AAUP 2009-2010 Faculty Salary-bracket Recommendations

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Introduction:

This document presents the AAUP Committee updated 2010-11 faculty salary model recommendations based upon the past year's annual change in Consumer Price Index (2.7%), the Budget Committee's salary-pool growth allowance (2%), and broad discussions with the faculty. While we acknowledge strong consensus that many faculty members wish to apply the 2% growth evenly across the ranks, we ask that the faculty, Compensation Committee, and Dean's Office reconsider the ideals promoted by the traditional faculty salary model of awarding proportionally, but not absolutely, larger wage increases to junior faculty than to more senior faculty. We believe that the College has an unusual opportunity to adjust salary allocation to recruit and retain top-flight faculty to strengthen the faculty as it continues to hire faculty through the current economic recession. In light of the opportunity, we present a plan that attempts to apply the traditional faculty model as closely as possible to junior faculty members and reinforce the salary brackets.

We take a reprieve from consideration of early retirement options until we can better align the interests of the faculty and the College. Our current recommendation is that all early-retirement options be offered to all eligible faculty and that negotiations are as transparent as possible.

Constrained Brackets:

This past fall, the AAUP Committee reported its estimate for faculty salary-pool growth. With the Budget Committee's current budget parameters of limiting salary-pool growth to 2% and the 2009 growth in CPI at 2.7%, the growth under the traditional salary bracket of salaries is outside the College's budget. We propose three options: awarding 2% increases to salary across the board, discounting the traditional system evenly across all faculty ranks to meet budget constraints, and discounting the the traditional system by salary to protect the salaries of junior and entering faculty.

The traditional faculty salary model recommendation, contingent on sufficient progress through each rank, applies an annual increase to a faculty's salary equal to change in December-to-December CPI plus the quotient of the spread in salary in the bracket and the number of years normally expected to be spent in rank. The brackets increase each year with CPI. Table 1 tabulates the update of salary brackets and average salary within rank. The table, however, ignores retirement.

Rank	Count	Years in Rank	2009-10 Average	Bottom of Bracket	Top of Bracket	CPI	Progression	2010-11 Average	Bottom of Bracket	Top of Bracket
Instructor	6	2	$56,955	$53,229	$58,604	$1,538	$2,688	$61,180	$54,666	$60,186
Assistant	39	6	$64,648	$58,614	$70,550	$1,745	$1,989	$68,383	$60,197	$72,455
Associate	41	8	$78,610	$70,560	$85,091	$2,122	$1,816	$82,549	$72,465	$87,388
Full	84	21	$116,086	$85,101	$138,044	$3,134	$2,521	$121,741	$87,399	$141,771
Total	170	35	$93,160			$2,515	$2,235	$97,911		

Table 1: Traditional salary brackets with 2.7% annual CPI adjustment.

Incorporating retirements, however, our estimates of salary growth change. For example, retiring half of three mean full-professor salaries changes the cost of progression from 2.4% to 1.3% growth in the salary pool. There are also small savings to the CPI component of the salary model from retirement. This year, the traditional bracket calculation in Table 1 projects growth of 5.1%, but three retirements mitigate the increase to 3.95%, not including payments or service made as part of early or phased retirement. That savings can be realized, however, by noting that this year several faculty members are exiting Special Senior Status (SSS) or early or phased retirement.

We note that both projections are higher than the 2% growth allowance planned for by the Budget Committee and we next make suggestions for allocating salary growth in light of the constraint.

Even distribution of growth:

At the meeting called by the AAUP this past fall, almost all of the attendees voiced preference to apply the entire growth allowance recommended by the Budget Committee across the faculty to attempt to protect evenly all salaries against inflation. Table 2 presents the average faculty salary and brackets.

Rank	Count	Years in Rank	2009-10 Average	Bottom of Bracket	Top of Bracket	CPI	Progression	2010-11 Average	Bottom of Bracket	Top of Bracket
Instructor	6	2	$56,955	$53,229	$58,604	$1,139	$0	$58,094	$54,294	$59,776
Assistant	39	6	$64,648	$58,614	$70,550	$1,293	$0	$65,941	$59,786	$71,961
Associate	41	8	$78,610	$70,560	$85,091	$1,572	$0	$80,182	$71,971	$86,793
Full	84	21	$116,086	$85,101	$138,044	$2,322	$0	$118,408	$86,803	$140,805
Total	170	35	$93,160			$1,863	$0	$95,023		

Table 2: Equal application of a 2% CPI adjustment.

With just three retirements at average full-professor salary, salary could probably be raised by the CPI change of 2.7% at a cost of 1.58% salary-pool growth.

Proportional distribution:

Application of the traditional system does not, however, award salary increases evenly across the ranks. Faculty members at the full-professor rank receive larger absolute raises than do those at assistant, but relative to the previous year's salaries, the faculty members in the assistant rank receive larger raises. Application of a 2% salary increase irrespective of rank ignores the values motivating the progression structure that faculty members early in their careers should perceive progression towards their next promotion.

To lessen changing our values, we propose that the faculty consider discussion of other alternatives. We sketch out two plans, the first proposed at the Fall AAUP Committee all-faculty meeting by Prof. Dennis McEnnerney, and the second amending the plan in a similar fashion to the College's action last year.

The McEnnerney plan simply discounts the traditional system by a constant multiplier to achieve the budgeting goal. The multiplier is computed as the quotient of the allowed growth and the growth incurred by the traditional model. This year, that quotient is 2.0%/5.1% = 0.392. Table 3 tabulates the new brackets and adjustments at each rank conditioned on merit without consideration of retirements. Each faculty member would receive a raise of approximately 40% what would be awarded under the traditional model. The brackets increase by 40% of the rate that they would under the traditional model.

