REPORT OF THE AAUP SALARY AND COMPENSATION TASK FORCE

December 14, 2004

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COMPENSATION RECOMMENDATIONS
Executive Summary

The Colorado College AAUP recommends the following for the 2005-06 academic year:

1. That the College ensure normal progression through the salary brackets for deserving continuing faculty. We also recommend adjusting the current brackets by the inflation factor (2.73%), resulting in the following brackets**:**

Table 1

	Bottom		Top
Instructor	$47,256	-	$51,355
Assistant Professor	$51,365	-	$61,731
Associate Professor	$61,741	-	$74,721
Full Professor	$74,731	-	$121,221

Assuming no retirements or other changes in the permanent faculty base, adjustments in progression plus inflation would increase the salary pool for full-time faculty by approximately 5.4%[1]. (See Appendix I)

2. That, in addition, the College provide the resources necessary to bring Colorado College faculty salaries within each rank to the median of the thirty comparable colleges. The additional increase necessary for the faculty salary pool is $1,491,200 or 11.95%. We recommend achieving this goal over the next 4 years. This will require an additional 2.86% per year for four years. The adjusted brackets are as follows.

Table 2

	Bottom		Top
Instructor	$48,572	-	$52,786
Assistant Professor	$52,796	-	$63,450
Associate Professor	$63,460	-	$76,802
Full Professor	$76,812	-	$124,598

For 2005-06, we are asking for an 8.26% (= 5.4% + 2.86%) salary pool increase in order to fund both recommendations 1 and 2. (See Appendix II.)

3. That the College continues to raise its contribution to retirement from the current 8.8% to 10% of salary by 0.3% each year for four more years. This will bring us into line with other outstanding liberal arts colleges. The cost in 2005 dollars of the increase for the second year is $39,396. (See p. 16.)
4. That the College accept the AAUP recommendations on health benefits. (See p. 15.)

[1] The 5.4% figure is only an estimate. As has been the case for several years, the estimate is based on salary data from the current pool of full-time faculty, with no attempt made to adjust for promotions and retirements.

I. INTRODUCTION

We commend the Administration and Board of Trustees for continuing to support a policy that provides for both annual inflation and progression through the ranks for deserving faculty. We also commend the Administration and Board of Trustees for implementing a portion of the Five-Year Salary Gap Reduction program recommended by the AAUP in 2003. This program is designed to raise the College's salaries to the median salaries of the Top 30 liberal arts institutions as determined by US News and World Report. In these difficult years of destabilizing world events and an uncertain economy, this demonstrates a strong, and necessary, commitment to the recruitment and retention of an outstanding faculty in line with the College's Mission statement: " At Colorado College our goal is to provide the finest liberal arts education in the country...[We] seek excellence, constantly assessing our policies and programs." The AAUP's recommended measures following below will ensure continued stability and high quality of the institution and its faculty in line with President Celeste's road map to the year 2010. Among other proposals, the President stated: "The seven-year plan would also improve the faculty and administration. It would decrease the number of visiting professors from 328 blocks this year to 253 in the year 2010." We strongly recommend continuing efforts toward that end. The AAUP recommendations are designed to help achieve the stated goal of investing in the human capital required in addition to excellent physical plant and academic programs.

Unfortunately, sizeable increases in health care costs and a resultant restructuring of the College's Health Care Plan over the years (premiums, co-pays and deductibles), have disproportionately absorbed any gains in income. The change in carriers from PacifiCare to Great West appears to have been felicitous; however, employee premiums along with co-pays and deductibles continue to be a significant burden on many employees, especially those at the lower end of the pay scale. We recommend that everything possible be done to keep health insurance premiums close to current levels so that CC employees are not forced to absorb additional high costs. The recommendations of the President's Task Force on Health Care should continue, based on regular, annual review.

In our traditional annual comparison with 30 peer liberal arts colleges (listed annually in US News and World Report), Colorado College continues to rank near the bottom in all three faculty ranks. Of particular concern is the ground lost in the Assistant Professor bracket as this may directly affect our ability to attract and retain the best possible candidates for new faculty positions. Similarly and despite a small adjustment three years ago, Full Professors continue to lag behind comparable colleges. Deserving faculty in this rank should to be rewarded for their many years of faithful service. Failure to do so may ultimately result in fewer professors accepting early retirement (SSS), a top-heavy faculty and less new recruitment in the Assistant Professor rank. It has been especially troubling that despite some efforts to bring us closer to the median salaries of the comparable top thirty colleges, we have slipped even farther behind. Colorado College has also slipped in the US News and World Report rankings from 28 in 2003 to 33 this year. (Despite this fact, we have decided to adhere to the model of comparing ourselves to the thirty top-ranked liberal arts colleges in this publication as our goal should be to raise our visibility and ranking). The only conclusion one can draw from our lower ranking is that the other institutions have invested a significantly stronger effort in maintaining or improving faculty salaries and compensation vis-à-vis Colorado College. We therefore recommend a concerted plan to raise Colorado College toward the median if we are not to fall even farther behind next year. (See our recommendation below and in the appendices). Failure to do so will increase the disparities and make it increasingly difficult to bring us anywhere near the median, remain competitive nationally, and fulfill the goals expressed in President Celeste's road map toward the year 2010.

The AAUP supports current efforts, initially at the departmental level, to reexamine tenure and promotion criteria and requirements with a view toward strengthening teaching and scholarship at all levels and ranks in the Colorado College faculty.

In the past, the AAUP Salary and Compensation Task Force made an estimate of the percentage increase in the entire faculty salary pool necessary to implement the faculty salary policy. This method ignores retirements and, thus, significantly overestimates the cost of maintaining the faculty salary policy. What follows are concerns and suggestions on how to address these concerns.

II. THE COLORADO COLLEGE FACULTY COMPENSATION MODEL

A. Annual Pay Increases

The Administration's and Board of Trustees' willingness to adhere to the faculty salary model, as outlined by former Dean Tim Fuller in an internal memo,[2] has helped the College to compensate its faculty equitably over the years. The tri-part policy of: a) granting pay raises that cover inflation, b) a merit-based progression increase, and c) modest incremental increases for extraordinary merit to especially deserving faculty, is essential in attracting and retaining an excellent faculty and maintaining high faculty morale. Our primary recommendation is to continue this policy. In addition, we again recommend that salary brackets be adjusted to bring CC to the median of comparable colleges by 2009-10. This task is not an easy one but all the more pressing in view of the fact that we have slipped farther behind comparable colleges this year, no matter which comparison model is followed.

The inflation adjustment to the salary bracket structure for 2005-06 will be 2.73%[3] of the 2004-05 salaries. The merit-based progression component is the result of increasing each of the salary brackets (bottom and top) by the same factor of 2.73% and then dividing the width of each pay bracket by the average number of years in that bracket. The average faculty member receives a pay increase equal to the sum of these two components – inflation and progression through the ranks. An outstanding faculty member may receive an additional, small merit increase.

The additional amount of 2.86% (or $357,170) represents the increase for the second year of the five-year program to raise CC to the median of peer colleges. In the 2003-04 academic year, AAUP recommended a 2.3% gap-reduction salary increase as the first of five annual increases to close the gap. In response to the gap-reduction recommendation, the administration provided a 1.3% salary increase for 2004-05, which – though it did not prevent CC from falling further behind – is a small step in the right direction. To stay on target with President Celeste's 2010 goal, AAUP has estimated a required 2.86% increase for 2005-06. This results in the salary brackets outlined on page 2 of this report.

B. Faculty Salary Pool

Currently, the percentage increase in the faculty salary pool required to fund the faculty salary

[2] This memo is available from the Dean of the College.

[3] The rise in the national CPI of the July-August-September monthly average from 2003 to 2004 was 2.73%.

model is calculated as follows:

$$\frac{\text{Total of Pay Increases for 2005-06}}{\text{Faculty Salary Pool for 2004-05}} \times 100$$

The faculty salary pool for 2005-06 is the total of all salaries of *full-time teaching faculty* members employed by the College in 2004-05. Total pay increases are as computed in the previous paragraph and cover increases made to all full-time teaching faculty. No extraordinary merit increases are included in these computations. The details are given in Appendix I.

The AAUP Salary and Compensation Task Force, the Faculty Executive Committee, and the Administration have all agreed on this approach in the past. However, it is important to note that this procedure ignores promotions and retirements. In particular, the computation overlooks the savings realized by the replacement of retiring full professors with beginning assistant professors, and, thus, dramatically over-estimates of the cost of maintaining salaries for full-time, teaching faculty.

