AAUP 2007-2008 Committee Report to the Faculty

November 12, 2007 (Amended February 6, 2008)[1]

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Introduction:

The Colorado College AAUP Committee wishes to express both support and concern about several compensation issues impacting the faculty at the College. On the one hand, we believe that the College is progressing toward its promise to lift faculty salaries to meet the median of our peer group. Although faculty salaries are rising, we perceive a trend of eroding health-care coverage. Partially related to this diminishing coverage, we also note that workers' compensation and College liability issues may be unclear as they pertain to common academic duties, such as travel on College business, summer laboratory work, and student supervision by faculty.

Salary:

We applaud the College's effort to match the faculty salaries to the median of the top nationally-ranked liberal-arts institutions through four 7.25% annual salary-pool increases. Professor Fred Tinsley, FEC Budget Subcommittee Chair, projects that under low to moderate competition among our peers, the faculty salaries at the College will meet the median salaries of our peer-group institutions in each of the three tenure and tenure-track ranks by the 2009-10 academic year. We propose salary brackets to conform to the traditional College procedure for calculating brackets, augmented with additional funds to fulfill the College's promise to increase the faculty salary pool which will ultimately match the peer-group median salaries. We express concern about inflation with respect to meeting the median goal.

The traditional method used by the College to update faculty salary increases each faculty member's salary by the previous year's change in consumer price index (CPI) and adds to that amount the difference in the rank's salary divided by the expected number of years at that rank. Using that formula, the salary pool will increase by 6.79%. We propose an additional increment to push salaries towards the projected peer-group median. Table 1 estimates average salary by increasing the salary pool by 7.25%.

The gap-reduction term adjusts the salary for each rank towards the peer-group median target. For assistant, associate, and full ranks, the growth rate necessary in each of the two upcoming years to meet the moderate projections are 7.25%, 7.65%, and 6.99%, respectively. At the assistant-rank, the standard progression and CPI increase is sufficient to meet the goal, but the other two ranks fall short.

1 This report reflects the AAUP's initial recommendations presented in November 2007 to the FEC Budget Subcommittee. In February 2008, the committee updated the salary recommendations based upon the revised CPI. Appendix B discusses the Dean's Office's concern with switching last year's salary-gap-reduction distribution algorithm.

We divide the remaining salary pool between the two ranks so that each group comes within 0.05% of the moderate median projection.

Rank	***# Rank***	***Average Salary 2007-8***	***Inflation (4.1%[2])***	***Progression***	***Gap Reduction***	***Average Salary 2008-9***	***Increase***
Instructor	8	$53,909	$2,210	$2,679	$0	$58,798	9.07%
Assistant	55	$62,006	$2,542	$1,984	$0	$66,502	7.25%
Associate	41	$75,760	$3,106	$1,811	$780	$81,557	7.65%
Full	70	$111,149	$4,557	$2,514	$695	$118,915	6.99%
Total	174	$84,645				$90,781	7.25%

Table 1: Increasing the salary pool in attempt to meet the peer-group median salary for the 2009-10 academic year, constrained at a 7.25% aggregate growth limit.

