REPORT OF THE COMMITTEE ON COMPENSATION

Salaries for 2008-2009

December 14, 2007
Revised February 8, 2008[1]

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[1] Tables 1 and 2 were revised in February 2008 in light of CPI data on December to December inflation and the revision of AAUP salary brackets.

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 AAUP committee, per the request of the Business Office, has changed the formula used to calculate inflation. This year the inflation number is calculated as the change between December 2006 and December 2007 CPI and is 4.1%. 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 Compensation Committee recommended that staff salary adjustments incorporate CPI as a component of the annual salary pool as practiced for faculty salary adjustments. In addition, the staff members of the 2007-2008 compensation committee have emphasized the importance of ensuring that merit remains a component of the annual performance evaluation and salary administration process. 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 recommend that the college continue 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. This contribution was increased to 9.3% in 2007-08. The retirement contribution affects both staff and faculty, and we recommend that the march toward 10% begun in 2004 be continued. We recommend an additional 0.3%, bringing the College's contribution to 9.6% in 2008-09.

Recommendations three through five concern staff.

Analysis of staff data reveal that 69% of <u>non-exempt</u> salaries are at 90% of market and above (compared to 80% of salaries at that level last year). This may be due to two factors: higher market wages for certain occupational areas (Library, Trades/Crafts, and Information Technology) and a relatively large proportion of staff early in their careers at CC (44% of non-exempt staff has been employed for 4 years or less). For comparable budgets, 52% of <u>exempt</u> salaries are at 90% and above of the market; an increase of 5% from last year. 79% of CC positions are matched in this category. With over 50% of CC salaries within 10% of the market, this is a good indication that our compensation adjustments are keeping overall CC salaries in line with market wages and are competitive. Comparison with data from the Colorado Center for Law and Policy (producers of the Colorado Self-Sufficiency Wage Report), reveal that the college's minimum wages have continued to exceed the self sufficiency wage since 2004 when the College made the commitment to the self sufficiency wage principles to maintain a living minimum wage. However, this gap is rapidly narrowing, and will require attention next year.

3. We recommend that the College adjust the non-exempt staff salary structure by MSEC projections of 2.7% which will result in a new hourly minimum of $10.65 on July 1, 2008.

4. To ensure the college continues to match market projections, recognize performance and CPI, a salary pool increase of estimated 4.5% is recommended and will be broken down as 4.1% for CPI adjustment and 0.4% for merit and market salary adjustments. If fiscal constraints require a smaller salary pool percentage increase, we recommend that the decrease be proportionate to both the staff and faculty salary pool and that a commitment of 0.4% for merit be maintained.

5. In keeping with the College's mission to be "the best liberal arts college," we recommend the college adopt a compensation and benefits philosophy that will include the following: emphasize a commitment to recognize and reward performance including the contributions of long-term employees, actively engage in ongoing review of college expenses and generate ideas/approaches for cost containment, and maintain the commitment to be in alignment with the self-sufficiency wage. In addition we recommend that Human Resources continue to draft modifications to the staff compensation guidelines that will address market gap and self sufficiency wage issues, movement within each grade, maximum range considerations, and other changes that will promote the longevity of the current structure of compensation.

Recommendations six through eight concern faculty.

6. For the faculty we support the decision of the Board of Trustees to increase the salary pool by 7.25% in the past two years and for the next two years, although a few staff members express concerns that faculty salary increases may be taking place at the expense of staff. The AAUP report suggests that this effort will (assuming low to moderate competition) bring faculty salaries up to the median of the twelve schools with which we choose to compare ourselves by 2009-10.

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 6.79% increase will be necessary to offset inflation and to fund progression through the ranks. The AAUP estimates that the remaining 0.46% will be available for pushing salaries towards the projected peer group median. At the Instructor and Assistant rank, the progression and inflation adjustment are adequate to move these ranks towards the median, but a higher adjustment is needed for the Associate and Full rank. This will require increases of 9.07% in the instructor rank (eight faculty members), 7.25% in the Assistant Professor rank (55 faculty), 7.65% increase in the Associate Professor rank (41 faculty) and 6.99% in the Full Professor rank (70 faculty)[2]. Adjusted for both inflation and gap adjustment the bottom of each bracket would be as follows (the top of the full professor bracket also includes progression pay).

Table 1

Rank	**Brackets 2007-08**	**x**	**Adjustment**	**Brackets 2008-09**
Instructor	$50,983	x	1.041	$53,073
Assistant Professor	$56,140	x	1.041	$58,442
Associate Professor	$67,582	x	1.054	$71,233
Full Professor	$81,510	x	1.0495	$85,547
Top of Full Professor	$132,218	x	1.0653	$140,848

Source: AAUP Salary report Feb 2008, Table 2.

[2] See AAUP Report, Feb. 2008, Table 1.

On these assumptions progression would be calculated as follows.

Table 2

Rank	Bottom	Top	Width	Years in Rank	Progression
Instructor	$53,073	$58,432	$5,359	2	$2,679.50
Assistant Professor	$58,442	$71,223	$12,781	6	$2,130
Associate Professor	$71,233	$85,537	$14,304	8	$1,788
Full Professor	$85,547	$140,848	$55,301	21	$2,633

8. For 2007-08, 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 A-F.

The Dean's Office made 32 extraordinary merit awards for a total of $32,500. Of a total of 94 adjunct and tenure-track faculty reviewed, 34% received extraordinary merit.

For 2006-07, the Dean's Office reviewed all regular faculty members (tenure-track, adjuncts, and lecturers) and made 47 extraordinary merit awards for a total of $62,000. Of the 143 faculty members reviewed in 2006-07, 33% received extraordinary merit awards.

In 2007-08, the Compensation Committee recommended that the pool for exceptional merit be 0.5% of salary ($74,000, half of which would be available for exceptional merit raises in 2007-08). 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 the amount required for exceptional merit.

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This committee is currently focusing on the Tuition Remission and Exchange Program and Emeriti and expects to report on our discussions in the second semester. The committee is also examining certain aspects of the College's health insurance program including prescription tiers, the coverage offered under the PPO plans, and normalizing costs for different categories of plans. We are grateful to the AAUP for raising the broader questions of the erosion of health coverage at the College and agree that these issues merit extensive discussion. We also agree with the AAUP's concerns about summer supervision of students and insurance for accompanying family members when faculty and staff travel abroad. We are working on the latter issue.

We are grateful to the Business Office and Barbara Wilson for supplying and interpreting data. We also thank Patti Spoelman and the Dean's Office for data on extraordinary merit raises. We are grateful for the work of Jonathan Bredin (co-chair) and Bryant Ragan (co-chair) as well as other members of the AAUP: Eileen Bresnahan, Armin Wishard, Phoebe Lostroh, and Werner Heim. Finally, our special thanks to Fred Tinsley for helping analyze salary data.