We illustrate using *actual salary data* from the past seven years. The faculty members whose salaries comprise the pool are determined each year by the Chair of the AAUP Salary and Compensation Task Force and the Dean's Office according to certain established criteria.[4] The fourth and fifth columns contain the key information. Notice that the mean actual percentage increase in the salary pool over the seven-year period is 4.76% (column 4) while the annual projected increase (column 5) taken from AAUP reports all exceed 4.20% and range as high as 6.20%. In fact, the mean *projected* AAUP annual percentage increase over these seven years is 4.91%.[5]

Table 3

Year	Salary Pool	Actual % Increase	Mean Actual % Increase	Projected % Increase	Mean Projected % Increase	Assistant	Associate	Full	Total
04/05	$12,482,225	9.43%	4.76%	4.70%	4.91%	54	36	75	165
03/04	$11,406,132	4.89%	4.00%	4.70%	4.95%	51	30	73	154
02/03	$10,874,676	6.18%	3.83%	4.20%	5.00%	52	30	69	151
01/02	$10,241,292	2.75%	3.25%	6.20%	5.20%	48	36	66	150
00/01	$9,967,408	8.39%	3.42%	5.00%	4.87%	46	33	65	144
99/00	$9,195,570	-1.46%	1.01%	4.20%	4.80%	34	31	68	133
98/99	$9,332,061	3.55%	3.55%	5.40%	5.40%	38	29	76	143

The last four columns of the above table show the numbers for professors within each rank for the given year. Between 1998-99 and 2004-05, the full-time professors grew from 143 to 165 while the number of full professors has shrunk from 76 to 75. This net decrease in the number of full

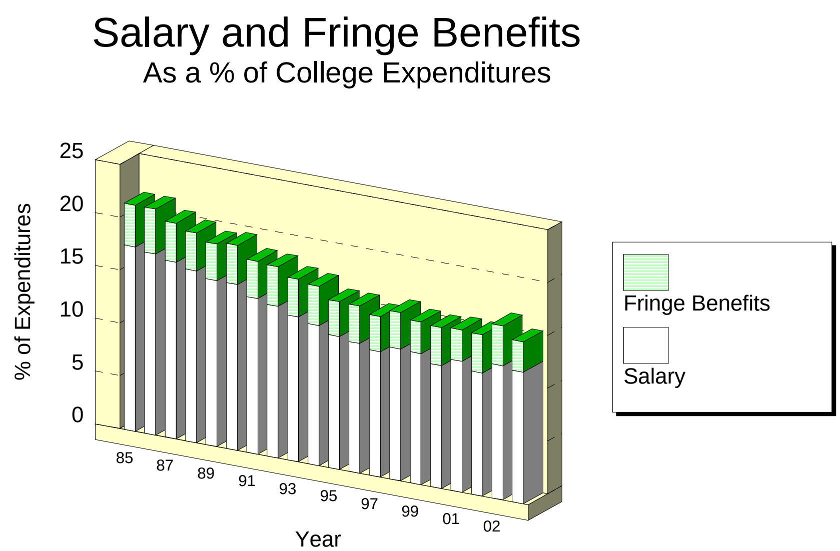
[4] We include all full-time faculty but exclude SSS faculty and certain other anomalies.

[5] Note that both mean values are geometric means and not arithmetic averages. For examples, the mean actual percentage increase of 4.76% represents how much the yearly salary pool grew on average over the seven-year period given a starting value of $9,332,061 and ending value of $12,482,225.

professors is reflected in the difference between the mean actual percentage increase in the pool of 4.76% and the mean projected (by AAUP) percentage increase of 4.91%. Thus, the effect of excluding retirements is obvious, even in the presence of such high variation in the counts of assistant professors and associate professors.[6] Also of note is the 9.43% increase in the 2004-05 salary pool. The increase is attributable to the recent hiring of new faculty as part of President Celeste's initiative to decrease student-faculty ratios and hire competitively. Whereas previous hires may have started near the bottom of the ranks, many of the new hire salaries were above the bottom salary brackets.

The AAUP Salary and Compensation Task Force has monitored for many years faculty remuneration as a percentage of total college expenditures in order to measure the College's commitment to faculty compensation. The following bar chart shows the percentage of College expenditures going to salary and fringe benefits over the years 1985-2003. Until about five years ago, this percentage had been decreasing steadily. Over the past five years, however, it has leveled off somewhat at approximately 15.4 %. We encourage the Administration to maintain this heartening trend.[7]

The AAUP Task Force has never proposed that a specific percentage of the budget be committed to faculty compensation. However, we do advocate a relatively stable percentage, particularly during difficult economic times when non-academic expansion should be curtailed.



C. Comparative Data: Colorado College and Similar Institutions

The AAUP Salary and Compensation Task Force regularly observes the progress of Colorado College professors relative to professors at comparable colleges.[8] We include data both for salaries

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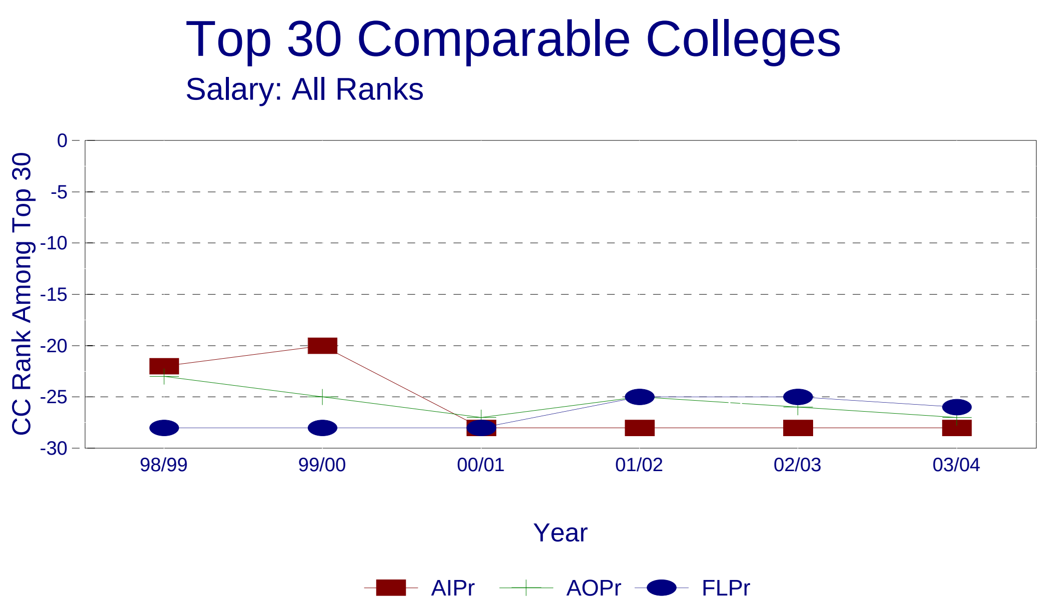
[6] We expect the highest variations in counts from year to year to occur for the assistant professors. Sabbatical leave replacements and other full-time temporary appointments most often are made at this rank.

[7] The data and graph will be updated on December 15.

[8] To be included among the comparable colleges, an institution must have appeared among US News and World Report's top tier of national liberal arts colleges within the past five years. This year, 30 institutions comprise the list. Colorado college is ranked 33rd. "Faculty resources" account for 20% of a college's ranking, with faculty salaries

and for total compensation where total compensation is the sum of salary plus fringe benefits.[9] In addition, the list of the "Senior Staff Twelve" colleges – 12 liberal arts colleges that President Celeste designated as "extra comparable" – is included. We include this list in our report in order to allow a comparison with the AAUP's list of the top thirty liberal arts colleges that is published annually in the US News and World Report and perform separate analyses on the members of both groups. Because more comprehensive data are not yet available, we use the same averages published by Academe. One advantage is that we can show graphically the performance of Colorado College versus the individual performances of the other twelve institutions. Regardless of which measure we use, *Colorado College's ranking has not fared well in recent years when compared to other highly ranked liberal arts colleges in the first tier of US News and World Report's annual ranking*.

