

Proposition **20-08/09**

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**Proposed Committee
Assignment**

Assigned Committee Faculty Affairs 4/2/09

Title **A Memorial Regarding Equity Pay Raises**

WHEREAS: Recruiting and Retaining high quality faculty is critical to the mission of the University.

WHEREAS: The success of NMSU in recruiting and retaining students, increasing external funding, and achieving outreach to stakeholders in the general community is largely due to the effort and competence of NMSU's faculty.

WHEREAS: The NMSU *Living the Vision* document calls for the "development and maintenance of a comprehensive compensation package competitive with peer institutions."

WHEREAS: The *Compensation Review of New Mexico State Faculty* conducted by the Mercer Group, which was commissioned by NMSU to compare NMSU salaries to other peer institutions, found that NMSU is not competitive with peer institutions.

WHEREAS: The Interim President, Interim Provost and Vice President for Finance have demonstrated a commitment to bring faculty compensation into line with peer institutions, and this commitment resulted in an equity salary adjustment effective January 1, 2009.

WHEREAS: Even after the equity adjustment of January 1, 2009, compensation for faculty at NMSU is not competitive with peer institution.

THEREFORE BE IT RESOLVED: That the Faculty Senate of NMSU requests that the administration take action so as to achieve market parity with peer institutions by discipline and by rank by August 1, 2011. In particular, we request that by August 1, 2009, one-half of the disparity between the median salary by rank and discipline be eliminated, and that by August 1, 2009, no discipline or rank shall be below the 25 percentile of peer institutions. Further we request that by August 1, 2010, three quarters of the disparity by rank and discipline shall be eliminated.

Body: We ask that the NMSU administration adopt the following policy:

The market equity pool shall be allocated by discipline and rank, with each tenure/tenure track faculty member in the same discipline and at the same rank allotted the same percentage increase. The market equity pool shall be determined for each discipline and rank by the following formula:

For August 1, 2009:

$$Pool_{dr} = (Peer\ Median_{dr} - NMSU\ Average_{dr}) \times .5 \text{ or } 0, \text{ whichever is greater}$$

For August 1, 2010:

$$Pool_{dr} = (Peer\ Median_{dr} - NMSU\ Average_{dr}) \times .5 \text{ or } 0, \text{ whichever is greater}$$

For August 1, 2011:

$$Pool_{dr} = (Peer\ Median_{dr} - NMSU\ Average_{dr}) \text{ or } 0, \text{ whichever is greater}$$

Where "Peer Median_{dr}" is the median salary paid by NMSU peers institutions to faculty in discipline *d* with rank *r*; "NMSU Average_{dr}" is the average salary paid at NMSU to faculty in discipline *d* with rank *r*; and "Pool_{dr}" is the market equity salary pool available for discipline *d* and rank *r*.

The market equity salary pool shall be allocated by discipline and rank as a percentage of the salary, with each faculty member with the same rank and in the same discipline receiving the same percentage increase. The pool is to be allocated to individual faculty in the year in which it is made available to colleges. It should not be held back.

A department head may request by memo to the dean a deviation from the formula for assigning salary adjustment to a faculty member, based on long term poor performance. If the responsible Dean concurs with the department head's request, it shall be implemented. The faculty member may appeal the decision to the Faculty Salary Increase/Performance Evaluation Review Board.

The NMSU market equity salary pool shall be adjusted so that the average salary of each rank and discipline at NMSU is at least at the 25 percentile by August 1, 2009.

Recognizing that the existing pay structure at NMSU may not reflect relative market value of individual faculty members, the dean or equivalent administrator may reallocate by discipline 25 % of the market equity salary pool in 2009, 30 % in 2010, and 30 % in 2011. In reallocating funds, the dean must seek to increase market equity, and in particular, to ensure that there are no pay differentials attributable to gender or minority status, arising either at the time of hire or since. Reallocated funds must be allocated to faculty in the academic department that was the source of the funds and must be used in the year in which the reallocation occurred. Reallocated funds may be used for market equity salary adjustments for college faculty.

New assistant professors who begin employment after August 1, 2010 shall receive no less than 90 % of the median salary paid by NMSU peers for new assistant professors in the faculty member's discipline.

In determining the median salary by discipline and rank, NMSU will use one of three methods: 1) The Mercer Study updated for inflation using the consumer price index (CPI) for all urban workers; 2) data available from discipline-based accrediting bodies or societies; or 3) an updated salary study.

Report on Status of Compensation: The Faculty Senate respectfully requests that the Provost report to Faculty Senate as to the status of the implementation of this memorial. In particular, if compensation targets are not met, we request that the Provost provide the Faculty Senate with a time table to ensure that compensation is competitive with NMSU peer institutions by no later than August 1, 2011.

Discussion:

In Spring 2008, NMSU commissioned a study by the Mercer Group (hereafter the Mercer Study). The feeling on campus was that faculty salaries at NMSU had fallen behind those at peer institutions and that this both made it difficult to hire and retain quality faculty, and also raised a question of fairness regarding the compensation provided long serving faculty on campus. The Mercer Study was meant to develop evidence on this issue. As it turns out, salaries at NMSU had indeed fallen behind those at peer institutions.

Last summer, FS Chair Pfeiffer formed the Faculty Senate Faculty Salary Task Force. The task force consisted of faculty, department heads, associate deans, and HR staff. The Task Force met numerous times during the Fall and Spring. During its deliberations, several principles were identified in determining how to deal with market inequities. First, salaries at NMSU should reflect the salaries paid at peers based on discipline and rank. Second, care should be taken to avoid exasperating compression. The proposal above recognizes these principles by adjusting salary based on rank and discipline. Note, that all faculty members with the same rank in a particular discipline receive the same percentage pay increase so that percentage spread within a rank and discipline remains constant.