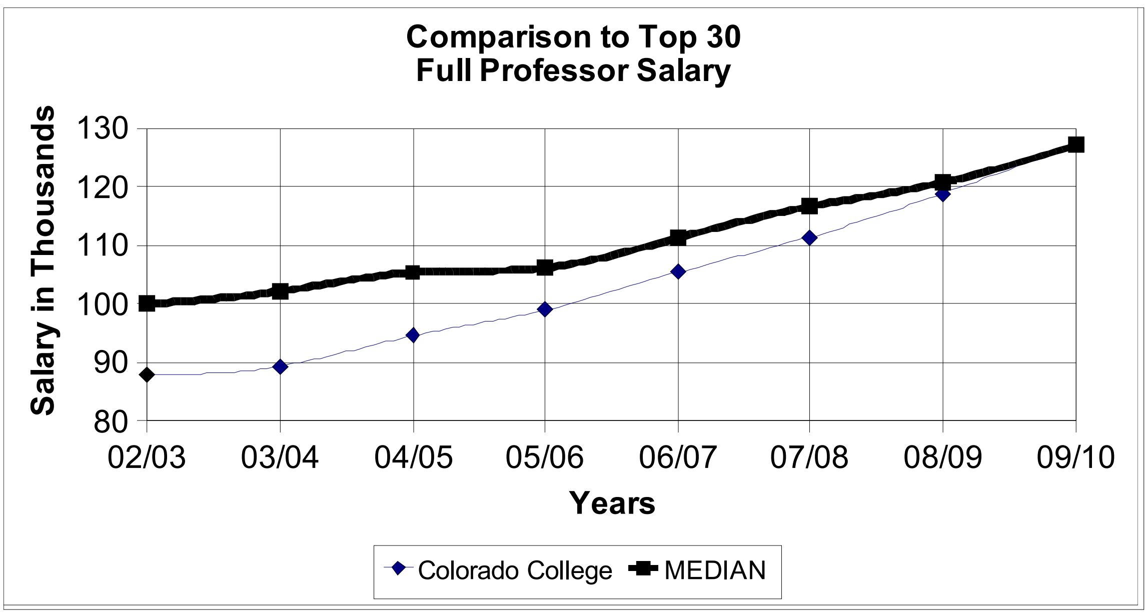

Figure 1: Historical and projected average College full-professor and median average peer-group full-professor salaries.

Figures 1-3 plot the College and peer-group median average salaries. The data for other institutions is historical until the 2007-08 academic year, after which Professor Tinsley projects using a standardly used ARIMA model. For College salaries, the data are historical until the 2007-08 academic year. The 2008-09 academic years follow our recommendation and the 2009-10 continues the same growth rate. Figures 4-6 in Appendix A compare College and "Senior Staff 12" institutions.

Table 2 represents the result of increasing the salary brackets by inflation and the gap-realization increment. The table also provides the top of the full-professor bracket calculated using the recommendation from Table 1, which shows a higher increase than the other entries because it includes progression pay.

2 This year, per request of the Business Office, we use the relative change in the December 2006 and December 2007 Consumer Price Index available at http://www.bls.gov.