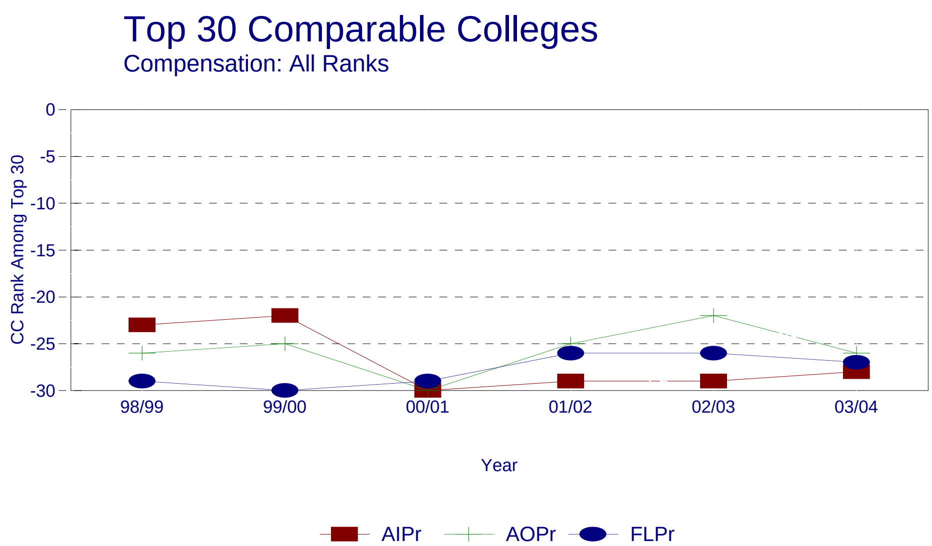
As depicted below, the most disturbing trend is for assistant professors (AIPr) whose salaries have slipped from 18th place in 1996-97 (not shown below) to 28th in 2001-02 through 2003-04. Associate professors (AOPr) have regained the ground they lost around the year 2000, but remain behind comparable institutions. Due to a three-year welcome adjustment period in salary, full professors (FLPr) have benefited from a slight improvement in the last five years, moving up from a ranking of 27th to 25th before dropping back to 26th.



The same general trends are present for total compensation, with assistant professors dropping nearly to the bottom and with only slight gains in the other two ranks:

making up 35% of this 20%, or 7% of the final score. (Trusteeship Magazine, July/August 2002, p. 30). This leads to the conclusion that one way CC could make a substantial improvement in its ranking is to improve faculty salaries.

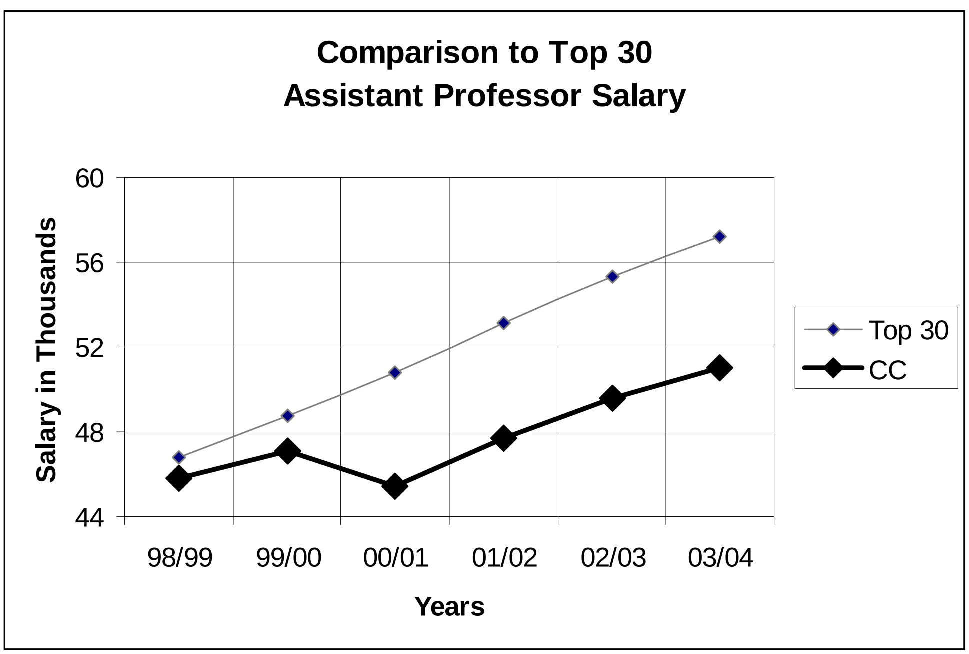
[9] Taken from the March-April 2004 edition of Academe.

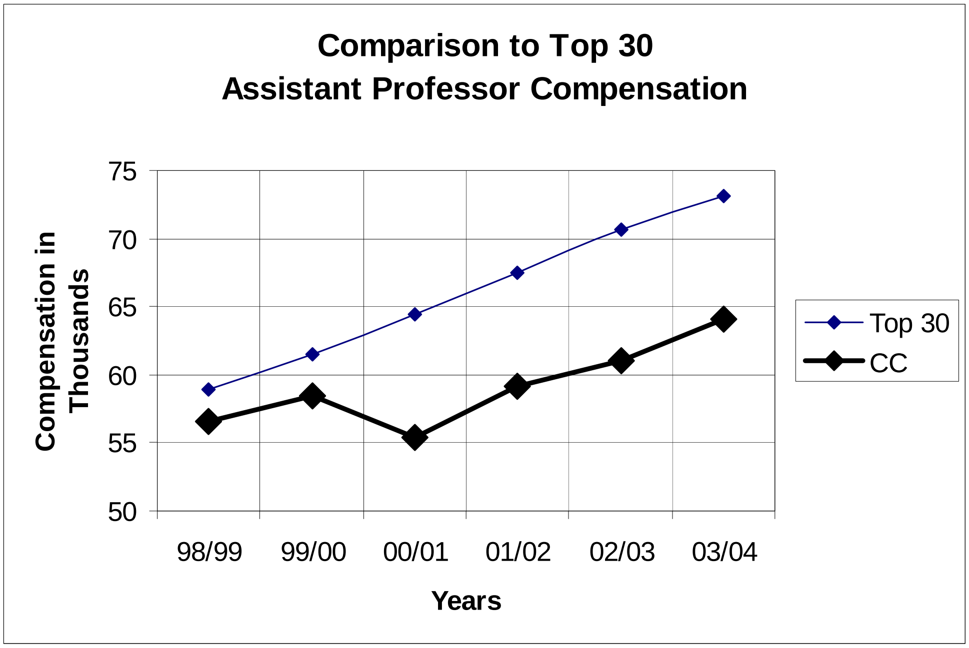


The actual *dollar discrepancies* of average Colorado College faculty contrasted with the averages of the 30 peer schools are also important. For assistant professors this dramatic drop in relative ranking for both salary and total compensation is reflected in the dramatic increase in the gap between the top 30 schools and Colorado College. Notice that most of the change occurred in 2000-01 and 2001-02 with no recovery since.

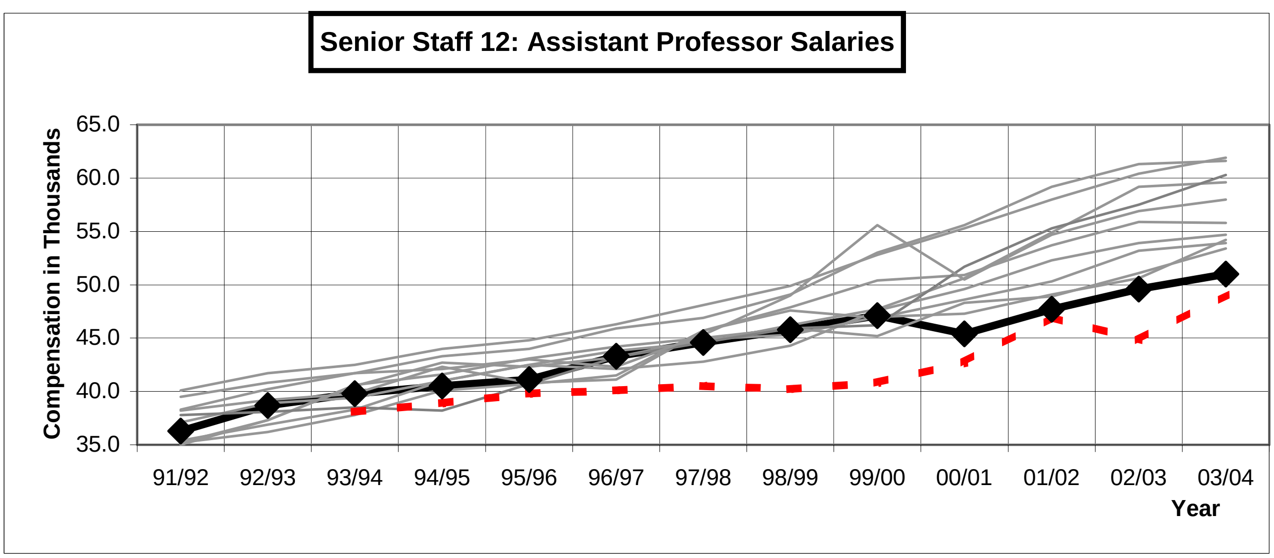
Comparative Data

For assistant professors, graphs of the salary and compensation follow. Notice that we fell behind a few years ago and never recovered:

