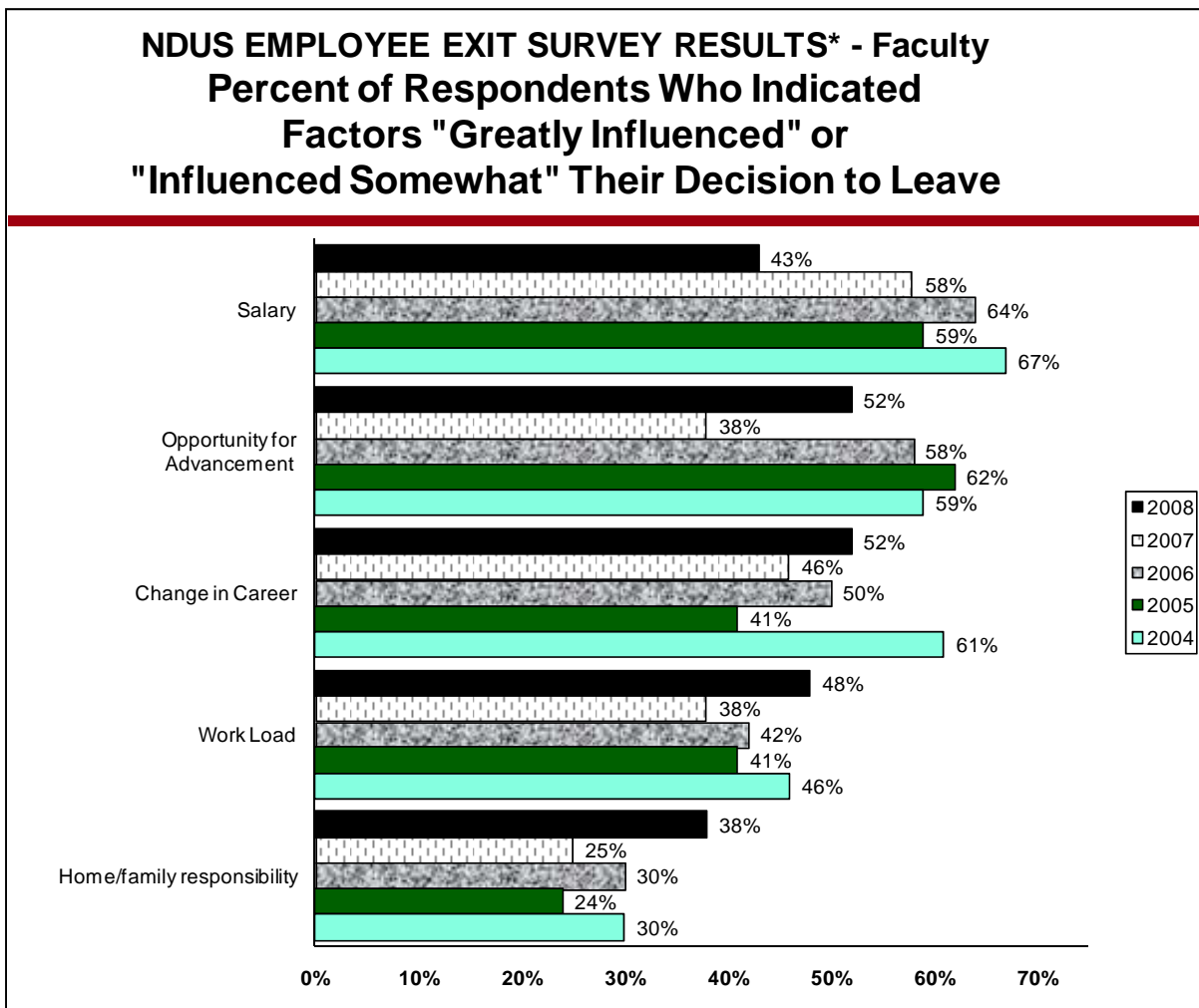
Source: NDUS Payroll Records

Exhibit H: Faculty Exit Survey Results



- 51 percent of faculty leaving the NDUS in 2007-08 were employed less than five years prior to leaving.
- 15 percent of newly hired faculty left after 1 year, an increase of 2 percent over the last report.

