President’s Commission on Full-time Faculty Compensation (Salary & Benefits)

UNIVERSITY OF HARTFORD

Presentation
September 8, 2011

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“Faculty compensation mostly is not discussed.”
Commission Membership

- Hisham Alnajjar, Department of Electrical and Computer Engineering, CETA
- Lisa Belanger, Executive Director, Human Resources Development
- Katherine A. Black, Department of Psychology, College of Arts and Sciences
- Catherine Certo, Department of Physical Therapy, College of ENHP
- James W. Fairfield-Sonn, Dean, Barney School of Business
- Aaron A. Flagg, Dean, The Hartt School
- James A. Mello, Assistant Provost for Financial Planning
- Patricia Mellodge, Department of Electrical/Computer Engineering, CETA
- Lucille Nickerson, Board of Regents
- John Ogilvie, Department of Management/Marketing, Barney School of Business
- Carol Padberg, Hartford Art School
- Laura Pence, Department of Chemistry, College of Arts and Sciences
- Joshua Russell, Division of Music Education, The Hartt School
- William Sanders, Multimedia Web Design and Development, University Studies
- F. Scott Scribner, Department of Humanities, Hillyer College
- Sheetal Sood, Special Education, College of ENHP
- John Stewart, Department of Sociology, College of Arts and Sciences
- Teresa Stores, Department of English, College of Arts and Sciences
- Sharon L. Vasquez, Provost

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“to recommend to me a multi-year plan to increase faculty compensation in order to keep us competitive with our peer group of colleges and universities. In order to do so it is important that we have a clear sense of the complexities involved in considerations of compensation and the ability to set priorities for addressing the major factors we confront, including but not limited to: benchmarking, equity, merit recognition, and disciplinary-based market pressures.”

“As I have mentioned in various venues over the past few months, we are undertaking this initiative during a time when we do not foresee any immediate increase in revenue to the University. So you have your work cut out for you: how to be fair, appropriately competitive, and prudent in the commitment of University resources.”
According to the University’s Five-year Academic Strategic Plan, 2009 -2014, the first goal is: “To recruit and retain a diverse academic community who will embrace our mission.”

Towards attainment of this goal, the University will: “Recruit and retain high-achieving full- and part-time faculty members who will embrace our mission.” The following support this goal from a faculty compensation standpoint:

- “Set a specific five-year goal for raising our full-time faculty salaries, using CUPA data as a benchmark”,
- “Develop a five-year plan to increase minimum salaries for part-time faculty.”
- “Provide start-up packages for new full-time faculty members to support their research and professional development”, and
- “Maintain a fund for competitive compensation offers to exceptional full-time faculty candidates”

The above points are specifically relevant when examining faculty compensation.
Work Plan

Commission Design Spring 2011
Stakeholder Education Spring - Fall 2011
Discernment Of Philosophy Fall 2011
Framework Design Spring 2012
Planned Implementation Fall 2012
Maintenance Fall 2013 & Beyond

Communication, Communication, Communication

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Prior Assessment of Faculty Compensation

The last comprehensive assessment of faculty compensation was released in November of 1999 and entitled Compensation Strategic Plan. Highlights include:

- “With a few exceptions, the salaries provided to faculty and staff of the University are markedly less than those at other institutions of higher education.”
- A recommendation “that faculty salaries be increased so that the average salaries by rank reflect an average of the ANAC (now NACU) Third Quartile by rank.”
- A comparison of faculty salaries to ANAC third quartile by College using AAUP and discipline specific CUPA data. The results varied by College and rank.
- An additional analysis was made of the University faculty salaries to 14 select colleges of liberal arts in the Northeast.
- The results of the comparison varied widely by College and rank.
- “ANAC was selected as the comparison group because of our affiliation with the organization.”
- “The third quartile was chosen in order to provide for the cost of living in the Northeast.”

Phases and Priorities recommended in the report for implementation included:

- 5 year implementation of: Phase 1 Senior Professor Rank, Phase 2 Associate Professor Rank, and Phase 3 Assistant Professor Rank

The actual implementation was over 7 years. Over the past 10 years, the University has added an additional $1.7 million to faculty salaries over and above merit increases.

Like most IHEs, the University is dealing with the realities of the economy and has not been able to make new investments in faculty compensation in recent years.
Observations on Peers

- The University competes for academic talent with a broad base of institutions.
- While there are many ways to look at and establish peer groups, our experience in analyzing faculty compensation is that valid, reliable, and unbiased groups are best established by:
  - Using independent third party classification systems; and
  - Creating peer groups with larger sample size (>40).
- The Carnegie Foundation information on the University is:
  - Level: 4-year or above, Control: Private not-for-profit, and Student Population: 7,212
  - Undergraduate Instructional Program: Prof+A&S/SGC, Graduate Instructional Program: S-Doc/Other, Enrollment Profile: HU, Undergraduate Profile: FT4/S/LTI, Size and Setting: M4/HR.
  - Basic: Master's Colleges and Universities (larger programs)
- According to information on The Carnegie Foundation for the Advancement of Teaching website (www.carnegiefoundation.org) there are:
  - 4,633 IHEs; 725 of which are Masters S, M & L; 379 of these are private not-for-profit;
    - 412 of these are Masters L; and 210 are both Masters L and Private;
- No other institution has all the same Carnegie attributes as the University!
Observations on Peers