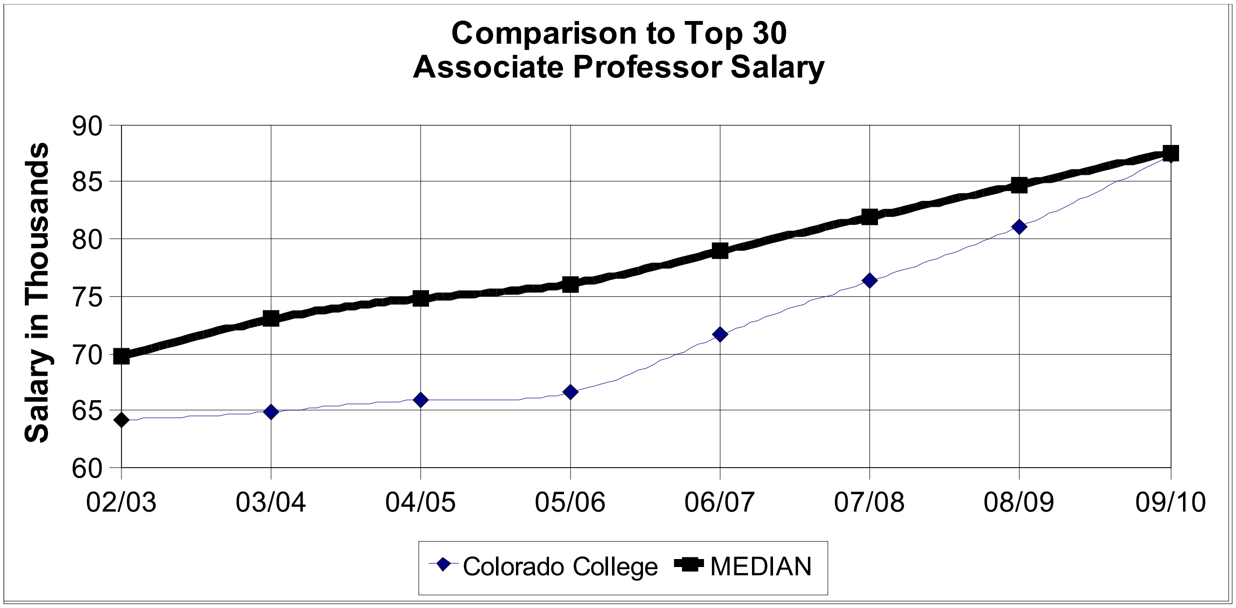

Figure 2: Historical and projected average College associate-professor and median average peer-group associate-professor salaries.

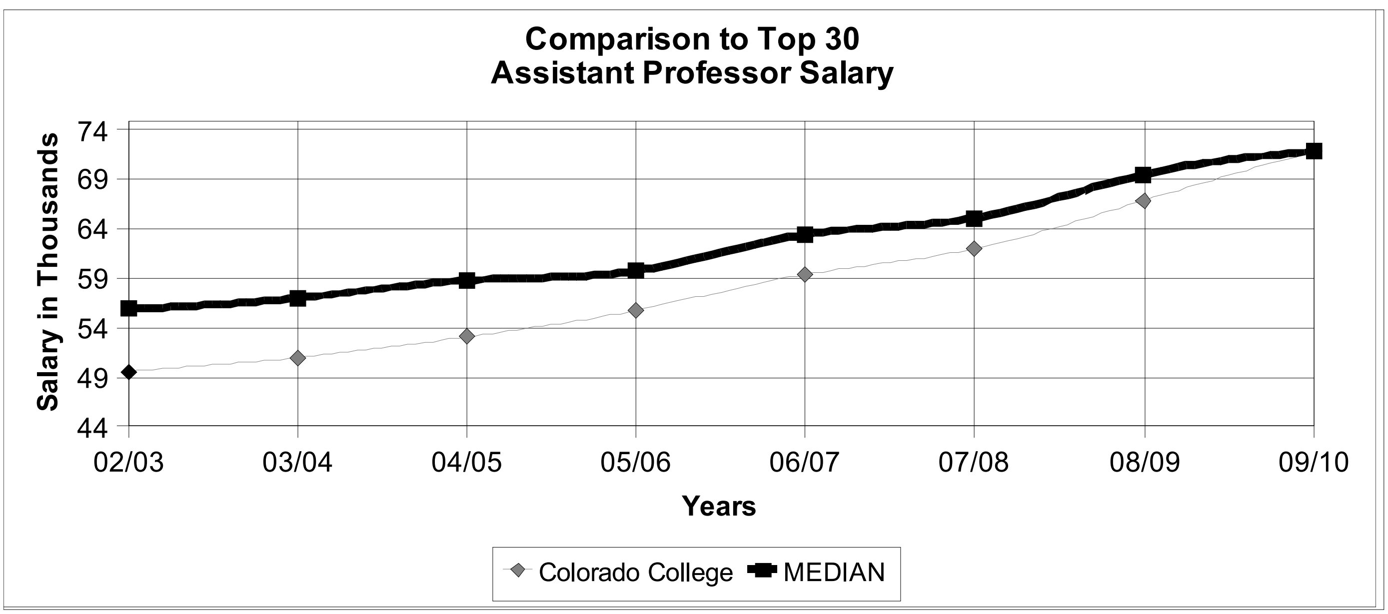

Figure 3: Historical and projected average College assistant-professor and median average peer-group assistant-professor salaries.

The technique used above, and in previous AAUP reports, to estimate the total salary expenditure does not consider turnover among the faculty, sabbatical-replacement costs, or merit pay. For nearly all cases, the formula has overestimated costs at the College and we believe that increasing salaries at the proposed rates will meet the median goal without exceeding a 7.25% cost increase.