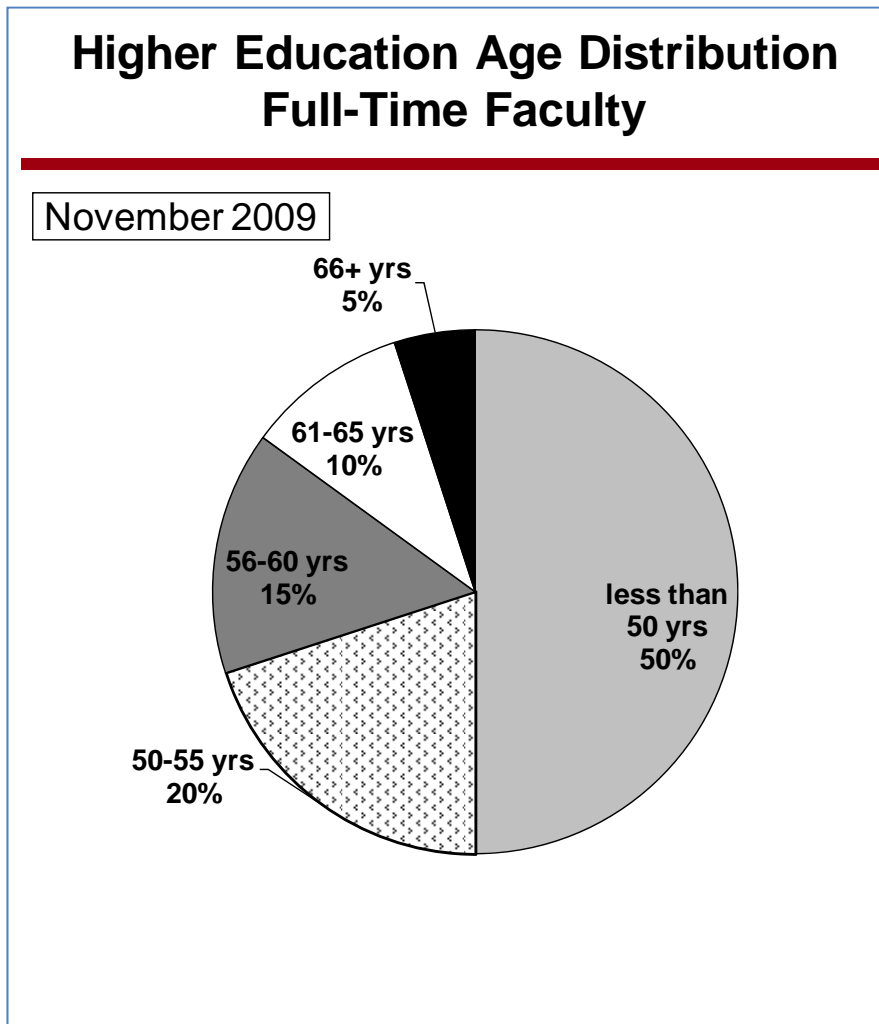
Through 2007, faculty identified low salary as the major factor influencing their decision to leave the NDUS. In 2008, the respondents listed opportunity for advancement, career change and workload as their top reasons.



Source: NDUS Exit Interviews (15 percent response rate)

* Other reasons include fringe benefits, facilities, funding, and other.

Exhibit I: Age Distribution Full-Time Faculty



Nearly half of NDUS faculty members are 50 years of age or over. Twelve percent of faculty are older than 60 years of age. The high percentage of younger faculty leaving their institutions suggests fewer and fewer faculty will be available to follow more experienced employees into seniority.

Source: NDUS Payroll Records

Benefits

Exhibit J: Regional Benefits Analysis, January 2009

The state of North Dakota offers a comprehensive benefit package to NDUS employees. According to the Central States Compensation Association (CSCA), the value of North Dakota's benefit package ranks 9th among the 12 states in our region, based on normalized average salary and actual benefits paid out per hour.

BASED ON REGIONAL AVERAGE DOCTORAL SALARY (TO NORMALIZE BENEFITS)

