

**STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION**

May 9, 2012

**TOPIC:** Faculty Salary Survey Update

**PRESENTED BY:** Barbara McDonnell, Executive Vice President and Cynthia Hier, Executive Director, Human Resources

**RELATIONSHIP TO STRATEGIC PLAN:** Operational Excellence Goal: The financial stability of the system's institutions and the physical safety of its students shall be ensured.

**EXPLANATION:**

In May of 2011 the Board reviewed a salary comparison for CCCS personnel. This comparison identified that full time faculty salaries were 18.5% below the national average. The attached report has been updated to include the Fiscal Year 2012 CCCS average faculty salaries and the 2012 national average faculty salary as reported by the College and University Professional Association for Human Resources (CUPA-HR). Compared to two year public institutions nationwide, CCCS faculty are found to be 20.4% below the national average. The new estimate of the cost to close this gap based upon the consultant's recommendation is \$12.97 million.

In its May 2011 meeting the board requested that we develop a 5 year plan to close the gap between CCCS average salaries and national average salaries. A starting point for this plan is attached. In addition, the cost per college to close the gap over a 5 year period is also attached.

Because of the timing of this study, CCCS plans to use the process outlined below with respect to pay increases. This process will allow proper vetting, input, refinement, and changes of the proposed plan with faculty and staff in time for raises that will be implemented on July 1, 2013.

**For raises to be put into effect on July 1, 2012 that reflect FY 2011-12 performance:**

The exempt salary pool will include a 2% cost of living adjustment based upon the national cost of living increase as documented by CUPA. In addition, each college would commit to the average raise percentage for faculty listed in the attached report as necessary to get that college to the national average in five years.

Colleges would distribute raises using their existing salary distribution plans. For several reasons, colleges believe it is too early to introduce a new raise

distribution model as proposed in this report for the July 1, 2012 raises. Among these reasons is the fact that faculty and staff have already invested a lot in development of the compensation systems in place and the CCCS and colleges need an appropriate amount of time to consult with and involve faculty. In addition, faculty have been informed throughout the year starting July 1, 2011 about the factors upon which they will be evaluated and it would not be fair to change these parameters when the fiscal year is almost over. Finally, there will be many technical issues to work out that would not be feasible in such a limited amount of time.

**For raises to be put in place on July 1, 2013 for performance based on FY 2012-13:**

The colleges and the system office would work to develop a common raise distribution system, using the attached recommendations as a starting point. The goal would be to have this distribution system in place by fall 2012 to allow the proper vetting by the faculty.

**RECOMMENDATION:**

Staff recommends that the Board approve the requested salary increases for Fiscal Year 2012/2013.

**ATTACHMENTS:**

Faculty Pay Increase Process  
Five Year Plan



COLORADO COMMUNITY  
COLLEGE SYSTEM

# DRAFT

## Faculty Pay Increase Process

May 2012

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Doc. No. 5184443





- ① Background Information
- ② Urban and Rural Colleges
- ③ Process for Determining Faculty Increases
- ④ Technical Considerations

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# Current State

## The Facts

- Full-time faculty salaries are below the national average and have been for several years. In 2012, compared to two-year public institutions nationwide, CCCS faculty were found to be below market by 20.4%<sup>1</sup> based on the College and University Professional Association for Human Resources (CUPA-HR) data. This is updated from our study of last year. The updated cost estimate of closing this gap based on the consultant's recommendations is \$12.97 million.

## Faculty Perceptions on Pay

- 78% feel they are not appropriately paid
- 79% feel their salaries do not reflect performance and contribution to the college
- 76% feel their salaries are not competitive with other employers
- 49% feel they are not paid appropriately when compared to others doing similar work, with similar levels of education and experience at their college

## Goals for faculty pay increases are to:

- Bring faculty salaries to a competitive level
- Ensure competitive levels for skill sets in programs offered where there is a scarcity of labor
- Address internal equity



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# Geographic Differentials

- Colleges should be grouped based on geographic location (urban vs rural) and the cost of living in those areas. Because of this, colleges within the two groups can be treated similarly. The table below displays the national faculty salary average, the average college faculty salary, the percent below average for the college faculty, and the annual increase to close the gap in five years. The increases will be above those given for cost of living.