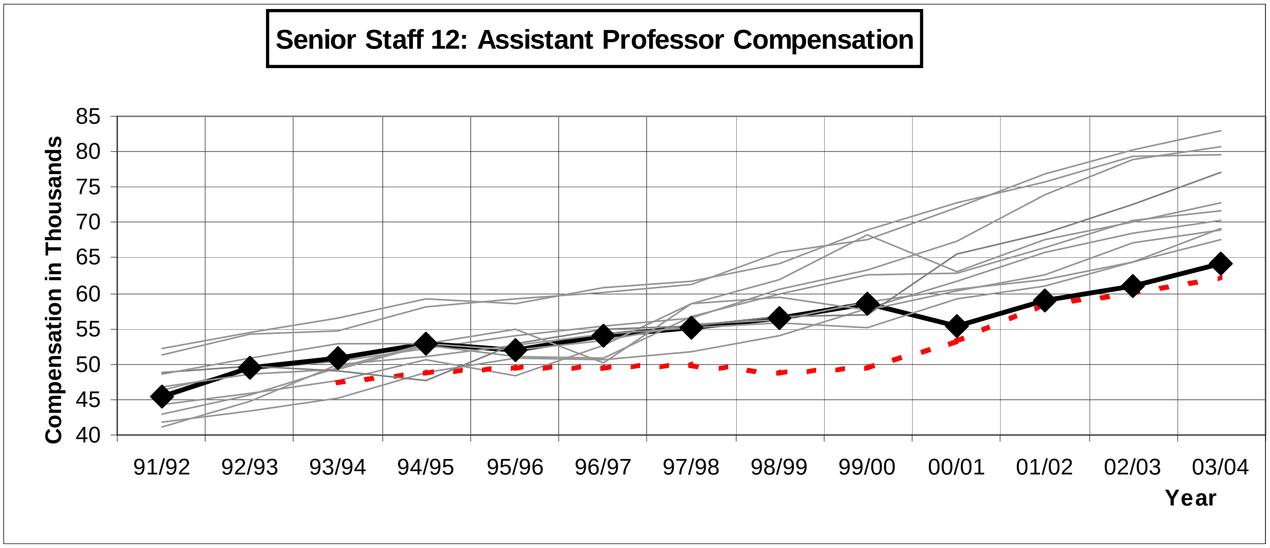




Ten of the twelve colleges in the Senior Staff list also appear on the AAUP's list of thirty and are depicted in thin gray lines in the graphs. Colorado College is depicted in a thick black line. The other college, Kenyon, is depicted in a dotted line. Not surprisingly, Colorado College ranks near the bottom of those schools shown in gray and above the one added by the Administration. We comment briefly on trends within each of the three ranks. The corresponding figures for the Administration's Big 12 follow below:



The same data for Associate Professors follows below. First the graphs of CC relative to the top 30 in salary and compensation:


Senior Staff 12: Assistant Professor Compensation
Compensation in Thousands
85
80
75
70
65
60
55
50
45
40
91/92
92/93
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96/97
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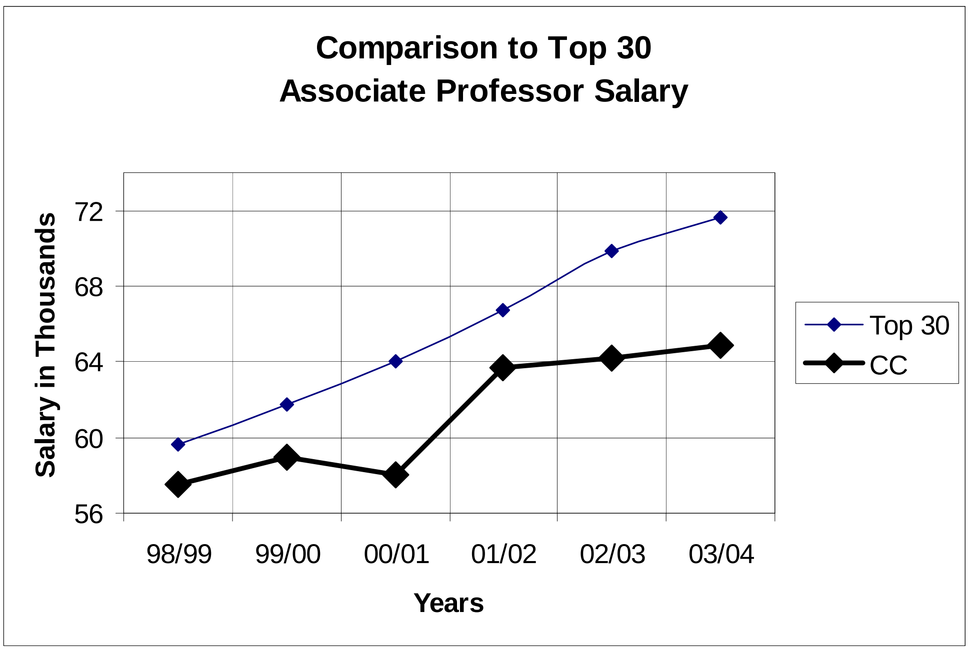
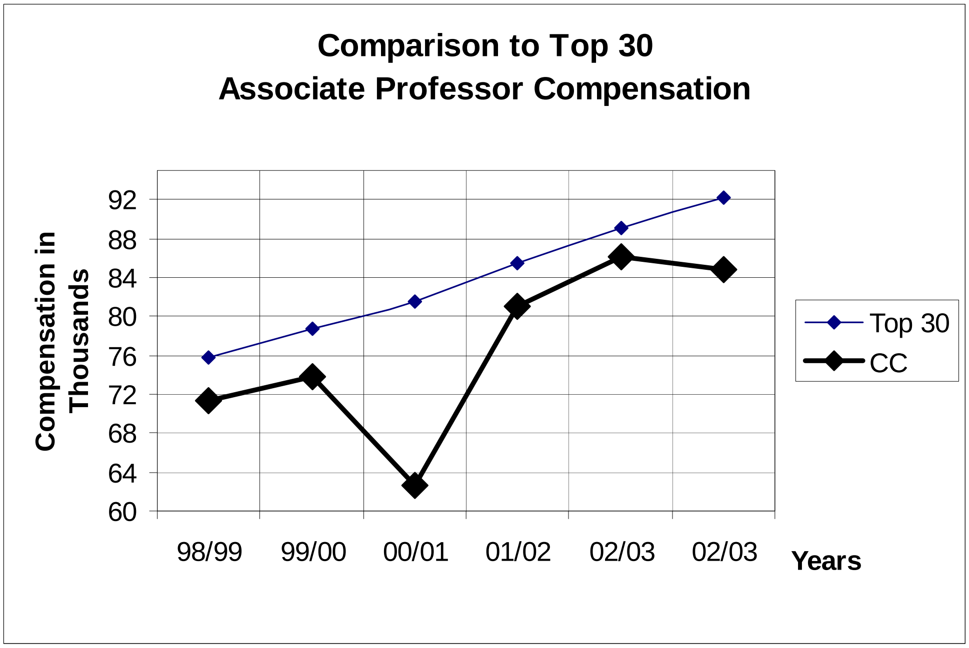
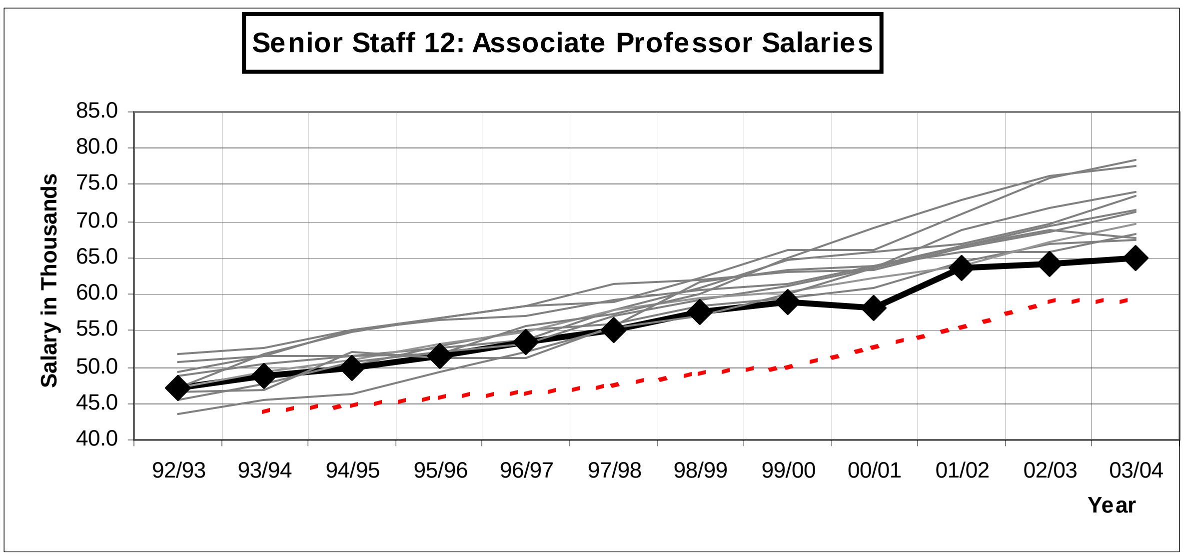
02/03
03/04
Year