Rank	*2007-8 Brackets*	*Increase*	*2008-2009 Brackets*
Instructor	$50,983	4.10%	$53,073
Assistant	$56,140	4.10%	$58,442
Associate	$67,582	5.40%	$71,233
Full	$81,510	4.95%	$85,547
Top	$132,218	6.53%	$140,848

Table 2: Increasing the salary brackets to meet the 7.25% increase.

While we are optimistic about reaching the median salary of the top-25 institutions, inflation could pose a a significant concern. This year, the CPI change, calculated from December 2006 to December 2007 per request of the Business Office, is estimated at 4.1%.[3] Combined with the usual progression through the ranks and ignoring merit pay, we estimate that the salary pool needs to increase by at least 6.8% just to maintain the CPI and progression through the ranks. If other peer-group institutions also tie their salaries to inflation, and inflation continues at the current rate, we believe that Professor Tinsley's median salary projections will likely underestimate future salaries, jeopardizing the College's goal matching median salary levels.

Non-salary Compensation:

Members of the AAUP committee express concern about inequality in and erosion of health-care and retirement benefits. Two years ago, the administration committed to offering same-sex couples the same health and retirement coverage offered to married couples, but no progress has yet been made. Additionally, the level of health-care service provided by the College to its employees and their families appears to be decreasing. We propose that, like salary, the health-care portion of compensation be tied to appropriate indices.

Erosion of health-care service to College employees is evident at many levels.

- College health-care providers provide fewer options and at greater cost, evident in that both the available medication options and the beneficiary's savings from using mail-order prescriptions have dwindled. Great West has proposed a third formulary tier for certain expensive drugs where virtually the whole cost would be borne by beneficiaries. The proposal “disaggregates” the insured group, targeting members with specific conditions.
- Out-of-pocket maximums have significantly increased, as have deductibles in both the PPO and POS plans.
- Fees for medical testing now come out of an employee's deductible, and many tests must be pre-approved, perhaps to be later rejected. We believe that discouraging testing can lead to irrational behavior, encouraging employees to eschew preventative care or neglect to follow up on testing for existing conditions.
- The Business Office has stated that the College will use Emeriti contributions towards its goal of contributing 10% of the salary pool towards retirement. The $566 annual contribution does not significantly impact the 10% cap for most retiring faculty, but it does for many staff members.
- Participation in Emeriti requires a $10.25 monthly membership fee from beneficiaries.

Perhaps the most obvious loss can be observed in the following comparisons. Since 1990, inflation

3 The geometric mean of CPI change over the past 10 years is 3.0%.

averaged 3.0% annually; however, the College's increases for fringe-benefit expenditures averaged just 2.5%. In September of 2007, the Kaiser Family Foundation reported that since 1999 premiums have increased an average of 9.9% per year, and total health-care expenditure since 1990 has increased 5.9% per year. Each year, the College pays less and less of its employees' health-care needs, which has clearly had a negative influence on employee morale.

The College already commits to ensuring that faculty salaries increases at a rate which is at least that of inflation measured by the CPI change. Given that the College claims to provide health care to its employees, it should also ensure that the level of coverage remains stable by linking the health-care portion of compensation to the CPI health-care cost index for both currently working and retired persons.

We recommend that the College investigate the trend in diminishing health-care and retirement benefits at the College, and to compare College compensation to that of our peer-group institutions. We also believe that the College should separate Emeriti contributions from the 10% salary contribution towards retirement and cover the Emeriti membership cost entirely. Finally, we recommend that the College follow through on its promise to increase retirement contributions to 10% of the salary pool by increasing the contribution from 9.3% to 9.6% for the 2008-09 academic year.