Rank	Count	Years in Rank	2009-10 Average	Bottom of Bracket	Top of Bracket	CPI	Progression	2010-11 Average	Bottom of Bracket	Top of Bracket
Instructor	6	2	$56,955	$53,229	$58,604	$604	$1,055	$58,613	$53,793	$59,225
Assistant	39	6	$64,648	$58,614	$70,550	$685	$781	$66,114	$59,235	$71,298
Associate	41	8	$78,610	$70,560	$85,091	$833	$713	$80,156	$71,308	$85,993
Full	84	21	$116,086	$85,101	$138,044	$1,230	$990	$118,306	$86,003	$139,507
Total	170	35	$93,160			$987	$877	$95,025		

Table 3: Discounting the traditional model.

Graded distribution:

The AAUP Committee views the College's action to continue replacing retiring faculty lines as an investment opportunity. Additionally, the College has met its goal of matching the *US News and World Reports* top-25 median salary at the full-professor level. Following both of the previous observations, we ask the faculty, Compensation Committee and Dean's Office to consider the following alteration to the McEnnerney plan.

- For faculty members currently earning more than the mean full-professor salary, apply a multiplier of 0.29 instead of 0.39 – a somewhat arbitrary 25% discount.
- For assistant professors, apply a multiplier of 0.61 instead of 0.39 – the savings from the previous step calculated through numerical search.

Table 3 shows a rough cost estimate of application of the plan, assuming uniformly distributed years-in-rank at the full-professor level. Application of the plan would require assistance from the Dean's Office to ensure that no faculty member's salary exceeds a more senior member via standard progression in the ranks.

Rank	Count	Years in Rank	2009-10 Average	Bottom of Bracket	Top of Bracket	CPI	Progression	2010-11 Average	Bottom of Bracket	Top of Bracket
Instructor	6	2	$56,955	$53,229	$58,604	$604	$1,055	$58,613	$53,793	$59,567
Assistant	39	6	$64,648	$58,614	$70,550	$1,062	$1,210	$66,920	$59,577	$71,298
Associate	41	8	$78,610	$70,560	$85,091	$833	$713	$80,156	$71,308	$85,993
Full	84	21	$116,086	$85,101	$138,044	$976	$866	$117,928	$86,003	$139,141
Total	170	35	$93,160			$948	$915	$95,023		

Table 3: The result of applying the altered McEnnerney plan.

A less arbitrary application of the grading system would be to, assuming merit justifying full progression, increase each faculty member's salary inversely proportional to the top of the full-professor bracket.

Early Retirement:

The Fall AAUP Committee report recommended that the College consider offering additional early-retirement options, focusing on health care for retirees younger than 65 and an early sabbatical option. College Administration reported back to the AAUP Committee a desire to limit early retirement to only a small number of faculty (approximately 5) whose option to exercise early or phased retirement has already begun or will begin soon (30 years of service). Additionally, the Business Office will not support an option that includes continued responsibilities to administer health-care provisions.

The AAUP Committee cannot currently unanimously make a recommendation on early retirement beyond the following. We unanimously and emphatically assert that any such negotiation of early retirement be transparent and as public as possible to ensure that all eligible faculty have the same opportunity to exercise early retirement.

Conclusions and Recommendations:

We present three salary bracket recommendations: a) apply all allowed growth evenly across the faculty, b) apply a uniform proportion of the increase across the faculty, c) apply a smaller proportion at the top of the full-professor rank and use the savings to support the assistant rank. Table 4 presents the growth at each level, and the total growth without consideration of retirement.

	Traditional		All to CPI		Proportional Traditio		Graded Traditional	
Rank	$	%	$	%	$	%	$	%
Instructor	$4,225	7.42%	$1,139	2.00%	$1,658	2.91%	$1,658	2.91%
Assistant	$3,735	5.78%	$1,293	2.00%	$1,466	2.27%	$2,272	3.51%
Associate	$3,939	5.01%	$1,572	2.00%	$1,546	1.97%	$1,546	1.97%
Full	$5,655	4.87%	$2,322	2.00%	$2,220	1.91%	$1,842	1.59%
Total	$4,750	5.10%	$1,863	2.00%	$1,865	2.00%	$1,863	2.00%

Table 4: The growth for the traditional model and the three proposals.

The AAUP Committee has heard strongest support from the faculty for applying evenly a cost of living adjustment across the faculty. If the College can free up salaries of two average-salaried full professors and replace the lines with two entering assistant professors, then the College can fund the entire 2.7% CPI adjustment. If that were the case, we would suggest that the College begin to pay last year's extraordinary merit awards, which the Dean's Office awarded on credit.

We believe that an opportunity, however, exists to bolster the salaries of incoming faculty and junior faculty and that the College will have a much stronger comparative advantage in hiring faculty in the next few years. We propose two plans to support the ideals of progression in the traditional salary model. The AAUP Committee will work with the Dean's Office to adjust the calculations as the situation merits. Additional concern stems from borderline cases to ensure fairness to faculty members whose salaries are near average full professor or the top of assistant professor. We extend our offer to work with the Dean's Office to adjust salaries at the borders to ensure fairness.

In event of adoption of any plan, we repeat our belief that any salary model would be more effective if its application were transparent to individual faculty members. We recommend that the College explicitly break down and justify the components in annual salary letters.

On the issue of early retirement, we believe that further discussion of the College's goals and the needs of potential retirees is necessary. Until a policy is created, however, we would like to promote open discussion, including immediate options available to faculty.