## Urban Colleges

College	National Average	Average College Salaries	College Percentage Below Market	Annual Increase for Next 5 Years needed to close the gap	Average Years of Service	Cost of Living Differential <sup>1</sup>	Adjustment
ACC	Faculty: \$58,532	Faculty: \$51,971	Faculty: 11.2%	2.41%	9.56	99.8%	No Adjustment
CCA	Faculty: \$58,532	Faculty: \$51,208	Faculty: 12.5%	2.71%	5.22	98.8%	
CCD	Faculty: \$58,532	Faculty: \$44,764	Faculty: 23.5%	5.5%	5.52	100.0%	
FRCC	Faculty: \$58,532	Faculty: \$49,815	Faculty: 14.9%	3.28%	7.27	101.4%	
PPCC	Faculty: \$58,532	Faculty: \$44,324	Faculty: 24.3%	5.72%	8.02	98.2%	
PCC	Faculty: \$58,532	Faculty: \$46,674	Faculty: 20.3%	4.63%	9.72	87.4%	
RRCC	Faculty: \$58,532	Faculty: \$47,504	Faculty: 18.8%	4.26%	8.02	100.3%	

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<sup>1</sup>Cost of Living differential compared to Denver as of January 2012.  
Source: Economic Research Institute, Geographic Assessor

# Geographic Differentials *continued*

- Colleges should be grouped based on geographic location (urban vs rural) and the cost of living in those areas. Because of this colleges within the two groups can be treated similarly. The table below displays the national faculty salary average, the average college faculty salary, the percent below average for the college faculty, and the annual increase to close the gap in five years. The increases will be above those given for cost of living.

Rural Colleges							
College	Adjusted National Average	Average College Salaries	College Percentage Below Market	Annual Increase for Next 5 Years	Average Years of Service	Cost of Living Differential <sup>1</sup>	Adjustment
CNCC	Faculty: \$50,923	Faculty: \$45,923	Faculty: 9.8%	2.09%	8.92	90.9%	13% Adjustment Down
LCC	Faculty: \$50,923	Faculty: \$39,963	Faculty: 21.5%	4.97%	7.38	87.2%	
MCC	Faculty: \$50,923	Faculty: \$48,533	Faculty: 4.7%	0.97%	10.93	85.1%	
NJC	Faculty: \$50,923	Faculty: \$41,150	Faculty: 19.2%	4.35%	9.42	83.5%	
OJC	Faculty: \$50,923	Faculty: \$40,305	Faculty: 20.9%	4.79%	7.56	87.2%	
TSJC	Faculty: \$50,923	Faculty: \$39,886	Faculty: 21.7%	5.01%	7.69	86.7%	

<sup>1</sup>Cost of Living differentials compared to Denver as of January 2012.  
Source: Economic Research Institute, Geographic Assessor





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# Processes for Determining Faculty Pay Increases

- Because of the timing of this study, the CCCS plans to use the process outlined below with respect to pay increases. This process will allow proper vetting, input, refinement, and changes of the proposed plan with faculty and staff in time for raises that will be implemented on July 1, 2013.
- **For raises put in effect on July 1, 2012 that reflect FY 2011-12 performance:**
- The exempt salary pool will include a 2% cost of living adjustment based upon the average national salary increase as documented by CUPA.
- In addition, each college would commit to the average raise percentage listed in this report as necessary to get that college to the national average for faculty in five years.
- Colleges would distribute raises using their existing salary distribution plans. For several reasons, colleges believe it is too early to introduce a new raise distribution model as proposed in this report for the July 1, 2012 raises. Among these reasons is the fact that faculty and staff have already invested a lot in development of the compensation systems in place and the CCCS and colleges need an appropriate amount of time to consult with and involve faculty. In addition, faculty have been informed throughout the year starting July 1, 2011 about the factors upon which they will be evaluated and it would not be fair to change these parameters when the fiscal year is almost over. Finally, there will be many technical issues to work out that would not be feasible in such a limited amount of time.
- **For raises to be put in place on July 1, 2013 for performance based on FY 2012-13**, the colleges and the system office would work to develop a common raise distribution system, using the following recommendations as a starting point. The goal would be to have this distribution system in place by Fall 2012 to allow the proper vetting by the faculty.
- In no instance, would a faculty member who receives a rating of “Needs Improvement” be eligible for a raise.