Travel and Workers Compensation:

Our final concerns are those of health care and workers-compensation insurance during professional travel and laboratory supervision. Many faculty members travel either to support their research or to teach field courses. The record of health coverage is inconsistent and currently inadequate. For example, a supplementary College policy will cover emergency evacuation of College employees teaching abroad, but this does not extend to family members living overseas while a faculty member teaches there on CC business. Given that the College asks some faculty to work away from home, we believe that it should extend the same benefits to faculty family in the field as it does in Colorado. Additional coverage is necessary for emeriti faculty who currently do not receive coverage during recruiting trips. A travel insurance service could be extended for *personal travel* paid for by individuals opting for additional coverage. The insufficient College insurance coverage, something most faculty members are not aware of, may ultimately lead to refusals to teach abroad. Faculty should not be expected to carry the full weight of medical-care expenses and attendant risks while teaching in a CC-approved program abroad. As well, the AAUP has received at least one report from a faculty member pursuing research in Southern Colorado who was unable to use her Great West POS coverage in Southern Colorado, and was told she could receive treatment 85 miles away.

We suggest that the College investigate supplementary travel/health insurance policies at College expense for faculty traveling abroad on College business. American Express, for instance, is one of several companies offering such services. Furthermore, we suggest that the College look into the issue of improving the "portability" of our POS health-insurance coverage within the state of Colorado, as well as nationally.

Another extraordinary coverage concern stems from the expectation that many faculty members supervise student laboratory work over the summer. Their efforts are rarely compensated. The expectation is especially heavy for junior faculty in the natural sciences, who rely on positive evaluations from their students and colleagues to support tenure and promotion. The situation poses a murky legal problem to the College and active faculty. If injured while performing unpaid summer laboratory work, does a faculty member receive worker's compensation benefits? Would an injured student receive emergency health-care or workers compensation? Would the College provide legal assistance in the event a student's family pursued a lawsuit? Less obscure, we believe, are the ethics of expecting faculty to perform additional unpaid duties, possibly obstructing a research publishing program. We urge the College to address these issues by at least providing a clear statement of medical and legal support, but also by establishing a better dialog to communicate expectations for summer supervisory duties.

Summary:

In summary, we make the following recommendations:

- The Faculty Executive Committee Budget Subcommittee should continue to monitor and compare faculty salaries at the College with those in our peer group. Under historical competition and inflation, we expect to meet median peer-group salary by the 2009-10 academic year by a tenth of a percent using the proposed salary brackets.
- The President should appoint a committee to study the College's health-care and retirement contribution and compare the contribution to historical levels at the College and our peer-group institutions.
- The College should cover the Emeriti membership fees for current and retired faculty and staff.
- Emeriti contributions should not count towards the limit for retirement contribution.
- The College should continue towards its promise of contributing 10% of the salary pool towards retirement, increasing the contribution from 9.3% to 9.6% for the 2008-09 academic year.
- The College should establish liability and workers compensation coverage for faculty mentoring students over the summer and their students.
- Furthermore, the College should push departments to equitably compensate faculty supporting student work.
- Faculty members teaching in CC-approved off campus programs should be afforded complete medical and dental coverage at no expense to the individual. This might be accomplished through purchase of supplementary travel/health insurance by the College.

Respectfully,

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Appendix A: Additional Faculty-salary Comparisons

We provide additional comparisons of historic and projected faculty salaries at the College. Figures 4-6 plot average salaries at each rank for institutions in the Senior Staff 12 group. The quantities for other institutions after the 2006-07 year are estimates, except Kenyon College, for which we had to estimate the 2006-2007 year as well.