State	Salary Rank ⁴	Average Faculty Salary (9 months)	Hourly Faculty Salary (9 months)	Normalized Benefits Per Hour ¹								Benefits Rank
				Holidays	Health Insurance ²	Life Insurance ²	Dental Insurance ²	Retirement ²	Social Security	Medicare	Total Benefits	
Wisconsin	3	79,644	51.05	1.64	15.75	0.083	-	4.93	2.94	0.69	26.02	1
Oklahoma	8	72,815	46.68	1.82	10.19	-	-	7.35	2.94	0.69	22.98	2
Nebraska	4	79,221	50.78	2.19	12.49	0.016	-	3.55	2.94	0.69	21.87	3
Wyoming	9	72,329	46.36	1.64	8.45	0.22	0.28	5.33	2.94	0.69	19.55	4
Iowa	2	82,657	52.99	2.01	9.80	0.087	0.27	3.15	2.94	0.69	18.94	5
Missouri	7	72,988	46.79	2.19	6.56	0.149	0.05	6.04	2.94	0.69	18.62	6
Colorado	5	76,545	49.07	1.82	6.68	0.077	0.37	5.76	2.94	0.69	18.34	7
Minnesota	1	92,920	59.56	2.01	9.12	-	0.36	2.25	2.94	0.69	17.36	8
North Dakota	10	63,332	40.60	1.91	6.36	0.001	-	4.50	2.94	0.69	16.40	9
Montana	11	61,809	39.62	1.91	4.81	0.204	0.44	3.27	2.94	0.69	14.27	10
Kansas	6	75,130	48.16	2.01	4.51	0.001	0.44	3.59	2.94	0.69	14.17	11
South Dakota	12	57,853	37.09	2.10	3.71	0.040	-	2.84	2.94	0.69	12.31	12
Regional Average		\$73,937	\$47.40	\$1.94	\$8.20	\$0.088	\$ 0.32	\$4.38	\$2.94	\$0.69	\$18.40	

BASED ON EACH STATES ACTUAL AVERAGE SALARY

State	Salary Rank ⁴	Average Faculty Salary (9 months)	Hourly Faculty Salary (9 months)	Actual Paid Benefits Per Hour ³								Benefits Rank
				Holidays	Health Insurance ²	Life Insurance ²	Dental Insurance ²	Retirement ²	Social Security	Medicare	Total Benefits	
Wisconsin	3	79,644	\$ 51.05	\$ 1.77	\$ 15.75	\$ 0.083	-	\$ 5.31	\$ 3.17	\$ 0.74	\$ 26.81	1
Oklahoma	8	72,815	46.68	1.80	10.19	-	-	7.23	2.89	0.68	22.79	2
Nebraska	4	79,221	50.78	2.34	12.49	0.016	-	3.80	3.15	0.74	22.54	3
Iowa	2	82,657	52.99	2.24	9.80	0.087	0.27	3.52	3.29	0.77	19.97	4
Minnesota	1	92,920	59.56	2.52	9.12	-	0.36	2.83	3.69	0.86	19.39	5
Wyoming	9	72,329	46.36	1.60	8.45	0.219	0.28	5.22	2.87	0.67	19.32	6
Colorado	5	76,545	49.07	1.89	6.68	0.077	0.37	5.96	3.04	0.71	18.73	7
Missouri	7	72,988	46.79	2.16	6.56	0.149	0.05	5.97	2.90	0.68	18.47	8
North Dakota	10	63,332	40.60	1.64	6.36	0.001	-	3.86	2.52	0.59	14.96	9
Kansas	6	75,130	48.16	2.04	4.51	-	0.44	3.65	2.99	0.70	14.31	10
Montana	11	61,809	39.62	1.60	4.81	0.204	0.44	2.73	2.46	0.57	12.82	11
South Dakota	12	57,853	37.09	1.64	3.71	0.040	-	2.23	2.30	0.54	10.45	12

Data Sources:

2009 Central States Compensation Association - Benefit Survey:

¹Based on regional average hourly salary (to normalize the data) and 1,560 hours.

²Employer paid benefits for employee + family coverage.

³Based on each state's average faculty salary and 1,560 hours.

Chronicle of Higher Education, 2009 Almanac:

