

**Topic:** Faculty Salary Resolution

**Prepared by:** Frank Novotny

**Summary:** Faculty salaries are a top priority for the interim Provost for fiscal year 2006-2007. Data clearly shows that the average ASC faculty salary is below that of the average faculty salary for our peers (defined by AAUP and CCHE funding study). This proposal is a phased salary improvement plan. The action requested today is to approve, in general, the concept of the four tier/phase salary improvement plan and to authorize the President and Interim Provost to move forward with the completion of the full professor salary inversion plan in accordance with white paper 1.

- 1- The first priority is to complete the salary inversion correction for full professors. Inversion resulted from increased market demand which required us to hire new faculty at competitive salaries which are higher than our current salaries. Assistant, associate and several full professor salaries have been adjusted previously. See white paper 1 for details.
- 2- The second priority is to correct salary inversion for full professors caused by recent changes in promotion amounts. The promotion amount for faculty promoted from associate professor to full professor has changed from \$2,000 to 11% of the base salary of the applicant. White See white paper 2 for details.
- 3- The third priority is to correct the salary inversion for associate professors caused by recent changes in promotion amounts. The promotion amount for faculty promoted from assistant professor to associate professor has changed from \$1,000 to 6% of the base salary of the applicant. See white paper 3 for details.
- 4- The last tier of the plan is to adjust faculty salaries across all ranks so that the average salary of the rank is equivalent to the average of the academic peer group. See white paper 4 for details.

**Recommendation:** The President and the Interim Provost request that the Board formally make the improvement of faculty salary's a top priority for ASC and approve, conceptually, the four tier salary improvement plan. The interim Provost also requests that the Board authorize the interim Provost to move forward with completing the inversion correction of full professors as outlined in white paper 1.

# Faculty Salary Correction

## White Paper 1

To: Adams State College Board of Trustees

From: Frank Novotny-Interim Provost

Subject: Completion of inversion correction

Date: Augusts 24

Cost: \$73,064

Target Date: Fall 2006 after census date, retroactive to the start of FY '06 contract.

Summary- This is the completion of the plan to correct inversion that resulted from increased market demand which required us to hire new faculty at higher salaries. Department chairs and faculty, to their credit, did what was best for the students, departments, and institution by hiring the best qualified faculty for the position. They supported these hires knowing that they were hiring faculty at salaries at or above theirs and above their peers. The immediate inversion was at the assistant professor level and the first inversion correction was done to remove that inversion. The corrections at the assistant professor level caused inversion at the associate levels. The salaries of the associate professors along with several full professors were corrected. This proposal is to finish the correction of the full professors. These are the most senior of the full professors who are relied upon for mentoring of new faculty, shaping curriculum, have strong alumni relationships, are the voice of experience, and represent the strongest faculty leaders on campus.

The total dollar amount is \$73,064 to complete the plan. Below is a before/after analysis of ASC full professor salaries compared to two comparison groups; AAUP-IIB and the Academic Comparison Group (ACG is derived from the CCHE funding study). Columns 1 and 2 represent the overall average and the range of averages of full professor salaries at ASC before the correction. Columns 3 and 4 represent the overall average and range of averages of full professor salaries at ASC after the correction. This shows that in addition to removing inversion and reducing serious compression it will also significantly move ASC full professor salaries closer to the average of our peer groups.

	Column 1 (Before)	Column 2 (Range)	Column 3 (After)	Column 4 (Range)
AAUP-IIB	72%	62%-84%	76%	65%-89%
ACG	90%	76%-95%	95%	82%-103%

**Funding source – \$68,680 SALARY SAVINGS (\$38,080, President’s compensation, \$30,600 reserve budget, Academic Affairs) IN CURRENT BUDGET; \$7,000 CASH TRANSFER .**

- Notes:
1. No attempt was made to do a regression analysis for this correction.
  2. Experience outside of ASC did not factor into the correction, it was assumed that it was already reflected in the base salary. Therefore the “linear order” of faculty salaries was kept fairly intact.
  3. This study and corresponding increases in salaries, has been driven by the need to alleviate inversion and severe compression, While not driving factors, attention to market demand and years of service at ASC were also considered.
  4. It is not feasible to determine years of service in the peer groups.
  5. The range of salaries is rather broad and results from a variety of factors including years of service, prior experience, and local/national market demand.