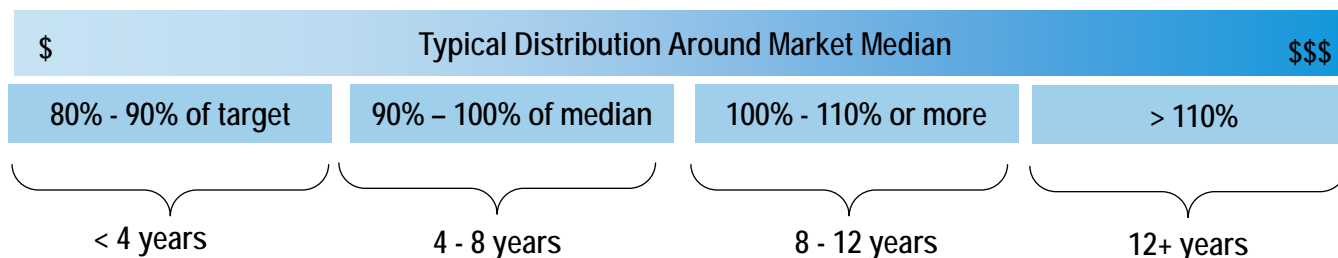
# Proposes Process: Market Data – Faculty

- Faculty pay for Urban colleges should target the CUPA national average for 2 year faculty. Rural Colleges will target 13% below national average based on a cost of living differential.

CUPA-HR Overall National	Urban Target	Rural Target
\$58,532	\$58,532	\$50,923

- Faculty pay should be distributed around a market median based on years of experience.

## MARKET MEDIAN



# Approach for Correcting Inequities

We suggest the following three criteria be used for prioritizing salary adjustments. This approach is based on a “pure” formula-based methodology. Individual situations may need to be evaluated against CCCS’ available resources and other priorities.

**Pursuant to System Presidents Procedure 3-31 Only faculty members whose performance rating is “Meets Expectations” or above are eligible for salary increases.**

## **A. Performance** (weighting – 50%)

*Individual faculty member performance and contribution to the College would be rated on a scale of 1 to 3 taking into consideration such items as Dean’s and President’s evaluation of performance and contribution to the college community, professional accomplishments, student evaluations, etc.*

1. Meets Expectations
2. Exceeds Expectations
3. Outstanding

## **B. Position Compared to Market and Years of Service and Experience** (weighting – 25%)

1. As expected, or above given years of service and experience
2. Somewhat lower than expected, given years of service and experience
3. Significantly lower than expected, given years of service and experience

## **C. Scarcity of Qualified Applicants** (weighting – 25%) (pay scales are related to the relative scarcity (or abundance) of various categories of faculty) Comment: There is debate among the presidents as to how to appropriately take this factor into consideration.

1. Average or below average competitive for talent market
2. Somewhat competitive talent market
3. Highly competitive talent market

Target Increase for Year 1 =X%

*(Target increase set by individual college each year of implementation)*

Individual Faculty Rating Proportion of Target Increase	3.0	2.5	2.0	1.5	1
Individual Increase* (Example Only)	3.0%	2.5%	2.0%	1.5%	1.0%

*\*Individual increase is the target increase times the proportion of target for the individual rating.*

*The college will create a scale from 1 to 3 that will assign raises, based on the distribution of the ratings by the scale, that, on average, give the raise that is needed to move the college as a whole to reduce the gap between the college average and the national average.*

Example #1	Score
A. 50% Performance Rating– Outstanding	3
B. 25% Salary level- - Significantly lower than expected	3
C. 25% Scarcity –Average or below average scarcity	1
<b>Total: 2.5</b>	
<b>This individual would have the highest priority when determining which faculty receive a salary adjustment.</b>	