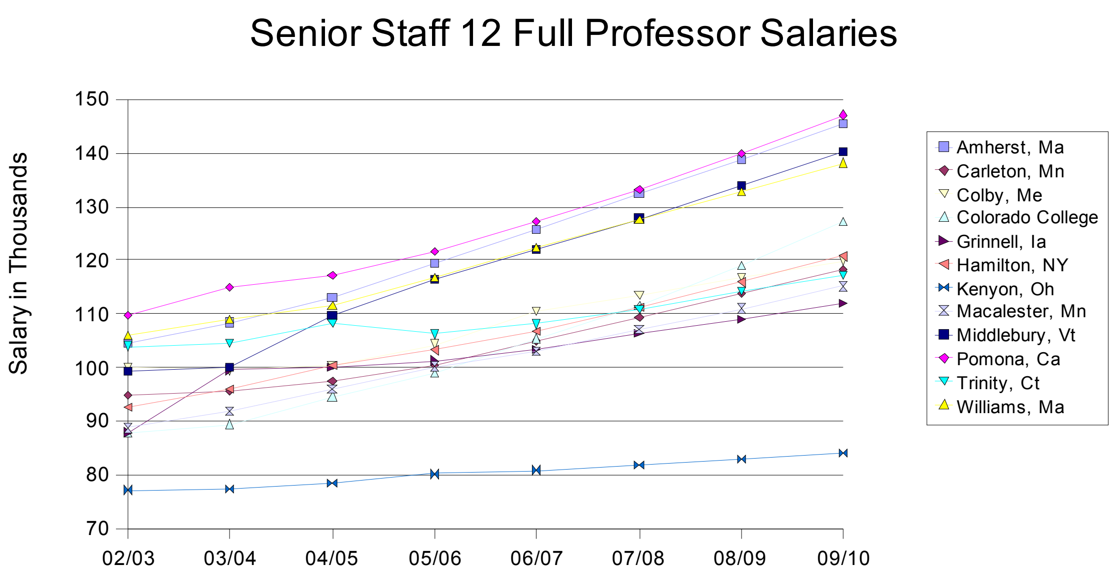

Figure 4: Average full professor salaries among the Senior Staff 12 institutions.

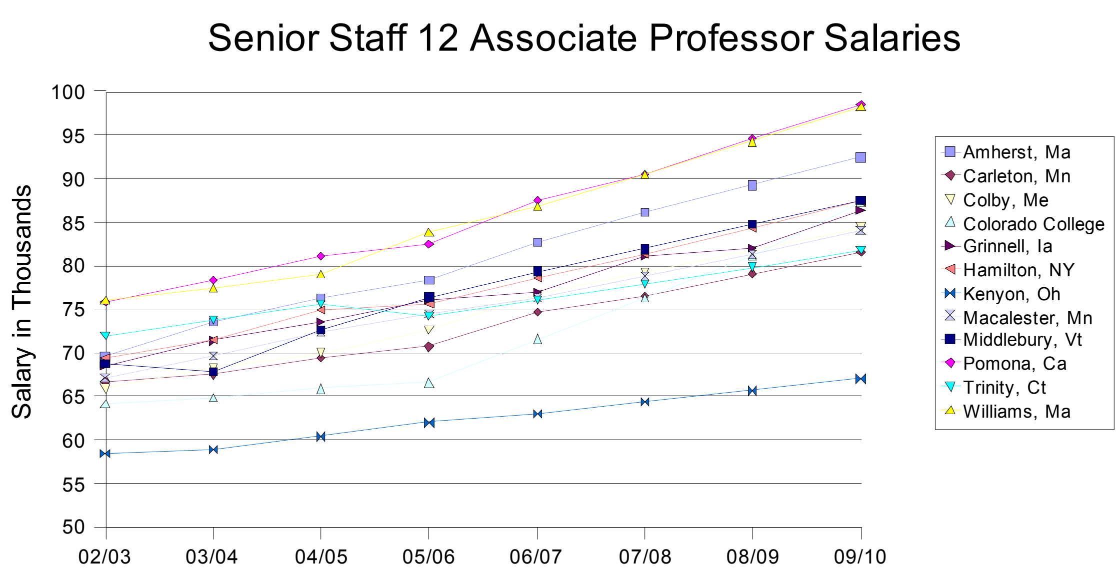

Figure 5: Average associate professor salaries among the Senior Staff 12 institutions.

