# REPORT OF THE COMMITTEE ON COMPENSATION

## Salaries for 2009-2010

Revised January 30, 2009

Cathe Bailie, Alan Davis, Ann DeStefano, Ellen Rennels, Dan Raffin, Horst Richardson, Chad Schonewill, Daryll Stevens, Amelia Taylor, John Watkins, Chris Melcher (ex-officio), Barbara Wilson (ex-officio), Vibha Kapuria-Foreman (chair).

The Committee on Compensation has prepared this report under conditions of great budgetary uncertainty. Since we lack knowledge regarding the size of the faculty and staff salary pool for 2009-10, and do not even know if the pool will increase or decrease and by how much, we chose to outline a series of priorities for salaries. These priorities are laid out below.

We strongly believe that the burden of the economic necessities should not fall disproportionately on staff and faculty salaries or on compensation. In addition, we believe that the distribution of this burden should be determined after further discussion among faculty and staff. Finally, we believe that the burden should be shared equitably among staff and faculty.

1. It has been the practice of the Committee on Compensation to recommend that all faculty and staff who are doing satisfactory work receive a salary increase commensurate with the increase in the cost of living. In 2007, the AAUP Committee and the Committee on Compensation, per the request of the Business Office, changed the formula used to calculate inflation to a December to December basis. The AAUP and the Committee on Compensation will use the same formula for calculating inflation this year. The inflation number used in this report is calculated as the change between December 2007 and December 2008 CPI and is 0.1%[1].

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. In 2004, the Committee on Compensation recommended that staff salary adjustments incorporate CPI as a component of the annual salary pool as practiced for faculty salary adjustments.

The faculty members of the Compensation Committee continue to believe in the primacy of cost of living adjustments. Their recommendations are detailed in items 9-11. However, the staff members of the compensation committee believe that *for this year* other priorities are more important. Their recommendations are detailed below in items 3-8.

2. TIAA-CREF, EMERITI, and Health Care: The College has made a commitment to increase TIAA-CREF contributions incrementally to 10%. Budgetary pressures have made that impossible in the last two years and we acknowledge that these pressures are even more severe today. Thus, we give this the lowest priority and are not recommending an increase in TIAA-CREF contributions this year.

While the EMERITI program presents some challenges to the college, for similar reasons, we give this the lowest priority and do not recommend the College absorb the administrative expenses of EMERITI, on behalf of faculty and staff, this year.

We do recommend that the college use some of the savings listed below, or from reductions in CPI to offset increases in Health Care expenses, particularly in the premiums for faculty and staff.

**Items 3-8 concern staff salary priorities**:
Given current uncertainties about budget issues, rather than craft such a report out of context, the staff members of the Compensation Committee decided to take the approach of establishing

[1] http://www.bls.gov/xg_shells/ro7xg01a.htm

priorities for allocation of the salary pool. Our hope is that this list will provide guidance while being flexible enough to be applicable regardless of the specific amount of money the college will be able to provide for salaries in the coming year. The list is intentionally generalized to provide for flexibility, and we would like and expect to participate in using this list to apply whatever amount is available once that number is finalized. The list of priorities, in ranked order, follows:

3. **We strongly believe that, in light of the economic situation this year and in the spirit of fairness and community, whatever monies are available for salary increases should be the same percentage for all campus employees (i.e. faculty and staff).** One group should not get a higher percentage than the other.
--- *note: we are talking about increases* ***outside*** *the 'progression through the ranks' system for faculty*
This issue is of paramount importance to us since we believe that all members of the community should come together and help bear whatever financial burden is required. We believe that the alternative, to make one classification of employee bear a larger portion of the burden than another group, would not be consistent with our core values.

4. The next priority should be increasing the non-exempt salary structure by 1.9% to bring up the Colorado College minimum wage (a total cost of $5,217). This process is researched by HR and done each year to ensure we're competitive in the market for new hires – the cost comes from raising salaries of employees who are below the minimum of their grade after the adjustment.

5. The next priority should be assistance for those who need it most: namely, the 13 current employees whose salary is below the calculated El Paso County Self Sufficiency wage (SSW) for 2 working adults with 2 children. Currently the SSW is $11.69 and the CC minimum wage is $10.65. The compensation committee staff will be looking at how this is measured in the future, but for this year we propose the following: if the total household income of these 13 staff falls under the self sufficiency wage, these employees can request assistance paying for their healthcare plan in the 2009-2010 plan year using a process and for an amount yet to be determined. **This program would be by request and effective only for one year.**

6. The next priority should be to help address market gap issues, identified by HR based on the MSEC and CUPA data, for positions at CC (primarily non-exempt) where salaries are significantly below market. This adjustment would be contingent on a good performance review, and would only be a partial increase to help get the salary closer to market.

7. The next priority should be some form of across-the-board pay increase to help everyone weather tough times. This amount should in some way be based on CPI, and be intended to help with cost of living. It is important to note that we recognize the CPI number for this year will likely not be possible for the college to meet fully, but we would like to see some allowance

based on it.