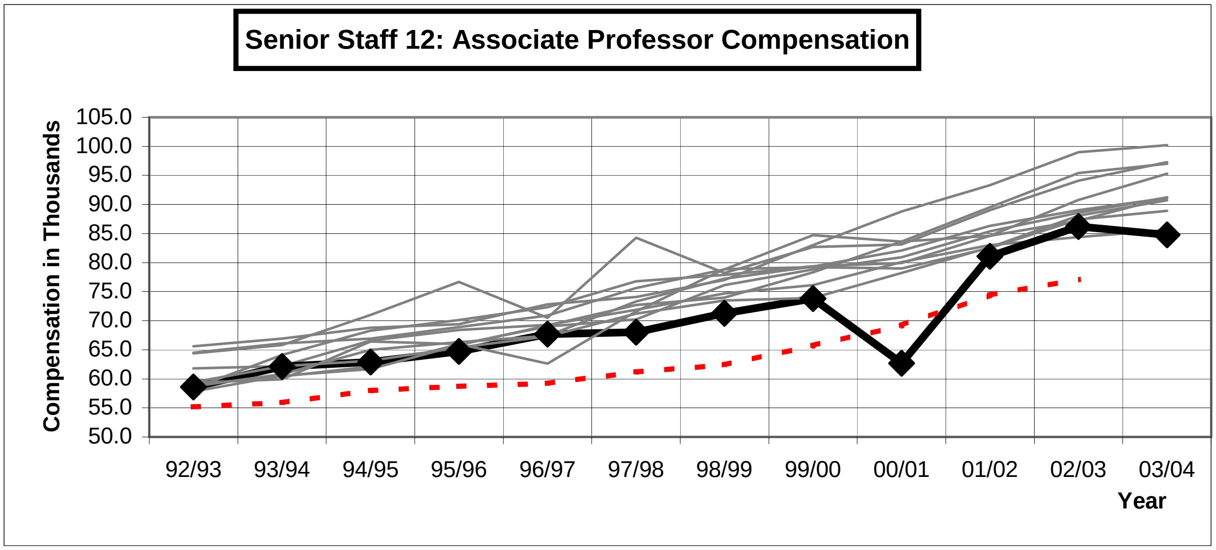

Comparison to Top 30
Associate Professor Salary
Salary in Thousands
72
68
64
60
56
98/99
99/00
00/01
01/02
02/03
03/04
Years
Top 30
CC



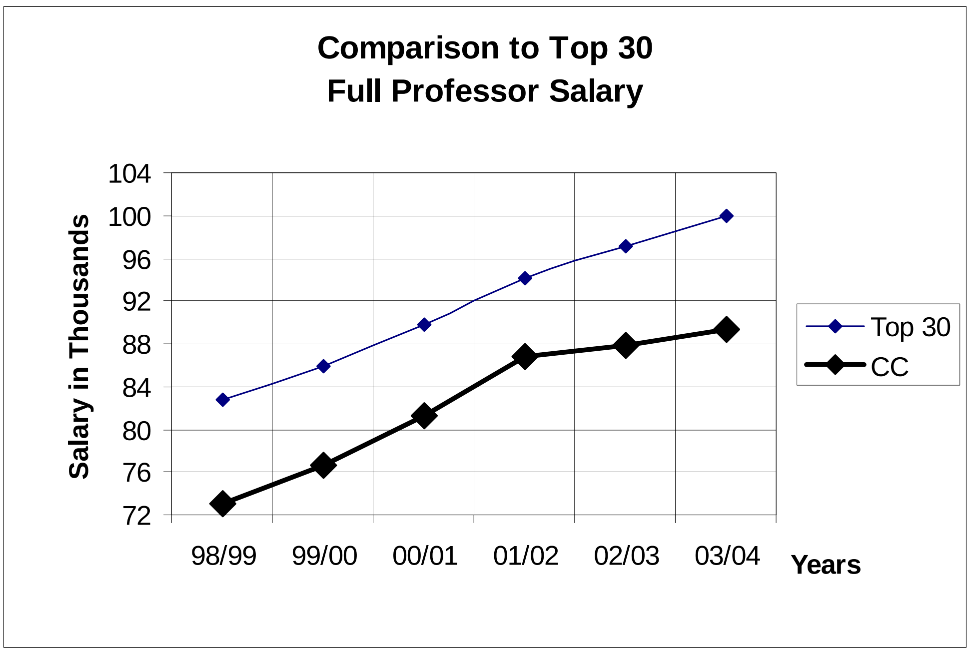
Now the same graphs for the Administration's list of twelve colleges[10]

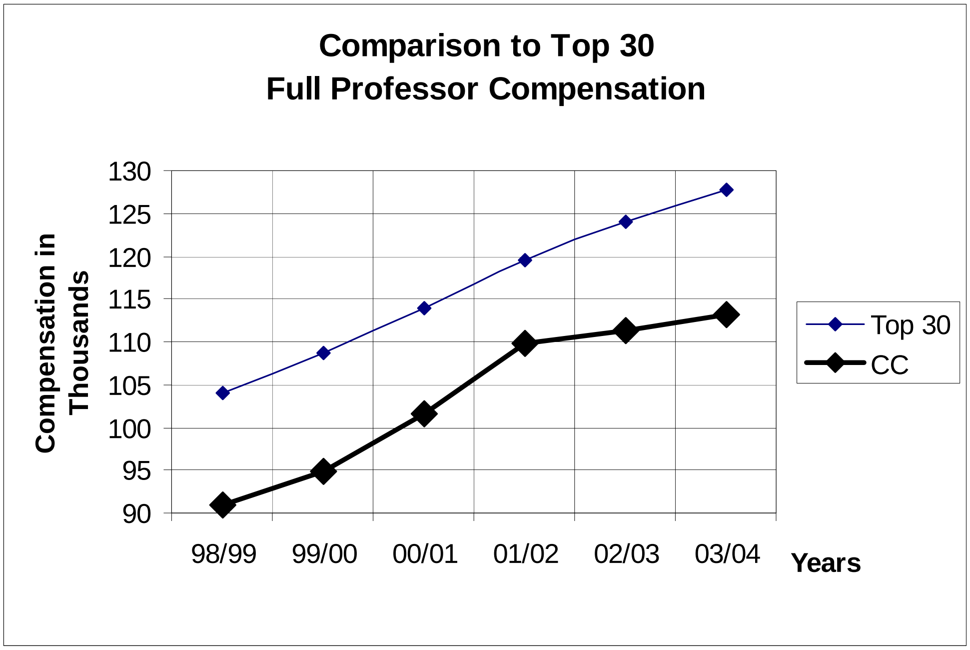


[10] The Administration no longer includes Trinity, Texas. This leaves 12 colleges (if CC is included).