Example #2	Score
A. 50% Performance Rating –Meets expectations	1
B. 25% Salary level-Significantly lower than expected	3
C. 25% Scarcity - Average or below average scarcity	1
<b>Total: 1.5</b>	
<b>This individual would have a lower priority when determining which faculty receive a salary adjustment.</b>	



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# Technical Considerations Determining Pay Increases

1. Identify if faculty member's current pay is within the range noted for years of service (to be defined)
2. Determine if faculty member teaches a discipline in an area affected by the market/scarcity (to be defined)
3. Identify performance level (Meets, Exceeds, Outstanding)
4. Determine overall faculty ranking by point assignments
5. Apply adjustments based on budget for the year and distribution of ratings
6. Determine the appropriate weight for each factor
7. Other Considerations

**Five Year Plan**

	FY12 Average Faculty Salary	Yearly % Increase	yr1	yr2	yr3	yr4	yr5	Total Associated Cost	Total Cost
<b>Arapahoe Community College</b>	\$51,971	102.41%	\$ 53,224	\$ 54,506	\$ 55,820	\$ 57,165	\$ 58,543		\$ 713,081
Cost Per Year for Increase - per FY12 FTE			\$ 115,230	\$ 118,007	\$ 120,851	\$ 123,764	\$ 126,746	\$ 604,598	
PERA Cost - per FY12 FTE		92	\$ 18,552	\$ 20,061	\$ 21,632	\$ 23,268	\$ 24,969	\$ 108,482	
<b>Community College of Aurora</b>	\$51,208	102.71%	\$ 52,596	\$ 54,021	\$ 55,485	\$ 56,989	\$ 58,533		\$ 388,791
Cost Per Year for Increase - per FY12 FTE			\$ 62,448	\$ 64,141	\$ 65,879	\$ 67,664	\$ 69,498	\$ 329,629	
PERA Cost - per FY12 FTE		45	\$ 10,054	\$ 10,904	\$ 11,792	\$ 12,721	\$ 13,691	\$ 59,162	
<b>Community College of Denver</b>	\$44,764	105.50%	\$ 47,226	\$ 49,823	\$ 52,564	\$ 55,455	\$ 58,505		\$ 1,767,280
Cost Per Year for Increase - per FY12 FTE			\$ 268,360	\$ 283,120	\$ 298,692	\$ 315,120	\$ 332,451	\$ 1,497,743	
PERA Cost - per FY12 FTE		109	\$ 43,206	\$ 48,130	\$ 53,466	\$ 59,242	\$ 65,493	\$ 269,538	
<b>Colorado Northwestern Community College</b>	\$45,923	102.09%	\$ 46,883	\$ 47,863	\$ 48,863	\$ 49,884	\$ 50,927		\$ 177,040
Cost Per Year for Increase - per FY12 FTE			\$ 28,794	\$ 29,396	\$ 30,010	\$ 30,637	\$ 31,277	\$ 150,114	
PERA Cost - per FY12 FTE		30	\$ 4,636	\$ 4,997	\$ 5,372	\$ 5,760	\$ 6,162	\$ 26,926	
<b>Front Range Community College</b>	\$49,815	103.28%	\$ 51,449	\$ 53,136	\$ 54,879	\$ 56,679	\$ 58,538		\$ 2,325,545
Cost Per Year for Increase - per FY12 FTE			\$ 369,269	\$ 381,381	\$ 393,890	\$ 406,810	\$ 420,153	\$ 1,971,502	
PERA Cost - per FY12 FTE		226	\$ 59,452	\$ 64,835	\$ 70,506	\$ 76,480	\$ 82,770	\$ 354,044	
