REPORT OF THE COMMITTEE ON COMPENSATION

Salaries for 2007-2008

December 15, 2006

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1. The committee once again recommends that all faculty and staff who are doing satisfactory work receive a salary increase commensurate with the increase in the cost of living. The increase in the national CPI indicator this year (average of July, August and September, 2005 to 2006) was 4.09%. Cost of living has long been the foundation of adjustments in faculty salaries from year to year. Faculty members doing satisfactory work have come to expect cost-of-living adjustments. Analysis of staff raises last year reaffirm findings of previous years that very few staff (5% or fewer) have not received a raise commensurate with changes in CPI---presumably those whose work was deemed unsatisfactory. Hence, we again recommend that the college adopt the same language for staff and faculty. Raises begin with cost of living allowances for employees doing satisfactory work.

2. We endorse the AAUP and staff recommendation that the college resume its program of moving its retirement contribution for all employees toward 10.0%. The college increased the retirement contribution from 8.5% to 8.8% in 2004-05, and from 8.8 to 9.0 in 2005-06, when it initiated the Emeriti program. The interruption for 2006-07 may reflect the effort made last year with faculty salaries but the retirement contribution affects both staff and faculty, and we recommend that the march toward 10% begun three years ago now be resumed. The AAUP recommends an additional .3%. Staff representatives suggested .4% The committee as a whole finds the precise number less important than a resumption of movement.

Recommendations three through five concern staff.

3. Projections for wage increases in local, state, and national labor markets among educational and other non-profit institutions range from 3.4% and 3.9% for the coming year. These projections undoubtedly reflect expectations that inflation will be lower next year than this. Because Colorado College has long based its policies on the Consumer Price Index for a 12-month period in the past, salary recommendations necessarily reflect the past more than the future. Analysis of projections can be useful but not decisive.

   Barbara Wilson's careful analysis of non-exempt staff salaries compared by grade with Mountain States Employer Council (MSEC) data showed some disparities in our lower grades. Significant proportions of Grades 7, 8 and 9 fall below the 90th percentile in MSEC data (10, 8, and 17 persons respectively.) The fact that about half of the persons in these grades have worked fewer than five years at Colorado College may explain this phenomenon in part or in whole. But two other factors make us concerned about this group of employees:

   a) The college has previously embraced the concept of a "self-sufficiency wage." That wage, based on a family of two-adults with two children, rose to $10.75 this year in El Paso County. The minimum wage at CC in Grade 7 is currently $10.15. The gap is $.60 an hour.

   b) The imposition of parking fees and the introduction of the Emeriti program has been particularly burdensome for this group of employees. Our committee recommends a special effort on their behalf.

In response to these observations, we recommend a 2.2% adjustment of the wage structure for non-exempt employees. This would carry the minimum wage to $10.37 for new employees but does not affect existing employees. We recommend, in addition, that this minimum be increased by another 13 cents to bring the minimum to 10.50 (bringing us somewhat closer to the "self-sufficiency wage") and that all hourly employees receive this additional $.13 per hour to prevent the compression that would otherwise result from pushing up only new employees. The lower the grade the greater the relative impact of this change. Without additional data we cannot accurately estimate the cost of this adjustment.

4. In addition, we recommend a merit pool of 1% for all staff. (Last year's raise was 4% plus .25% for adjustments. CPI increased 3.11%. "Merit" thus constituted .89%)

5. We recommend that Human Resources continue its efforts to establish structure within the exempt category and a clearer articulation of the idea of advancement within a single grade among the non-exempt staff.

Recommendations six through eight concern faculty.

6. For the faculty we laud and support the decision of the Board of Trustees to increase the salary pool by 7.25% last year and for the next three years. The AAUP report suggests that this effort will probably bring faculty salaries up to the median of the twelve schools with which we choose to compare ourselves.

7. We endorse the AAUP recommendation that this increase be used to fund the faculty salary model as it has been implemented. The AAUP estimates that a 6.7% increase will be necessary to off set inflation and to fund progression through the ranks. The AAUP estimates that .54% will be available for gap adjustment this year. Adjusted for both inflation and gap adjustment: (4.09% +.54%) the brackets would be as follows.

Rank	**Brackets 2006-07**	**x**	**Adjustment**	**Brackets 2007-08**
Instructor	$48,727	x	1.046	$50,983
Assistant Professor	$53,656	x	1.046	$56,140
Associate Professor	$64,591	x	1.046	$67,582
Full Professor	$77,903	x	1.046	$81,510
Top of Full Professor	$126,367	x	1.046	$132,218

On these assumptions progression would be calculated as follows.

Rank	Bottom		Top	Width	Years in Rank	Progression
Instructor	$50,983	-	$56,130	$5,147	2	$2,574
Assistant Professor	$56,140	-	$67,572	$11,431	6	$1,905
Associate Professor	$67,582	-	$81,500	$13,918	8	$1,740
Full Professor	$81,510	-	$132,218	$50,708	21	$2,415

8. Last year we recommended that the pool of money available for extraordinary merit be increased from $30,000, where it had been fixed for at least a decade, to $63,500. According to the Dean's Office, here is the way in which those rewards were distributed among 143 tenured and non-tenured faculty. About a third of the faculty received a raise for exceptional merit.

Number of Faculty	Exceptional Merit	Total Cost
2	$2,500	$5,000
11	$2,000	$22,000
19	$1,250	$23,750
15	$750	$11,250
47		$62,000

We recommend that the merit pool be advanced to .5% of salary or $74,000 (compared with roughly .46% this year.) However, the dean and departments chairs have decided that tenured faculty will be evaluated every other year. All the untenured faculty and half of the tenured faculty will be up for review this year. We recommend that the $74,000 be thought of as spread over a two-year cycle. Only half of it ($37,000) would be needed in the coming year. The full amount would be required in the following and all subsequent years. All awards of exceptional merit enter base pay.

Before last year, the pool for exceptional merit was regularly $30,000. The figures in Table 3 of the AAUP report suggest that the projections for progression have been more than adequate to cover not just progression but this extra portion of merit. Over the years, actual increases in the salary pool have been slightly smaller than AAUP projections, even though the AAUP projections take no account of the pool for exceptional merit. For this reason we feel confident that this year's projections will be adequate to cover $37,000 for exceptional merit.

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This committee regularly looks at benefit questions in the second semester. We will be reviewing the college's medical insurance policies, in particular, with the help of new set of external consultants. We will try to confront the questions contained in the section on Health Insurance and Benefits of the AAUP report.

We are grateful to the Business Office, and especially Barbara Wilson, for supplying and interpreting data. And we are once again grateful for the work of John Stinespring and his supporting cast in the AAUP (Armin Wishard, Tip Ragan, Fred Tinsley, and Werner Heim.)