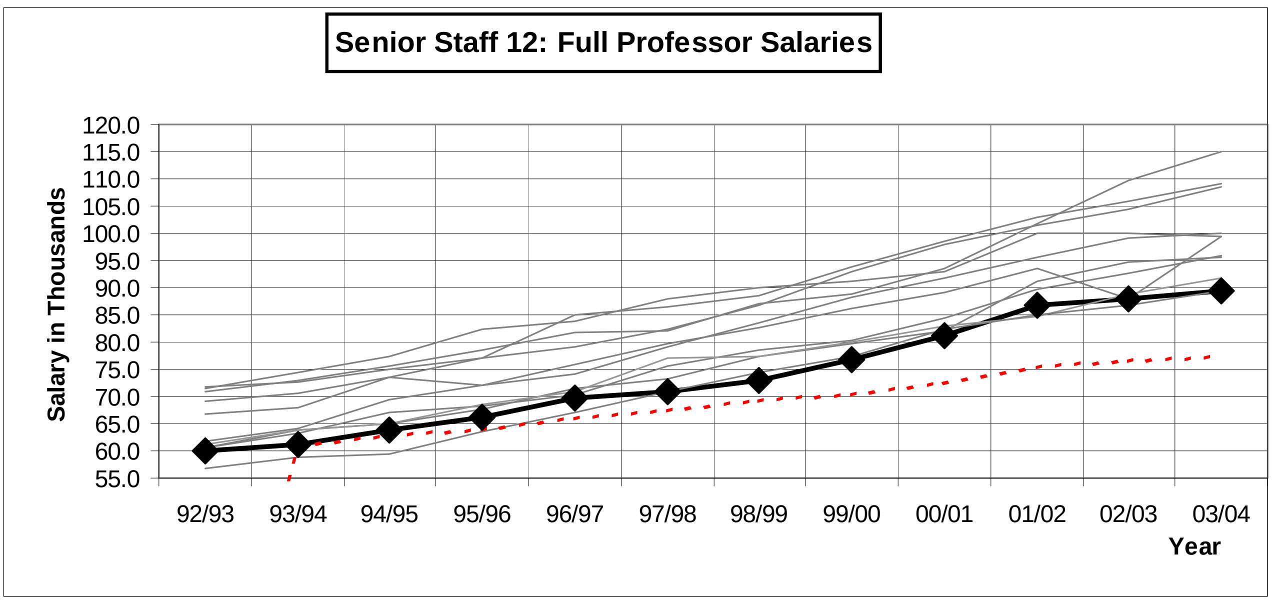


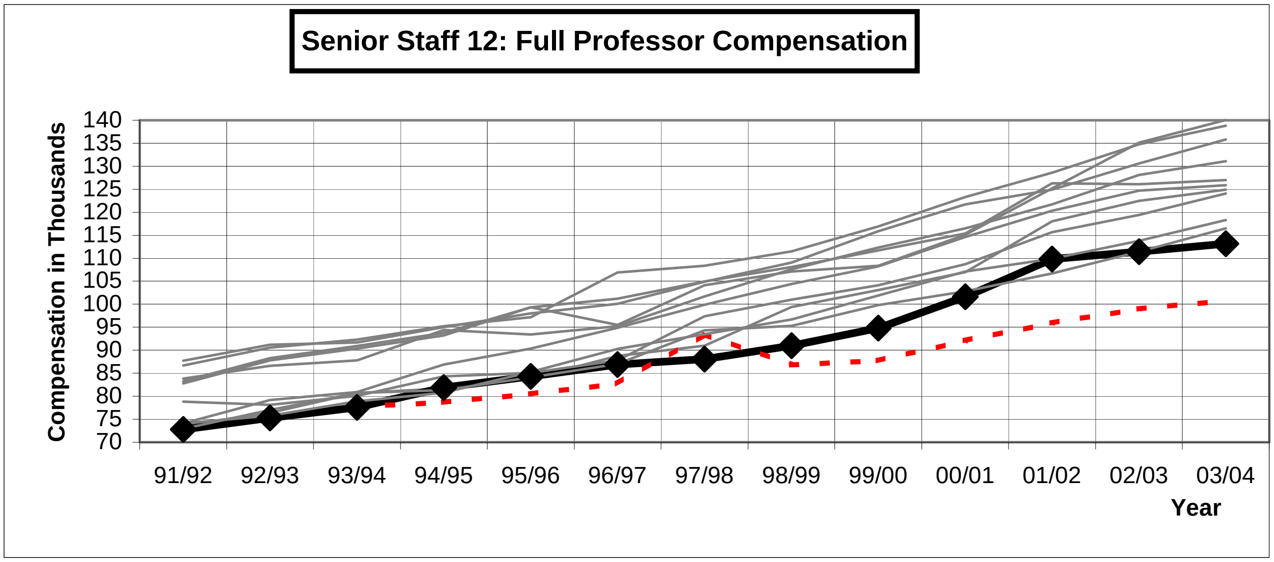
Finally, we look at the full professors. First, the comparison with the top 30:





Next, the Administration's list of twelve colleges:





Despite laudable efforts in recent years to improve compensation for full professors and narrow the gap between the average of comparable colleges and the average for CC, Colorado College remains in the lower ranks of the group and, in fact, has slipped farther this year. As suggested earlier, a special effort is necessary for the Full Professor and other ranks if we are to maintain our position, let alone improve to bring us to the median of comparable colleges.

We therefore again encourage the Administration and Trustees to commit to raising CC average salaries from the bottom of peer colleges to the median, see Appendix II. The farther CC salaries and total compensation slip behind peer colleges, the more difficult it will be to remain competitive in hiring and retaining an outstanding faculty, especially at a time when the expectations made of faculty continue to increase for the following reasons: a) almost daily advances in technology suitable for classroom use, b) increased interest of students in research projects with faculty, c) administering the various abroad programs at reasonable cost, d) growing demands for creating new and exciting courses for the First Year Experience, e) higher expectations for faculty research from the Administration, f) an apparently greater emphasis on community involvement under President Celeste, g) continued extraordinary demands of teaching and advising under the Block Plan and f) meeting the higher challenges posed by President Celeste's seven-year plan on the faculty from now until the year 2010.

We applaud the President's stated goal of reducing significantly the number of block visitors by 2010. While visitors do add a great deal of variety to the academic program one cannot expect to build a solid, full-time program by excessive reliance on visitors. For example, part-time faculty do not serve as advisors, they do not serve on committees, and they generally do not have the responsibilities of full-time faculty. A reduction in block visitors implies additional full-time faculty positions to ensure the College will reach the President's stated goals by 2010. The salary and compensation schedule proposed here by the AAUP can ensure that Colorado College will be able to attract and retain some of the best talent available today. A deteriorating salary and compensation position as we are currently experiencing will work against the goal of remaining one of the top liberal arts institutions in the country.

In the face of these growing demands and requirements, the College's commitment to better faculty compensation must become steadfast and receive a higher priority. We recognize that improvements in and additions to the College's Physical Plant will pose additional requirements on the budget; however, anything less than a concerted and immediate effort to move Colorado College to a more reasonable ranking of salary and compensation among peers is shortsighted and will make any attempt to catch up with the median of comparable colleges increasingly difficult.

III. EMPLOYEE HEALTH INSURANCE

A. Overview

In 2001, the AAUP recommended that the College (Administration, Compensation Committee and Trustees) revisit the entire range of insurance coverage issues, from health insurance to insurance portability to death benefits and disability insurance. This was to include a full review of existing coverage and costs, concerns expressed by members of the CC community (see the issue of retirees in and after 1995), and a comparison with comparable liberal arts colleges with a view toward maintaining, at the very least, coverage levels of the 1999-2000 contract year.

In 2002-03 President Celeste appointed a special Task Force to deal with the issues of Health Insurance at Colorado College. The AAUP supported the recommendations of the Task Force, subject to annual review and adjustments. The move to self-insurance through Great West appears, on the whole, to have been advantageous in that it has kept down rate increases in 2004-05 to a more acceptable number than might have been the case with PacifiCare. However, the projected increase of 15% for the coming year far outstrips the increase in inflation and is sure to be a hardship for employees at the lower end of the salary scale. Every effort should be undertaken to shield employees from unreasonable increases in premiums and co-payments. The savings to CC with Great West this year and in future years should be set aside for a reserve to smooth over peaks in future rate increases.