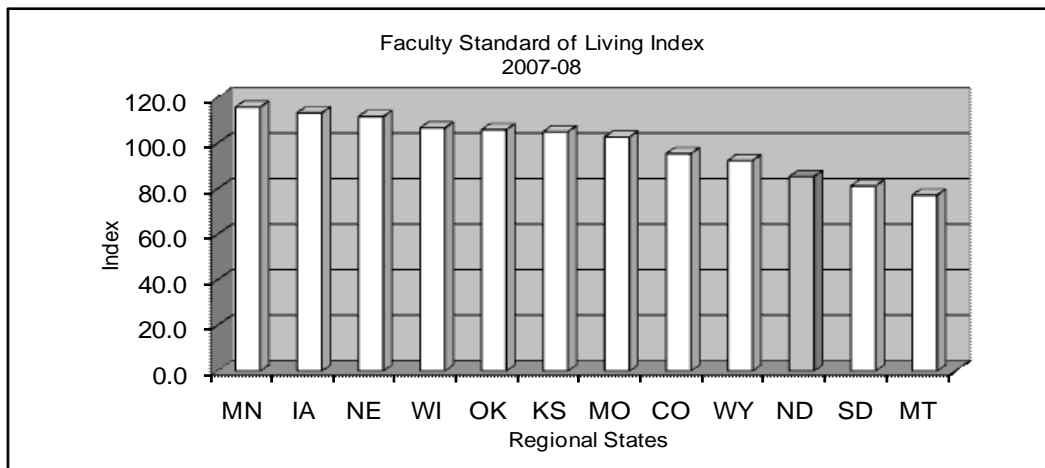
⁴Salary rank of 9 and 10 month faculty of public higher ed institutions - 2007-08.

Standard of Living

Exhibit K: Regional Standard of Living – Faculty

North Dakota's average standard of living, as measured by the Cost of Living Factor and Average Faculty Salary Factor, is below the average standard of living for the region.

	Regional Avg. Faculty Salary Factor (2007-08) ¹	National Composite Cost of Living Factor (2nd Qtr 2009) ²	Regional Composite Cost of Living Factor (2nd Qtr 2009) ³	Regional Standard of Living Index ⁴	Std of Living Rank
Minnesota	125.7	102.8	108.4	115.9	1
Iowa	111.8	93.5	98.6	113.4	2
Nebraska	107.1	90.9	95.8	111.8	3
Wisconsin	107.7	95.7	100.9	106.7	4
Oklahoma	98.5	88.1	92.9	106.0	5
Kansas	101.6	91.7	96.7	105.1	6
Missouri	98.7	91.1	96.1	102.8	7
Colorado	103.5	102.8	108.4	95.5	8
Wyoming	97.8	100.4	105.9	92.4	9
North Dakota	85.7	95.1	100.3	85.4	10
South Dakota	78.2	91.3	96.3	81.3	11
Montana	83.6	102.6	108.2	77.3	12
Average	100.0	94.8	100.0	100.0	



¹ Regional Avg. Faculty Salary Factor

Indicates how the state's average faculty salary compares to the region as a whole. The regional figure is represented by the number 100.0. A factor higher than 100 indicates the state's average faculty salary is higher than average, and vice versa.

Data Source: 2007-08 regional average faculty salaries for public universities from Chronicle of Higher Education, 2009 Almanac.

² National Composite Cost of Living Factor

Indicates how the state's living expenses (housing, food, etc.) compare to the nation as a whole. All states are combined to develop the national average, which is represented by the number 100.0. A factor higher than 100 indicates the state's cost of living is higher than average, and vice versa.

Data Source: 2nd quarter, 2009 MERIC Composite Cost of Living Index (www.missourieconomy.org/indicators/cost_of_living)

³ Regional Composite Cost of Living Factor (composite cost of living index ÷ avg regional composite cost of living index)

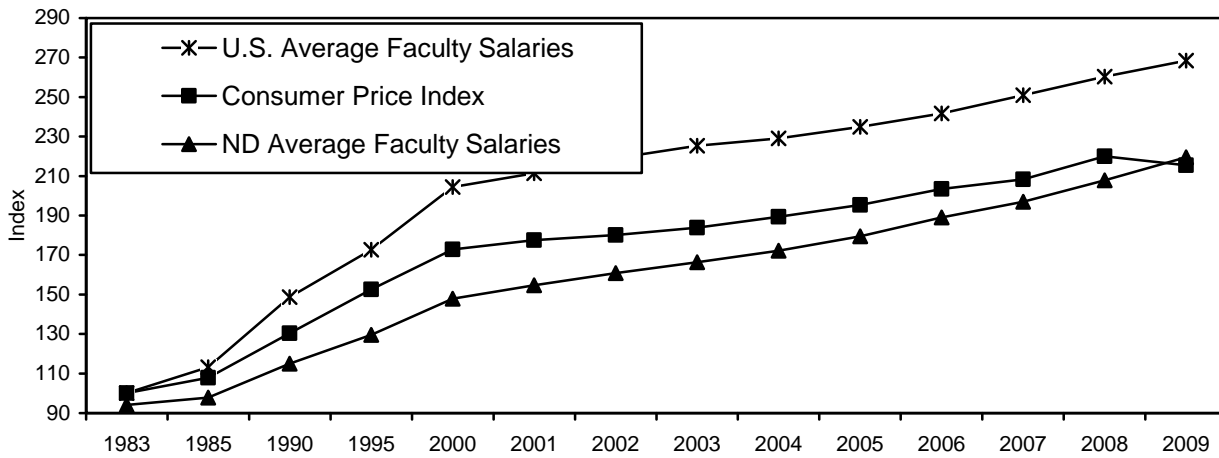
Compares each state's composite cost of living index to the average composite cost of living index for the region. The regional average is then represented by an index of 100.0. An index of less than 100.0 indicates the state's cost of living is lower than the average for the region.