8. Finally, if additional funds are available, they should be allocated for merit increases. We recognize and agree with the notion that more merit pay should be available at Colorado College in general but, given the realities we all face, we believe it is important and consistent with our core values to structure the priorities as we have above for this year.

**Recommendations nine through eleven concern faculty.**

9. We recommend the following priorities for faculty salaries: First, cost of living adjustment for all faculty doing satisfactory work. Second, progression raises for all faculty doing satisfactory work. Third, exceptional merit for all faculty doing exceptional work.

Table 1 reports salary brackets for 2008-09.

Table 1: Salary Brackets for 2008-09

| | 2008-09 Bottom of Salary Bracket | 2008-09 Top of Salary Bracket |
|---|---|---|
| Instructor | 53,229 | 58,604 |
| Assistant | 58,614 | 70,550 |
| Associate | 70,560 | 85,091 |
| Full | 85,101 | 138,044 |

Source: Office of the Dean, November 14, 2008

If faculty receive a cost of living increase of 0.1% but no progression, the pool will increase by 0.1%. The brackets in Table 2 are obtained by adjusting the bottom of each bracket (and the top of the full professor bracket) by CPI only:

Table 2: Salary brackets for 2009-10 with CPI but no progression

| | 2009-10 Bottom of Salary Bracket | 2009-10 Top of Salary Bracket |
|---|---|---|
| Instructor | 53,282 | 58,663 |
| Assistant | 58,673 | 70,621 |
| Associate | 70,631 | 85,176 |
| Full | 85,186 | 138,182 |

If all faculty receive a cost of living adjustment of 0.1% then progression would be:

Table 3: Brackets for 2009-10 with CPI and progression

| | Bottom | Top | Width | Years | Progression |
|---|---|---|---|---|---|
| Instructor | 53,282 | 58,663 | 5,381 | 2 | 2,690.50 |
| Assistant | 58,673 | 70,621 | 11,948 | 6 | 1,991.33 |
| Associate | 70,631 | 85,176 | 14,545 | 8 | 1,818.12 |
| Full | 85,186 | 138,182 | 52,996 | 21 | 2523.61 |

It is difficult to precisely estimate the increase in cost of the salary pool as a consequence of these increases. We only have access to average salaries in each rank and the numbers of faculty in those ranks for 2008-09. The AAUP Report gives details on the costs of a salary increase that includes inflation, progression and gap adjustment.

10. For 2008-09, department Chairs and program Directors, Divisional Executive Committees and the Dean's Office reviewed all pre-tenure faculty as well as all tenured faculty, adjunct faculty and lecturers in departments and programs G-Z.

The Dean's Office made 38 extraordinary merit awards for a total of $37,500. Of a total of 103 adjunct, tenure-track, and lecturers reviewed, 34.95% received extraordinary merit awards. This compares to 34% and a total of $32,500 in 2007-08 when 94 adjunct, pre-tenure and tenure track faculty in departments A-F were reviewed.

In 2006-07 when the Dean's Office received salary reviews for all regular faculty members (tenure-track, adjunct, and lecturers), 47 faculty members received extraordinary merit awards for a total of $62,000. That figure represented 33% of the 143 faculty members who were reviewed.

We recommend that the faculty discuss stopping the practice of adding extraordinary merit raises to base salary. We believe that this practice essentially continues to reward faculty for extraordinary work many years in the past. Furthermore, this practice is unsustainable. Thus, we recommend a move to a salary policy where extraordinary merit does not become a part of base salary. We concur with AAUP that this will entail increasing the size of the merit pool and giving larger individual extraordinary merit awards.

11. We discussed the possibility of ending progression through the ranks for full professors after they have been in the rank for 21 years. Based on 2008-09 data from Professor Fred Tinsley, we note that there are 17 (out of 71[2]) professors who have more than 21 years in rank. We suspect that the "standard" 21 years in rank figure is somewhat ad hoc and with rising retirement age, may need to be revised. In principle we agree with the proposition that progression should not be awarded to full professors after a certain number of years in rank, *provided they continue to get cost of living increases and extraordinary merit.* We are not particularly wedded to the 21 year figure but hesitate to replace that number with one obtained on an equally ad hoc basis. We recommend further discussion of the "right" number of years for which progression should be awarded, noting that based only on 2008-09 data, 4 faculty at full professor rank have more than 25 years in that rank.

We are grateful to Barbara Wilson for supplying and interpreting data on staff salaries. We also thank the Dean's Office for data on extraordinary merit raises and 2008-09 brackets. We are grateful for the work of Jonathan Bredin (chair) and the members of the AAUP: Werner Heim, Kate Leonard, Phoebe Lostroh, Vibha Kapuria-Foreman, Bryant Ragan, David Torres-Rouff and Armin Wishard. Finally, we thank Fred Tinsley for providing data on years in rank.

[2] We are trying to determine why this number differs from the 75 in full professor rank that are the basis of calculations in Tables 1-3.