B. Problems for Recent Retirees

As usual, the most important concerns of retirees deal with health insurance. The present insurance arrangements with the Hartford companies are reasonably satisfactory. It provides coverage until implementation of the Emeriti Program in July 2005. For the transitional half-year (January to July 2005) insurance premiums for a retiree and spouse are expected to come to $602.44 (a 6% increase from $568.34), which may be considered moderate in light of past, higher increases. However, it is still the case that persons retiring in 1995 and later receive a College subvention capped at $60 per person per month, while those who retired before that year receive a subvention equal to about 80% of premium costs. Due to the fixed dollar amount, the percentage contributed by the College to the post '95 retirees' health care insurance declines annually. Last year's Presidential Health Care Task Force recommended a two-year bridge program to help post '95 retirees in the short term. This recommendation does not seem to have been implemented. With the approaching switch to a new insurance arrangement for current and future retirees, a rapid increase in subvention for post '95 retirees to the level of pre '95 retirees becomes even more important.

We applaud the pending adoption of the Emeriti Program in July of 2005 and the College's efforts to set aside a reserve of $113,000 to create a savings account with Fidelity to fund health insurance for retirees. This program is structured in a manner similar to TIAA-CREF in that employees and the College make contributions to individual accounts. After retirement, funds from these accounts are used to pay a portion of the health insurance costs of the retiree and the retiree's dependents. This plan contains large uncertainties from both sources inherent in the plan and external, partial political sources. Nevertheless, the proposed system may, in the long run, offer significant advantages to both the College and the individuals.

Since there will be no such accounts for current retirees in existence on July 1, 2005, and since the period for account accumulation for the older active employees is not sufficiently long to accumulate a sufficiently large sum in each account, the College will defray all or part of its contribution to health insurance premiums directly in these cases. We recognize that this will place a large, though temporary, financial burden on the College; however, the reserve set aside will be helpful in making the transition from short-term to long-term funding.

When the College joins the EMERITI consortium on July 1, 2005, the health insurance of current and future retirees will change from the present Hartford companies to an arm of PacficCare. The details of the insurance coverage from PacifiCare have not yet been made public but early indications are that the coverage will be significantly less complete than at present, thereby raising the effective cost of health care for retirees. We suggest that the College, at its own expense, upgrade the coverage provided by PacifiCare to approximately the level presently provided by the Hartford companies.

David Lord is continuing to work on this issue and expects to have additional answers to this complex problem in December. We recommend that any new developments on this issue be shared promptly with the AAUP, the Compensation Committee and the campus community. Since the President's Task Force on Health Care completed its work, little information has been made public on the implementation of specific reform aspects. Needless to say, retirees and those planning to retire would find regular information bulletins helpful in planning their future.

Decisive action to maintain high quality insurance protection and implement meaningful improvements over existing coverage will enhance greatly the confidence of all constituencies in the College's ability to deal with this problem and others that may arise in the future. Moreover, recruiting high-quality new faculty and staff will likely be made easier if prospective candidates with competing offers find adequate, affordable and meaningful insurance coverage at this institution.

IV: TIAA-CREF RETIREMENT CONTRIBUTIONS:

In an effort to match comparable institutions, the Colorado College agreed in 2004-05 to increase its contributions toward employees' retirements from 8.5% to 10% over a five-year period. The cost in for the 2005-06 year – the second year of the plan – will be $39,396 in 2005 dollars. This rather modest amount will yield considerable benefit in the hiring and retention of faculty.

V. SUMMARY

As a nationally recognized liberal arts college, Colorado College compares itself to other colleges with respect to excellence in teaching and scholarship. <u>US News and World Report</u> has consistently ranked Colorado College on its list of first-tier liberal arts colleges. These accomplishments are due in large measure to our excellent faculty who attract the best and brightest students to our campus. The faculty's accomplishments must be recognized with compensation commensurate with other highly ranked liberal arts institutions. Full funding of the Faculty Salary

Policy, which, if adjusted, would move the College from its current low position to middle ranking, is essential and should be our primary goal, along with the changes in health insurance coverage outlined above. Failure to take these measures will cause Colorado College faculty members to fall even farther behind and make recovery more difficult. We will also be in danger of slipping even farther behind in national rankings as salaries are a part of the formula US News and World Report employs in determining college rankings.

A comprehensive fringe benefits package, including high quality medical insurance, plays a crucial role in recruiting and retaining an outstanding faculty and staff. The College needs to act promptly and definitively to restore confidence in this program. We trust that the Colorado College Compensation Committee recommendations will adequately address the issues raised by the AAUP in this report. We request that the Committee's final report be made available to the AAUP for discussion, review and comment as soon as it becomes available.

The AAUP estimate for the cost of fully funding the Faculty Salary Model is an additional 5.4% to the faculty salary pool. This represents an increase over last year's figure of 4.7%. In addition, the first-year cost (in 2003-2004, with the total spread over five-years) of bringing Colorado College average salaries to the median of comparable colleges is estimated to be $357,170 (See Appendix II). The total percentage increase in the Faculty Salary Model is thus estimated at 8.26% for 2005-06.

In fact, salary and benefits should represent as high a priority at this time as the expansion of the administration, purchase of additional real estate properties, expansion of the infrastructure or similar ventures. It is the view of the AAUP Salary and Compensation Task Force that the Administration always should discuss such expenditures with the Faculty Executive Committee before proceeding unilaterally. The unprecedented building program of recent years, necessary in some cases and perhaps desirable in others, received major attention by the Administration. We hope that the College will now pursue the recommended solutions to the salary structure and insurance coverage and retirement contribution with similar vigor and determination, especially as there have been substantial surpluses in recent years. Such a policy might include a review of building priorities, avoiding expensive cost overruns and attention to the wide gap between salary and fringe benefits with respect to total College expenditures.

Openness and cooperation among the constituencies of the College during the budget process are essential. Past problems on the Colorado College Compensation Committee, leading to the resignation of valuable committee members and the reluctance of faculty to serve on this committee bear this out. At this time, any unilateral resolution of the health care issues by the Administration would be damaging to efforts to establish a cooperative budget process.

The AAUP Salary and Compensation Task Force urges the Administration and Board of Trustees to enact the recommendations made in this report and elsewhere. Progress made on issues of compensation and health care will greatly enhance the morale of the faculty, administration, and staff of the College, improve our chances of hiring the best faculty talent and enhance our standing in comparison to comparable colleges.

APPENDIX I: COST OF THE SALARY RECOMMENDATIONS

The policy of increasing brackets by inflation (2.73%), adjusting individual salaries by the same rate and providing progression through the ranks is depicted in the following table.

Table 4

Rank	Brackets 2004-05	x	Inflation Adjustment	Brackets 2005-06
Instructor	$46,000	x	1.0273	$47,256
Assistant Professor	$50,000	x	1.0273	$51,365
Associate Professor	$60,100	x	1.0273	$61,741
Full Professor	$72,745	x	1.0273	$74,731
Top of Full Professor	$118,000	x	1.0273	$121,221

The next two charts illustrate how progression is determined and then how the 5.4% increase is calculated to meet the Faculty Salary Model. We first use the 2005-06 brackets to calculate progression pay.

Table 5

	Bottom		Top	Width	Years in Rank	Progression
Instructor	$47,256	-	$51,355	$4,099	2	$2,050
Assistant Professor	$51,365	-	$61,731	$10,366	6	$1,728
Associate Professor	$61,741	-	$74,721	$12,980	8	$1,623
Full Professor	$74,731	-	$121,221	$46,490	21	$2,214

We add the payments for both inflation and progression to the previous year's (2004-05) average salary data for each rank to estimate the average salary for the upcoming year (2005-06). Multiplying the average for each rank by the number in each rank gives total salary for each rank. The total salary cost for the upcoming year is then the sum of each rank's total salary.

Table 6

Rank	Average Salary 2005-06	x	Number in Rank	Total Salary 2005-06
Instructor	$51,247	x	5	$256,235
Assistant Professor	$56,218	x	54	$3,035,754
Associate Professor	$68,692	x	36	$2,472,907
Full Professor	$98,481	x	75	$7,386,082
Total Salary Cost for Year 2005-06 = $13,150,978				
Total Salary Cost for Year 2004-05 = $12,482,225				**% Increase = 5.4%**
Total Increase = $668,753				

The second of a five-year effort to move Colorado College average faculty salaries within each rank to the median of the average salaries of the top 30 colleges (US News and World Report ratings) requires an additional 2.86% increase above inflation. (The next appendix details the effect of the 2.86% increase on the faculty salary pool.) An upward adjustment to the 2004-05 brackets of a total of 5.6% (≈ 2.73% + 2.86%) yields:

Table 7

Rank	**Brackets 2004-05**	**x**	**Adjustment**	**Brackets 2005-06**
Instructor	$46,000	x	1.056	$48,572
Assistant Professor	$50,000	x	1.056	$52,796
Associate Professor	$60,100	x	1.056	$63,460
Full Professor	$72,745	x	1.056	$76,812
Top of Full Professor	$118,000	x	1.056	$124,598

<u>APPENDIX II:</u> PROPOSAL TO IMPROVE COLORADO COLLEGE'S POSITION IN AVERAGE SALARIES AND TOTAL COMPENSATION VIS-À-VIS COMPARABLE COLLEGES

Recent years have seen a continuing deterioration of faculty salaries and total compensation with respect to comparable colleges. Sadly, CC now ranks close to the bottom of thirty colleges in our comparison group in <u>US News and World Report</u>. There can be no doubt that such a slide has had a deleterious effect on faculty morale and on our ability to attract the best possible teaching and research talent. The effect is perhaps most pronounced in compensation for Full Professors, leading to the possible conclusion that the College is willing to pay good salaries to attract new teachers but not to reward them for their long-term commitment to Colorado College.