⁴ Standard of Living Index (Reg. Avg. Fac. Salary Factor ÷ Reg. Composite Cost of Living Factor)

Compares regional cost of living to average faculty salary to derive a state's relative standard of living for the average faculty member. An index number less than 100.0 indicates real purchasing power is lower than the regional average purchasing power. Presumably, standard of living is relatively lower for faculty in these states. And vice versa for an index number greater than 100.0.

Exhibit L: Average Faculty Salary Trends and the Cost of Living

Average faculty salary increases in the NDUS have exceeded the changes in U.S. average faculty salaries and changes in the consumer price index, since 2001. However, due to the significant lag in increases in the 10 years preceding 2001, significantly larger increases are needed to catch up.

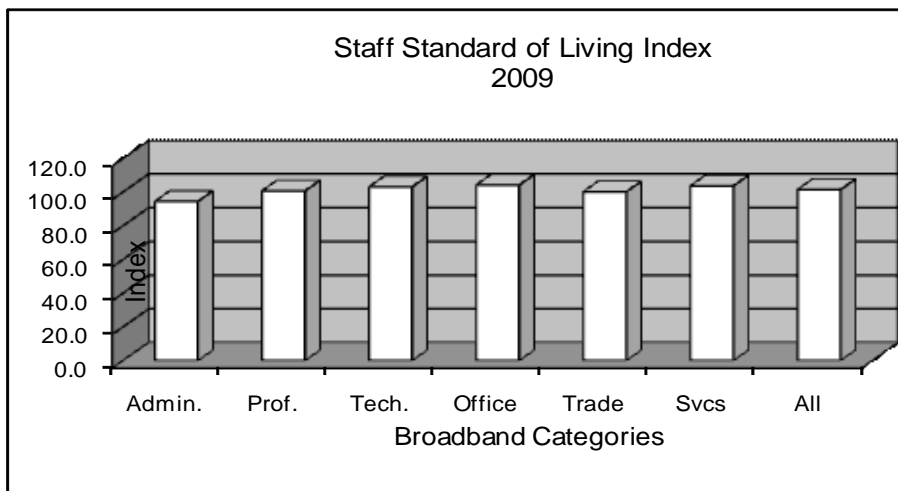


Data Sources: American Association of University Professors, *Academe*, Annual Reports
 U.S. Department of Labor Consumer Price Index: July 1983 = 100

Exhibit M: Regional Standard of Living – NDUS Staff

The real purchasing power of NDUS staff wages has improved since 2005, but the real purchasing power of three broadband categories continues to be lower than the real purchasing power of comparable positions in the four-state region (ND, MN, MT, SD).

Broadband Category	Regional Avg. Salary Factor¹	Regional Composite Cost of Living Factor (2nd Qtr 2007)²	Standard of Living Index³
Admin./Managerial	91.7	97.1	94.4
Professional	97.7	97.1	100.6
Tech/Paraprofessional	100.0	97.1	103.0
Office Support	101.1	97.1	104.1
Crafts/Trades	97.2	97.1	100.1
Services	100.6	97.1	103.6
Average All Bands	98.5	97.1	101.4



¹ Regional Avg Salary Factor

Indicates how the NDUS average staff salary compares to ND, MN, MT and SD as a whole for similar occupations. The regional figure is represented by the number 100.0. An index number less than 100.0 indicates the average salary for NDUS staff is lower than the regional average salary for similar occupations.