## White Paper 2

### Handbook Implementation Full Professors

To: Adams State College Board of Trustees

From: Frank Novotny-Interim Provost

Subject: Handbook inversion correction-full professors

Date: Augusts 24

Cost: \$88,000

Target Date: Dependant on fund balances of College

Summary- In the June meeting the Board of Trustees approved the faculty handbook that was developed by faculty senate and approved by the faculty. The revised handbook changed the way salary increases were calculated for promotion. Promotion increase for full professors went from a flat rate \$2,000 to 11% of the base salary of the applicant. This was implemented for the current year and resulted in promotion increases of about \$5,000 for promotions from associate professor to full professor. Because of the compressed nature of faculty salaries this caused a pronounced inversion of full professor salaries. Newly promoted faculty received approximately \$3000 more for their promotion than faculty promoted prior to the handbook changes. The total dollar amount to correct the inversion of full professors caused by implementation of the handbook is \$88,000. All 23 full professor salaries will be adjusted by \$3000 (see note 1). The correction of full professor salaries was prioritized next because of the long standing inequities at this rank and to help ensure that ASC is able to maintain a solid, consistent senior faculty leadership group.

Below is a before/after analysis of ASC full professor salaries compared to two comparison groups; AAUP-IIB and the Academic Comparison Group (ACG is derived from the CCHE funding study). Columns 1 and 2 represent the overall average and the range of averages of full professor salaries at ASC before the correction. Columns 3 and 4 represent the overall average and range of averages of full professor salaries at ASC after the correction. The data in columns 1 and 2 include the corrections as outlined in white paper 1 for the completion of the hiring inversion study. As one can see from the data in the ACG (academic comparison group) this increase along with the correction in white paper 1 makes the average salary of ASC full professor's equivalent to the average of our peers.

	Column 1 (Before)	Column 2 (Range)	Column 3 (After)	Column 4 (Range)
AAUP-IIB	76%	65%-89%	81%	69%-93%
ACG	95%	82%-103%	100%	87%-107%

**Funding source-** ASC still is to receive up to \$326,052 in base funding for unfunded enrollments between 2001-2005. a portion of these funds could be designated for this salary improvement plan.

Notes: 1. Data was not readily available to determine if some long standing faculty members actually received promotion increases less than the \$2,000 used in this analysis. As a precautionary measure \$13,000 was added to the total in case such circumstance does arrive.

2. It is not feasible to determine years of service in the peer groups.

3. The range of salaries is rather broad and results from a variety of factors including years of service, prior experience, and local/national market demand.

# White Paper 3

## Handbook Implementation Associate Professors

To: Adams State College Board of Trustees

From: Frank Novotny-Interim Provost

Subject: Handbook inversion correction-associate professors

Date: Augusts 24

Cost: \$38,125

Target Date: Dependant on fund balances of College

Summary- In the June meeting the Board of Trustees approved the faculty handbook that was developed by faculty senate and approved by the faculty. The revised handbook changed the way salary increases were calculated for promotion.. The promotion amount for associate professors went from a flat rate \$1,000 to 6% of the base salary of the applicant. This was implemented for the current year and resulted in promotion increases of about \$2,550 for promotions from assistant professor to associate professor. The total dollar amount to correct the inversion of associate professors caused by the implementation of the new handbook is \$38,125. All 25 associate professor salaries will be adjusted \$1,525.

Below is a before/after analysis of ASC associate professor salaries compared to two comparison groups; AAUP-IIB and the Academic Comparison Group (ACG is derived from the CCHE funding study). Columns 1 and 2 represent the overall average and the range of averages of associate professor salaries at ASC before the correction. Columns 3 and 4 represent the overall average and range of averages of associate professor salaries at ASC after the correction. This correction would take care of inversions that exist at ASC at the associate professor level and would bring the average of the associate professor salaries at ASC to 96% of the average of associate professors salaries in the academic comparison group (ACG).

	Column 1 (Before)	Column 2 (Range)	Column 3 (After)	Column 4 (Range)
AAUP-IIB	78%	73%-92%	81%	76%-94%
ACG	93%	75%-97%	96%	77%-100%

**Funding source** – ASC still is to receive up to \$326,052 in base funding for unfunded enrollments between 2001-2005. A portion of these funds could be designated for this salary improvement plan.

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## White Paper 4

100% of ACG

To: Adams State College Board of Trustees

From: Frank Novotny-Interim Provost

Subject: all faculty salary adjustments

Date: August 24

Cost: **\$250,335**

Target Date: dependant on fund balances of College

Summary- Phase 4 is to adjust the salary for all faculty to 100% of the mean of our peer group (ACG). This will aid ASC in continuing to recruit and retain top notch faculty members. The recent turnover in faculty at ASC (20-30% the past two years has a direct impact on the recruitment and retention of students, the work load of returning faculty and staff do to new searches and training, and causes a moral issue. After successfully implementing Phases 1-3 this will have a net cost of **\$250,335** assuming that faculty cost of living adjustments keep up with inflation. There should be little to no equity issues on-campus given adequate COL increases and the implementation of phases 1-3.

**Funding source-** ASC still is to receive up to \$326,052 in base funding for unfunded enrollments between 2001-2005. a portion of these funds plus revenue from increased enrollment (\$42,000) could be designated for this salary improvement plan.