The College also embarked on improvements in the infrastructure, including major new buildings, both academic and non-academic. While such changes are often necessary and justifiable, they also represent a decision to emphasize the allocation of resources in this area rather than to salaries and other compensation needs. The result has been a continuing slide by Colorado College to the bottom of thirty comparable colleges in average salaries and total compensation. We recommend that the College embark on a similarly vigorous program to raise faculty salaries and provide better and affordable health benefits.

It may be argued that failure to raise Colorado College from its present low position in all ranks will ultimately undermine any effort to improve the College's standing in the <u>US News and World Report</u>, attract and retain the best faculty, and bring to the campus the best possible students. While one may disagree about the true worth of these rankings, there can be no doubt that these are used as an important guide by both prospective students and parents when choosing a college.

We suggested in 2002-03 and 2003-04 that the College begin to address this issue right away by using the recent adjustment of Full Professor salaries as a model precedent. While the adopted measure had a desirable effect, it failed to raise CC because other institutions committed to similar efforts. Despite these efforts, Colorado College remained near the bottom of peer institutions. We strongly recommend that the College continue its commitment to the recommended five-year (now four-year) plan to raise Colorado College average salaries from their present position to the median of comparable colleges. The longer this issue is delayed, the more difficult it will ultimately be to rectify our lopsided position. We urge the administration and trustees to enact a special effort this year and not allow further deterioration in our position. We estimate that the cost for the first year (to be adjusted annually depending on progress made) will be 2.86% or $357,170 for all faculty.[11] This amount is calculated in addition to the projected increase for regular faculty salaries as outlined in this report.

The computations below show how we arrived at the $1,491,177 figure and should be self-explanatory. The first four and last two columns of the following chart are in thousands of dollars.

[11] The value of 2.86% is a result of the fact that $(1.0286)^4 \approx 1.195$.

Table 9

Rank	Median of Top 30	CC	Difference	Number	Cost (2004 $)	Cost (2005 $)
Assistant	$56,800	$51,000	$5,800	54	$313,200	$321,750
Associate	$72,250	$64,900	$7,350	36	$264,600	$271,824
Full	$101,050	$89,400	$11,650	75	$873,750	$897,603
All				165	$1,451,550	$1,491,177
Total Salary Pool for 2004-05 = $12,482,225						
% increase needed = 11.95%						
% for each of 4 years = 2.86%						

APPENDIX III: US NEWS AND WORLD REPORT'S BEST LIBERAL ARTS COLLEGES 2005

BEST LIBERAL ARTS

Rank	School (State)	Overall score	Peer assessment score (5.0=highest)	Graduation and retention rank	Average freshman retention rate	2003 graduation rate: Predicted	2003 graduation rate: Actual	2003 graduation rate: Over-performance (+) Under-performance (-)	Faculty resources rank	% of classes under 20 ('03)
1.	Williams College (MA)	100	4.7	2	97%	94%	96%	+2	3	70%
2.	Amherst College (MA)	98	4.7	1	97%	96%	97%	+1	15	67%
	Swarthmore College (PA)	98	4.6	3	96%	98%	92%	-6	3	75%
4.	Wellesley College (MA)	93	4.5	6	96%	90%	91%	+1	15	63%
5.	Carleton College (MN)	92	4.4	12	96%	89%	89%	None	6	64%
	Pomona College (CA)	92	4.3	10	98%	95%	92%	-3	9	80%
7.	Bowdoin College (ME)	89	4.3	5	98%	89%	90%	+1	43	60%
	Davidson College (NC)	89	4.1	6	96%	88%	89%	+1	1	71%
9.	Haverford College (PA)	88	4.1	3	96%	91%	92%	+1	24	70%
	Wesleyan University (CT)	88	4.3	10	95%	88%	91%	+3	33	67%
11.	Middlebury College (VT)	87	4.2	6	96%	91%	92%	+1	61	63%
12.	Vassar College (NY)	86	4.1	14	95%	85%	88%	+3	11	70%
13.	Claremont McKenna College (CA)	84	3.9	20	95%	90%	86%	-4	12	77%
	Smith College (MA)	84	4.3	30	91%	83%	86%	+3	22	71%
	Washington and Lee University (VA)	84	3.8	14	94%	89%	88%	-1	2	67%
16.	Colgate University (NY)	83	4.0	12	94%	83%	89%	+6	21	62%
	Grinnell College (IA)	83	4.2	24	92%	89%	85%	-4	12	62%
	Harvey Mudd College (CA)	83	4.1	27	94%	98%	84%	-14	43	63%
19.	Colby College (ME)	82	4.0	16	94%	84%	86%	+2	28	64%
	Hamilton College (NY)	82	3.7	20	93%	78%	87%	+9	8	74%
21.	Bryn Mawr College (PA)	81	4.1	30	92%	84%	85%	+1	28	75%
22.	Bates College (ME)	80	4.0	18	94%	84%	89%	+5	79	58%
23.	Oberlin College (OH)	79	4.1	45	90%	81%	81%	None	22	68%
24.	Mount Holyoke College (MA)	78	4.0	36	92%	79%	79%	None	15	69%
	Trinity College (CT)	78	3.7	25	91%	77%	84%	+7	43	67%
26.	Bucknell University (PA)	76	3.8	16	94%	79%	89%	+10	81	55%
	Macalester College (MN)	76	4.0	35	92%	85%	82%	-3	61	64%
	Scripps College (CA)	76	3.6	58	87%	79%	79%	None	37	72%
29.	Barnard College (NY)	75	3.9	20	93%	84%	84%	None	104	70%
	Kenyon College (OH)	75	3.7	27	91%	80%	84%	+4	37	71%
31.	College of the Holy Cross (MA)	74	3.6	6	96%	79%	89%	+10	115	46%
	Lafayette College (PA)	74	3.4	20	95%	75%	86%	+11	28	61%
33.	Colorado College	73	3.7	36	91%	80%	77%	-3	15	68%
	Sewanee–University of the South (TN)	73	3.6	48	86%	80%	83%	+3	6	72%
35.	Bard College (NY)	71	3.4	98	87%	78%	68%	-10	5	82%
	Connecticut College	71	3.5	25	91%	80%	87%	+7	84	63%
	Whitman College (WA)	71	3.3	34	94%	81%	85%	+4	24	70%
38.	Franklin and Marshall College (PA)	70	3.5	30	90%	81%	84%	+3	58	52%
	Furman University (SC)	70	3.4	36	91%	78%	84%	+6	58	53%
40.	Dickinson College (PA)	69	3.4	41	90%	71%	79%	+8	51	69%
	Union College (NY)	69	3.3	27	93%	78%	83%	+5	67	53%
42.	Centre College (KY)	68	3.3	61	88%	76%	81%	+5	37	61%
	DePauw University (IN)	68	3.4	41	91%	71%	75%	+4	37	66%
	Occidental College (CA)	68	3.6	48	91%	76%	78%	+2	101	60%
45.	Gettysburg College (PA)	67	3.3	55	89%	73%	75%	+2	48	68%
	Rhodes College (TN)	67	3.5	82	88%	82%	74%	-8	37	70%
	Skidmore College (NY)	67	3.3	48	91%	70%	80%	+10	54	66%
48.	Sarah Lawrence College (NY)	66	3.4	63	91%	77%	72%	-5	20	94%
	Wabash College (IN)	66	3.2	88	86%	74%	75%	+1	31	74%
50.	Denison University (OH)	65	3.4	63	88%	71%	77%	+6	43	67%