

COMMITTEE ON COMPENSATION

Block 8 Minutes

April 23, 2010

Present: Ann DeStefano, Karen Klein, Chris Melcher, Shaleen Prehm, Chad Schonewill, Patti Spoelman, Alex Vargo, Diane Westerfield, Armin Wishard and Dan Johnson (chair)

Introduction

The meeting was called to order at 1:35. The agenda was short, with time allotted for the following items:

- a) Updates on education policy, Great West audits, new benefits statements, CIGNA pricing (by Shaleen, 15 minutes)
- b) Updates on parental leave, vacation/sick leave (by Shaleen and Dan)
- c) Proposal to shift CPI measure (Dan, 15 minutes)
- d) Proposal regarding future faculty salary (if any, by Dan)

Shaleen updated the Committee with reports about the audits which are proceeding on schedule (and will now focus on dependent partners rather than dependent children). CIGNA has offered us another price reduction. New benefits statements are on track for a summer roll-out.

The big news is that the College can commit to an 80/20 cost share with all full-time employees for health insurance next year. This increase in benefits is attributable to the Board of Trustees approval of a ten percent increase in spending on health insurance benefits. The price of our plan rose 4.6% this year, so as employee-only plans were already at an 80/20 split, their premiums will rise 4.6%. For those employees covering dependents on their insurance, premiums may actually decrease.

The updates on parental leave and vacation/sick leave are all positive. Both have been approved and are being announced as policy at an all-College meeting next Tuesday. Precise details have still not been revealed, but expectation is that they will be very close to the proposals our Committee suggested earlier in the year.

We discussed the potential impacts of the federal health care bill, which may start to affect us as early as this fall but will not affect the choices and costs and elections of health insurance plans for us until 2011. Next year's committee will have to review health care in light of new legislation, which we are only now figuring out.

With support from the Administration and the AAUP, the Compensation Committee has decided to make the following specific recommendation:

Without any objection, and with considerable support, from AAUP, VP Finance and the Dean's Office, we propose to use the Sept/Aug rolling 12-month average for salary proposals starting this upcoming summe, regarding proposals for the 2011-12 academic year.

Our reasoning is simple, and was outlined and supported with data at the Block 7 meeting. It does not make much difference which measure we use as long as we are conscious in our choice of measure. That said, this choice reflects our new budget cycle (which just started this year), averages

over twelve months so that it is not as volatile as point-to-point estimates might be, and arrives late in the summer so that faculty and staff will have access to the data as soon as they return in the fall. This will permit AAUP and Compensation to spend the fall semester discussing the merits and objectives of various salary and benefit alternatives, rather than engaging in hypothetical discussions while waiting for the data to arrive in January.

The faculty have exchanged email between meetings about proposals to the faculty salary proposal for next year. While we generally agree with the AAUP report's suggestion to link high and low faculty salaries (e.g. by a fixed ratio or by a limit on the number of merit progressions), current Committee members would like to leave that decision for next year's faculty salary subcommittee to consider. Another proposal, to set a precise formula for competitiveness with peer faculty salaries using CUPA data and our new CPI measure, met similar support for the idea but concern about the implementation and details. We recommend that this issue be a topic for next year's Compensation Committee to consider.

The meeting adjourned at 2:20 for refreshments and socializing.

The Chair would like to take this opportunity to thank the Committee for this year of concrete progress, for this year of learning about the topics and, and for a year of growing in relationships with one another.