

College of Arts & Sciences
Budget Advisory Committee
MINUTES
Wednesday, April 27, 2011

Present:

Voting members: Professors Cliff Bekar, Rachel Cole, Susan Glosser, Todd Lochner and Jens Mache

Ex-officio: Jane Hunter – Interim Dean of the College and Gary Reiness - Associate Dean of the College

Guests: Robert Nayer - Director of Operating and Capital Budgets

Recorder: Anne Boal - Mathematical Sciences

Absent: George Battistel - Associate Vice President of Finance and Student representative - Christabel Escarez

The minutes for the April 6th meeting were approved with corrections.

Dean Hunter reported that the admissions numbers look good for fall term. The college budgeted for 510 new first-year students, with an aspirational target of 530 students. It appears that admissions may be able to reach this higher target. They will know more by May 6, after students have sent in their deposits.

The voting members of this committee have met in executive session for two weeks to discuss faculty salaries.

They are not looking at how faculty are reviewed nor how salary pools are determined, rather they are looking at how these resources are allocated to faculty. The goals are to recruit the best faculty possible; keep faculty once recruited; encourage scholarship teaching and service; and minimize salary compression between cohort groups.

They analyzed three methods of allocating the salary pool to faculty members. The first is the status quo of awarding raises as a percentage of current salary, and raises are added to the base salary. The second method is giving a fixed dollar amount as a raise in pay, also to be added to the base salary. The third hybrid method would be awarding percentage raises for cost of living increases added to the base salary, plus a fixed bonus awarded for merit, but not added to the base salary.

The committee had concerns with the hybrid method because of the unpredictability of bonus amounts. The committee concluded that fixed amounts for raises had many advantages, and should be considered by the college.

This fixed-rate system has the affect of awarding larger raises to the members who are early in their careers, and lower raises to the faculty in their later years, than the percentage system. This would encourage the younger and mid-career faculty. A policy of percentage raises means that the “merit premium” over the entire career, can be very large. That is, there is a lot of incentive to earn top merit raises early in one’s career, and

lesser incentives later in one's career. Also, if some departments are paid a market premium at their hire date, this difference can compound quite a bit over time under the percentage system. The current system also contributes to salary compressions by shifting the bulk of a faculty member's raises to their later years.

The current system tends to encourage junior faculty to produce heavily, but does not encourage mid-career faculty to continue to produce.

However, this new fixed-rate model would need a lot of money in the first few years, or else we would again be creating a large cohort of faculty who are not treated fairly. This is because the mid-career faculty who did not receive large salaries in their first years, but were looking forward to the larger increases in their later years, would no longer have those future rewards. In order to be fair, these members would need to be given a lump sum (maybe over a few years) in order to bring them up to the normal trajectory of the fixed-rate system.

The committee would also like to consider converting the percentage bump in salary given at tenure and from associate to full professor to a fixed amount. Associate Dean Reiness reported that the standard procedures for these bumps are not in the faculty handbook, but were just begun in the recent past to reward faculty achieving tenure or full professorship.

This committee will report at the faculty meeting in early May and begin meetings again next fall.