

## Appendix 1 – Distribution of Additional Moneys

### Longevity Shares:

Half of the 0.5% pools available on July 1, 2009 and July 1, 2010 and all of the pool available on July 1, 2011 will be distributed via “longevity shares.” This will parallel the distribution of the 0.3% pool available in the 2007-2008 agreement. Shares will be in 5-year increments, not the 10-year increments used in the 2007-2008 agreement.

That is, full-time members with fewer than five years of state college service as of July 1, 2009 will receive one share. Full-time members with at least five, but fewer than ten, years of state college service as of July 1, 2009 will receive two shares, etc.

The value of a share will be computed by taking 0.25% of the unit payroll on April 1, 2009 and dividing this amount by the total number of shares for the full-time unit as of July 1, 2009.

The process will be repeated on July 1, 2010. Shares will be computed based on the unit payroll on April 1, 2010; the total number of shares computed based service as of July 1, 2010.

For example, if a full-time member had 14 years of service as of July 1, 2009 and, therefore, was entitled to three shares, then on July 1, 2010 he/she would have 15 years of service (assuming he/she took no unpaid leaves of absence in AY 2009-2010) and would be entitled to four shares.

The process will be repeated again on July 1, 2011, but the pool will not be 0.25%. The computation of the size of the pool is complicated, but we give an example here.

Assuming there are 1000 tenured members system-wide on April 1, 2011, we compute 25% of the 1000 giving us 250 members. This is the basis for proration. If 75 members apply for PTR system-wide on April 1, 2011, then the minimum expenditure for PTR would be  $(75/250) \times 0.5\% = 0.15\%$ . The pool for longevity shares would be  $0.5\% - 0.15\% = 0.35\%$ .

### Formulary Method:

The other half of the 0.5% pools available on July 1, 2009 and July 1, 2010 will be distributed by comparing a member’s PTR-adjusted salary to a salary that results from a formula. The formula is based on a recommendation by the Joint Committee on the Study of Salaries in 2006.

In order to determine if an increase is warranted, a member’s salary on June 30, 2009, *before any increases are applied*, will be reduced by the same percentage as the percentage the member received under post-tenure review, Alternative One, if any. This will be called the PTR-adjusted salary. **The member’s actual salary will not be reduced;** the reduction is just used to determine if an adjustment is warranted.

If a member’s PTR-adjusted salary is greater than or equal to the formula salary, then that member will receive no additional increase (beyond the longevity increase above). If a member’s PTR-adjusted salary is less than the formula salary, then that member will receive a portion of the difference between their PTR-adjusted salary and the formula salary.

The percentage of the difference the member will receive will be the same as the percentage that the 0.25% pool is when compared to the total of all salary differences for the unit.

For example, if the 0.25% pool is equal to \$300,000 and the sum of all salary differences is equal to \$6,000,000, then the Pool Ratio will be  $\$300,000/\$6,000,000 = 0.050$ .

Hence, if a member had a PTR-adjusted salary of \$70,000 and a formula salary of \$74,000, the \$4,000 difference would be multiplied by the Pool Ratio of 0.050 and that member would receive an increase of \$200. The formula that will be used is:

### Formula

Rank	Base	Rank	Terminal Degree	Per Year of State College Service
Professor/Senior Librarian	\$37,563	\$21,000	\$6,000	\$800
Assoc. Prof. /Librarian	\$37,563	\$13,000	\$6,000	\$600
Asst. Prof./Assoc. Librarian	\$37,563	\$2,772	\$6,000	\$400
Instructor/other library ranks	\$37,563	\$0	\$6,000	\$400

#### Example 1:

A faculty member holds the rank of Associate Professor, does not possess a terminal degree, has 26 years of state college service on July 1, 2009, received a 6% salary increase under PTR, Alternative One and has a salary on June 30, 2009 of \$66,250. The difference is:

Base	\$37,573
Rank	\$13,000
Terminal Degree	\$0
State College Service	$\$600 \times 26 = \underline{\$15,600}$
Formula Salary	\$66,173

Salary on June 30, 2009	\$66,250
6% PTR roll-back	$-\ \$3,750$
PTR-adjusted Salary	\$62,500

Difference             $\$66,173 - \$62,500 = \$3,673$  (then multiplied by the Pool Ratio)

#### Example 2:

A librarian holds the rank of Senior Librarian, possesses a terminal degree, has 27.25 years of state college service on July 1, 2009, received a 3% salary increase under PTR, Alternative One and has a salary on June 30, 2009 of \$78,000. The difference is:

Base	\$37,573
Rank	\$21,000
Terminal Degree	\$6,000
State College Service	$\$800 \times 27.25 = \underline{\$21,800}$
Formula Salary	\$86,373

Current Salary	\$78,000
3% PTR roll-back	$-\ \$2,272$
PTR-adjusted Salary	\$75,728

Difference             $\$86,373 - \$75,728 = \$10,645$  (then multiplied by the Pool Ratio)