<b>Lamar Community College</b>	\$39,963	104.97%	\$ 41,949	\$ 44,034	\$ 46,223	\$ 48,520	\$ 50,931		\$ 232,940
Cost Per Year for Increase - per FY12 FTE			\$ 35,751	\$ 37,528	\$ 39,393	\$ 41,351	\$ 43,406	\$ 197,428	
PERA Cost - per FY12 FTE		18	\$ 5,756	\$ 6,380	\$ 7,051	\$ 7,774	\$ 8,551	\$ 35,512	
<b>Morgan Community College</b>	\$48,533	100.97%	\$ 49,004	\$ 49,479	\$ 49,959	\$ 50,444	\$ 50,933		\$ 96,219
Cost Per Year for Increase - per FY12 FTE			\$ 16,006	\$ 16,161	\$ 16,318	\$ 16,476	\$ 16,636	\$ 81,599	
PERA Cost - per FY12 FTE		34	\$ 2,577	\$ 2,747	\$ 2,921	\$ 3,098	\$ 3,277	\$ 14,620	
<b>Northeastern Junior College</b>	\$41,150	104.35%	\$ 42,940	\$ 44,808	\$ 46,757	\$ 48,791	\$ 50,913		\$ 575,926
Cost Per Year for Increase - per FY12 FTE			\$ 89,501	\$ 93,395	\$ 97,457	\$ 101,697	\$ 106,120	\$ 488,170	
PERA Cost - per FY12 FTE		50	\$ 14,410	\$ 15,877	\$ 17,445	\$ 19,119	\$ 20,906	\$ 87,756	
<b>Otero Junior College</b>	\$40,305	104.79%	\$ 42,236	\$ 44,259	\$ 46,379	\$ 48,600	\$ 50,928		\$ 476,279
Cost Per Year for Increase - per FY12 FTE			\$ 73,363	\$ 76,877	\$ 80,560	\$ 84,418	\$ 88,462	\$ 403,681	
PERA Cost - per FY12 FTE		38	\$ 11,811	\$ 13,069	\$ 14,420	\$ 15,871	\$ 17,427	\$ 72,598	
<b>Pueblo Community College</b>	\$46,674	104.63%	\$ 48,835	\$ 51,096	\$ 53,462	\$ 55,937	\$ 58,527		\$ 1,454,369
Cost Per Year for Increase - per FY12 FTE			\$ 224,745	\$ 235,150	\$ 246,038	\$ 257,429	\$ 269,348	\$ 1,232,710	
PERA Cost - per FY12 FTE		104	\$ 36,184	\$ 39,976	\$ 44,041	\$ 48,397	\$ 53,062	\$ 221,659	
<b>Pikes Peak Community College</b>	\$44,324	105.72%	\$ 46,859	\$ 49,540	\$ 52,373	\$ 55,369	\$ 58,536		\$ 2,968,365
Cost Per Year for Increase - per FY12 FTE			\$ 448,754	\$ 474,423	\$ 501,560	\$ 530,249	\$ 560,579	\$ 2,515,564	
PERA Cost - per FY12 FTE		177	\$ 72,249	\$ 80,652	\$ 89,779	\$ 99,687	\$ 110,434	\$ 452,801	
<b>Red Rocks Community College</b>	\$47,504	104.26%	\$ 49,528	\$ 51,638	\$ 53,837	\$ 56,131	\$ 58,522		\$ 1,052,873
Cost Per Year for Increase - per FY12 FTE			\$ 163,917	\$ 170,900	\$ 178,181	\$ 185,771	\$ 193,685	\$ 892,454	
PERA Cost - per FY12 FTE		81	\$ 26,391	\$ 29,053	\$ 31,894	\$ 34,925	\$ 38,156	\$ 160,419	
<b>Trinidad State Junior College</b>	\$39,886	105.01%	\$ 41,884	\$ 43,983	\$ 46,186	\$ 48,500	\$ 50,930		\$ 742,744
Cost Per Year for Increase - per FY12 FTE			\$ 113,902	\$ 119,609	\$ 125,601	\$ 131,894	\$ 138,502	\$ 629,509	
PERA Cost - per FY12 FTE		57	\$ 18,338	\$ 20,334	\$ 22,483	\$ 24,796	\$ 27,285	\$ 113,235	
<b>Total Cost</b>									<b>\$ 12,971,452</b>