NDUS November 2009 payroll records; ND Job Service-2008-09; Fargo Moorhead Human Resource Administration-2005-2007; College & University Professional Association, Administrative Survey-2008-09, and Mid-Level Survey-2008-09; Higher Education Information for Technology Services 2008-09; National Association of State Foresters Survey-2000. A footnote in the ND Job Service 2008 edition indicates, "Wage data from previous survey panels are adjusted using the Employment Cost Index (ECI), which brings wages current to the latest data collected in the survey, in this case May 2006. Using a similar method, North Dakota further aged the data to reflect December 2007."

² Regional Composite Cost of Living Factor (ND composite cost of living index ÷ avg regional composite cost of living index)

Compares North Dakota's composite cost-of-living index to the average composite cost-of-living index for ND, MN, SD and MT. The regional average is then represented by an index of 100.0. An index of less than 100.0 indicates North Dakota's cost of living is lower than the average for the regional area.

³ Standard of Living Index (Regional Avg. Salary Factor ÷ Regional Composite Cost of Living Factor)

Compares regional composite cost of living to average staff salary to derive relative standard of living for NDUS staff compared to the regional average. An index number less than 100.0 indicates real purchasing power is lower than the regional average purchasing power for similar occupations. Presumably, standard of living is relatively lower for NDUS staff.

Exhibit N: National Composite Cost of Living Per ACCRA Cost of Living Index, 2nd Quarter 2009

North Dakota's cost of living ranks 34th in the nation and 6th of the 12 states in the Central Region.

State	Index	Rank	State	Index	Rank
Hawaii	164.9	1	North Carolina	96.4	28
Dist. Of Columbia	140.0	2	Utah	96.3	29
California	135.1	3	Illinois	96.2	30
New Jersey	126.5	4	Michigan	96.0	31
Alaska	126.4	5	Louisiana	95.9	32
Maryland	125.8	6	Wisconsin*	95.7	33
Connecticut	125.3	7	North Dakota*	95.1	34
New York	125.2	8	West Virginia	94.0	35
Massachusetts	123.3	9	Iowa*	93.5	36
Vermont	119.9	10	Ohio	92.8	37
Rhode Island	119.0	11	Alabama	92.6	38
New Hampshire	117.4	12	Mississippi	92.5	39
Oregon	116.1	13	Indiana	92.4	40
Maine	114.9	14	Idaho	92.2	41
Nevada	105.1	15	Kansas*	91.7	42
Arizona	104.6	16	South Dakota*	91.3	43
Washington	104.5	17	Missouri*	91.1	44
Colorado*	102.8	18	Georgia	90.9	45
Minnesota*	102.8	19	Nebraska*	90.9	46
Montana*	102.6	20	Arkansas	90.8	47
Pennsylvania	102.4	21	Texas	90.5	48
Delaware	101.4	22	Kentucky	90.4	49
Florida	101.1	23	Tennessee	88.9	50
Wyoming*	100.4	24	Oklahoma*	88.1	51
New Mexico	100.0	25			
Virginia	99.3	26			
South Carolina	97.5	27			

*Central States Region

(Website: http://www.missourieconomy.org/indicators/cost_of_living/index.stm)