- In the last report, the University benchmarked faculty compensation against:
  - The 22 Associated New American Colleges (now The New American Colleges and Universities) including:
    - Belmont University, Butler University, Drake University, Drury College, Hamline University, Hood College, Ithaca College, Loyola College in Maryland, Mercer University, North Central College, Pacific Lutheran University, Quinnipiac College, Rollins College, Saint Mary’s College of California, Susquehanna University, The Sage Colleges, University of Dayton, University of Hartford, University of the Pacific, University of Redlands, University of Richmond, and Valparaiso University
  - A list of 14 selected colleges of liberal arts in the Northeast including:
    - Connecticut College, Wheaton College, College of New Jersey, William Patterson University, Colgate University, Hamilton College, Hobart-William Smith College, Ithaca College, St. Lawrence University, Sarah Lawrence College, Skidmore College, Dickinson College, Gettysburg College, and Lafayette College

- While either group may represent potential faculty talent for the University, the following cannot help but be observed:
  - The University is not currently a member of The New American Colleges and Universities.
  - It is unclear how exactly the 14 liberal arts colleges where selected.
  - It is unclear how many of the above IHEs participated in the CUPA NFSS in the year of analysis.

- The University should consider benchmarking faculty compensation against the 210 Private Not-For-Profit Masters Colleges and Universities (Larger Programs).

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Thoughts on Salary Differentials

- One of the significant challenges to benchmarking faculty compensation within higher cost areas is how to account for geographic salary differentials. Note: this is different than cost of living不同ials.
- Committees establishing peer groups often narrow their focus on a small number of “like” local institutions in an attempt to get local data. These smaller sample sizes raise issues on access, validity and year over year reliability of faculty compensation data.
- Another approach is to use broader based national samples for peer groups and apply a local salary differential.
- Our experience in the greater metropolitan areas is that the salary, not cost of living, differential is from 10% to 20% and can be validated by BLS, ERI, and CUPA-HR data.
- Select disciplines, like Business Administration, may have less geographic premium due to already higher salaries.
A Framework for Consideration

- A compensation model based upon:
  - CUPA-HR 2010-11 data for Private Masters Colleges and Universities-Larger Programs;
  - Clustered disciplines using College structure; and
  - Use of an X% geographic salary differential, and
- 90% to 110% Ranges.

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Questions

- What is the faculty compensation philosophy that guides the model?
- What are the current processes in place to manage faculty compensation?
- How are other institutions managing investments in faculty compensation?
- How should accreditations like AACSB factor into business department salaries?
- How much of a difference in compensation by discipline should be recognized?
- What peer group size is too small, or too large, to create valid, reliable, and acceptable compensation data?
- Should faculty salaries be strictly managed between minimums and maximums, and if not what should the policy for exceptions be?
- How should levels of faculty compensation be communicated to the University, Colleges, Departments, and individuals?
- What should be done with faculty disciplines where no market data is available?
- How should significant compression and in some cases inversion be handled?
- How should internal equity and external competitiveness be balanced?
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Your Questions

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About the Firm

Casagrande Consulting was launched in early 2009 as a boutique firm focusing on issues within institutions of higher education and not-for-profit organizations.

We provide consulting services in the areas of:
- Advancement & Development,
- Board Effectiveness,
- Compensation & Benefits,
- Labor Relations,
- Performance Management,
- Presidential Evaluations, and
- Strategy & Planning.

The consultants at the firm all have a background in working with or for institutions of higher education or not-for-profit organizations at senior executive levels.

Casagrande Consulting maintains a number of strategic alliances with firms and professionals to ensure that all of our clients’ needs are met.

For additional information about our firm, people, and services, visit our website.

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Frank A. Casagrande, Consultant

Frank has more than 30 years of experience in consulting and education. Prior to launching the firm, he was Higher Education Sector Practice Leader for Hay Group, a global management consulting firm. Other consulting experience includes work for KPMG and Buck Consultants. Frank’s education experience includes work as a teacher and lecturer for Passaic Board of Education, Montclair State University, and Rutgers University.

He has facilitated faculty compensation projects and diagnostics at Coker College, Embry-Riddle Aeronautical University, Rose-Hulman Institute of Technology, Sacred Heart University, Saint Mary’s College of California, Taylor University, and Wagner College.

He is a frequent speaker on compensation and benefits issues within institutions of higher education, most recently including:

- Managing Faculty Compensation Frameworks, 2010 Council of Independent Colleges (CIC) Chief Academic Officer / Chief Financial Officer Institute,
- IRS Initiatives and Their Effect on Compensating Law School Deans, 2009 The John Marshall Law School Center for Tax Law and Employee Benefits, and
- Executive Compensation: Considerations for the Board and the President, 2009 Council of Independent Colleges Presidents Institute.

He has Masters of Arts in Teaching from Montclair State University, a Bachelor of Science in Applied Mathematics from Union College, and was an enrolled actuary.

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About Our People

- Robert E. Myers, Ph.D., Consultant
  - Skip is a former college and university CEO and president with more than 30 years leadership experience in public and private sectors.
  - His experience includes stints at large public and private universities with worldwide reach as well as small regional colleges struggling to survive. At University of Maryland University College (UMUC), Dr. Myers served as the “turnaround” interim president as UMUC transitioned in a new strategic direction and grew exponentially worldwide. At Embry-Riddle Aeronautical University-Worldwide, he served as campus chancellor and led efforts to improve academic quality, enhance revenues, and expand the campus’s worldwide market footprint. As president at Daniel Webster College, he engineered with his board a four-year process to ensure the survival of the small, struggling college.
  - Dr. Myers has served as an adjunct faculty member in Journalism, Public Relations, Business Management, and Organizational Leadership. He has served as a member of advisory and operational boards at both the national and local/regional levels, in the private, public, for-profit and non-profit sectors.
  - He holds the B.S. and M.A. in Journalism, and the Ph.D. in Higher Education Policy, Planning and Leadership, with special emphasis on Board Effectiveness, all from the University of Maryland.

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