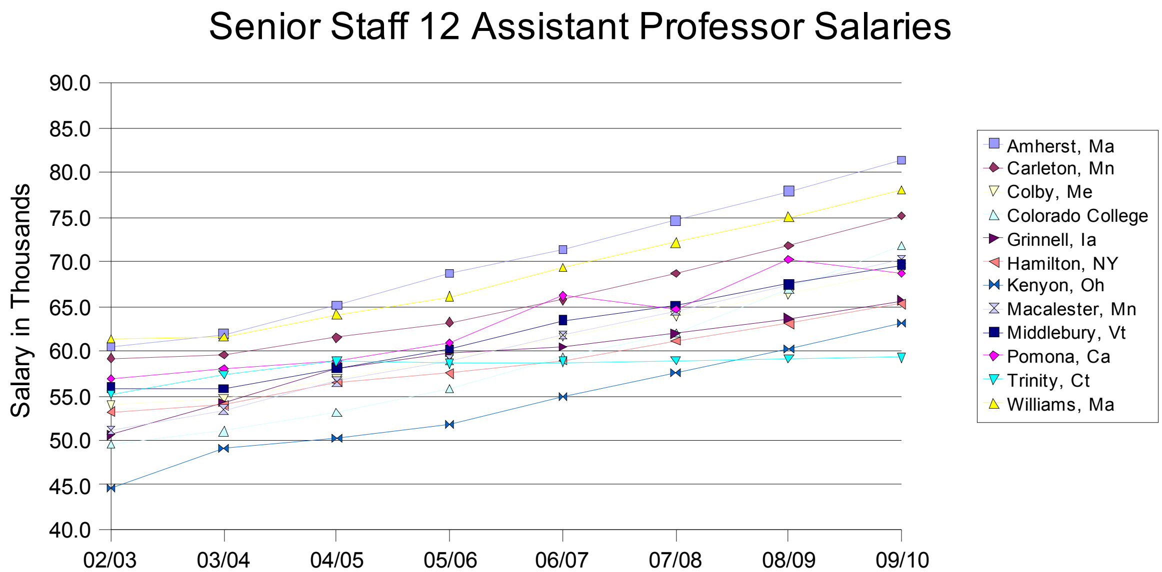

Figure 6: Average assistant professor salaries among the Senior Staff 12 institutions.

Appendix B (February 2008): Revised Algorithmic Considerations

Following review of the original salary recommendations, members of the Dean's office expressed reluctance to adopt the AAUP's salary recommendations. The Dean's office expresses concern that changing the pace of salary growth cannot be reconciled with individual salary recommendations already made in 2007 for the 2007-2009 academic year for tenured faculty members.

Per request of the Dean Ashely, we present the 2008-2009 salaries projected using the 2006 AAUP report recommendations in Table 4. The method distributes the additional gap realization funds evenly across the tenure-track ranks proportionally to salary.

Rank	# Rank	Average Salary 2007-8	Inflation (4.1%)	Progression	Gap Reduction	Average Salary 2008-9	Increase
Instructor	8	$53,909	$2,210	$2,679	$0	$58,798	9.07%
Assistant	55	$62,006	$2,542	$1,984	$366	$66,897	7.89%
Associate	41	$75,760	$3,106	$1,811	$443	$81,121	7.08%
Full	70	$111,149	$4,557	$2,514	$650	$118,869	6.95%
Totals	174	$84,645				$90,785	7.25%

Table 4: Salary projections using the 2006 AAUP method.

Growth at the rate shown in Table 4 will exceed the projected 2009-10 top-25 median assistant-level salary by 1.2%, and fall short 1.1% and 0.1% for the associate and full ranks, respectively. Table 5 presents the corresponding bracket calculations.

Rank	***2007-8 Brackets***	***Increase***	***2008-2009 Brackets***
Instructor	$50,983	4.10%	$53,073
Assistant	$56,140	4.75%	$58,807
Associate	$67,582	4.76%	$70,796
Full	$81,510	4.90%	$85,502
Top	$132,218	6.49%	$140,802

Table 5: Increasing the salary brackets to meet the 7.25% increase using the 2006 AAUP method.