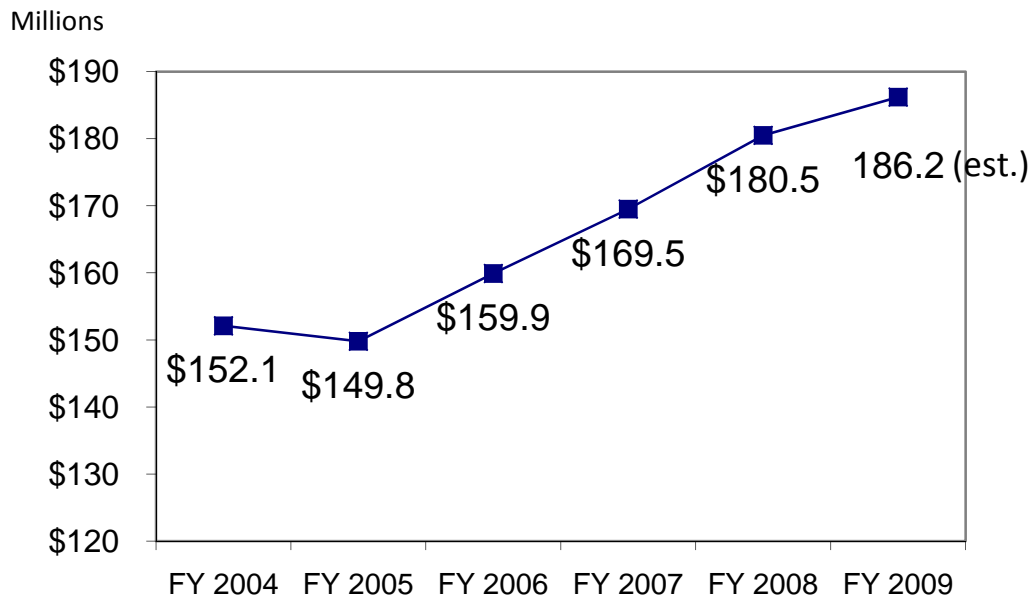
Research Contributions

According to the *2008 Accountability Measures Report* research expenditures reported by UND and NDSU to the National Science Foundation (NSF), increased from \$152.1 million to \$180.5 million, or 19 percent, from FY 2004 to FY 2008. Expenditures for FY2009 are estimated at \$186.2 million, resulting in an estimated five-year increase of approximately \$34 million or 22.4 percent.

The real value of research dollars extends far beyond the actual dollar amount. Although institutions may be designated as research facilities, research dollars can and do flow through other NDUS institutions.

Simply put, research money and its contributions to the state of North Dakota would not be possible without the knowledge, skills and abilities of our university faculty and staff.

Research Expenditures reported by UND and NDSU to the National Science Foundation for FY2004 through FY2008 and Estimate for FY2009



1.5 Impact of the North Dakota University Systemⁱⁱⁱ March 2010

North Dakota's 11 public colleges and universities create an environment of discovery and growth, which enhances social engagement and builds tomorrow's leaders. Higher educational levels result in lower crime rates, greater focus on personal health, less reliance on governmental assistance, higher voting rates, increased charitable giving and greater community service. NDUS institutions provide the intellectual capital that helps fuel our state's economic growth.

Student Impact

- In Fall Semester 2009, headcount enrollment at the 11 North Dakota University System colleges and universities reached a record high of 45,817 students.
- 66.5 percent (5,019/7,543) of 2008 NDUS graduates remained in the state one year after graduation, either re-enrolled as students and/or employed in the workforce.
- 42.2 percent (1,136/2,689) of non-resident 2008 NDUS graduates remained in the state one year after graduation, either re-enrolled as students and/or employed in the workforce. This includes 44.7 percent (724/1,621) of Minnesota residents who graduated from NDUS institutions in 2008.

Economic Impact

- On an annual basis, the NDUS generates about \$3 for every \$1 of state investment.
- The NDUS accounts for about 4.4 percent of the state's total 2008 gross business volume.
- The overall FY 2008 estimated economic impact of the NDUS and its students on the state of North Dakota was \$3.5 billion.* In FY 2008:
 - The 11 campuses and related entities injected \$940 million directly into local economies, including expenditures for salaries and wages, scholarships, utilities and capital investment. Almost 75 percent (\$689 million) of the funding was from non-general fund sources, such as grants, contracts and donations.
 - These expenditures resulted in increased total business activity of \$2.8 billion, which included \$684 million in additional retail trade activity.
 - Student spending for living expenses contributed \$305 million in direct economic impact to the state, an average of \$8,681 per student.
 - Increased business activity generated by student spending was estimated to be another \$756 million, including \$342 million in increased retail trade activity and an additional \$184 million of personal income
 - When combined, the NDUS and students provided a direct economic impact of \$1.2 billion.

** According to Economic Impact of the North Dakota University System, a 2009 report by the NDSU Department of Agribusiness and Applied Economics*

Workforce Impact

- In FY 2010, the NDUS employs about 17,500 people, including about 2,100 faculty, 5,300 staff members, 5,700 student employees and 4,400 temporary employees.
- In FY 2008, NDUS institutions and students supported more than 30,000 secondary jobs, primarily in retail and services.
- In FY 2008, 1,345 businesses were served, and 11,990 employees were trained through TrainND.

Bibliography

ⁱ Setting the Stage: A Look at North Dakota's Demographic and Educational Context, (PowerPoint slide show) presented by NCHEMS to the North Dakota Higher Education Study Committee, Bismarck, North Dakota, September 26, 2007.

ⁱⁱ 2008 Accountability Measures Report, prepared by the North Dakota University System for the North Dakota State Board of Higher Education

ⁱⁱⁱ Handout provided to the Interim Higher Education Committee, January 2010.