

TAB D Contents

- PowerPoint Presentation
- Salary Equity Compensation Rationale
- NCHEMS Peer Group

(Page left intentionally blank)

Faculty and Staff Compensation



UNC

Faculty & Staff are a *Rowing, Not Drifting* Priority

Develop and deploy a consistent and constructive process of evaluating and rewarding employee performance while also fostering varied opportunities for feedback and growth outside of the traditional supervisor-employee dynamic.

Shared Salary Goal

President Feinstein and the Faculty Senate suggest that the University strive towards the goal of raising faculty and staff salaries to an average of 100% salary parity with the NCHEMS 51 comparison group within a reasonable period, preferably 5 years.

NCHEMS 51 Peer Group

Criteria Used

- Enrollment
- Budget
- Mix of academic programs
- Includes 2 Colorado peers

Employee Retention: Salaries Matter

Table 1. Comparison of UNC faculty and staff to peer salaries

	UNC Median	NCHEMS 51 Median	% of Parity
Instructor/Lecturer	\$48,377	\$53,254	90.8%
Assistant Professor	\$57,457	\$74,082	77.6%
Associate Professor	\$64,022	\$84,505	75.8%
Professor	\$82,618	\$106,552	77.5%
Professional Staff	\$51,542	\$57,858	89.1%
Administrators	\$117,509	\$124,145	94.7%

- UNC median 10%-14% below peers
- Lifetime wages lost \$590,000

Path Forward

- No action today
- Tables 3 & 4 in the document provide data for alternative paths to the compensation target
- Cost estimate \$23M-\$26M over 5-years

Rowing, Not Drifting 2030

Salary Equity

The *Rowing, Not Drifting 2030* strategic plan was developed with a student-first focus noting that our students will experience a personalized education grounded in liberal arts and infused with critical and creative inquiry; establish relationships with faculty and staff that nurture individual development; gain the skills and knowledge that provide upward mobility among alumni; and share a commitment to the values of inclusion, equity, and diversity. In order to realize this strategic plan, the *Enhance and Invest* institutional priority recognizes that we must provide our faculty and staff with the support they need to succeed as professionals, educators, and in life. Achieving this will contribute to attracting and retaining the high-quality faculty and staff that are essential to providing strong support for our students and creating an environment that is able to put students first. The University strives to foster an environment where the individual well-being and sense of belonging of all members of our community are vital to our collective success.

In pursuit of this goal, President Feinstein and the Faculty Senate suggest that the University strive towards the goal of raising faculty and staff salaries to an average of 100% salary parity with the NCHEMS 51 comparison group within a reasonable period, preferably 5 years. Recent important efforts to balance the budget have meant that UNC faculty and staff did not receive raises for three years (with a recent 3% salary pool that was much appreciated, but not able to make up for the previous three years of no raises). UNC faculty and staff salaries were already very low in comparison to our peer institutions, and three years without raises have meant that our salaries have fallen even further behind. This stagnation of faculty and staff salaries is exacerbated by exponential growth in the housing market and cost of living in Greeley and the surrounding area. Our early-career faculty and staff often cannot buy a house or even afford to rent in Greeley (discussed further below). The success of UNC and our ability to meet the goals outlined in the *Rowing, Not Drifting 2030* strategic plan depend on prioritizing faculty and staff compensation and ensuring that our people stay invested in helping the University accomplish its ambitious goals for a bright future.

National Salary Equity

UNC uses a national comparison peer group to determine salary equity. Our previous comparison group (doctoral all) may not have truly represented our peers, so a new salary comparison group was adopted that more accurately compares our faculty and staff salaries to peer institutions (NCHEMS-51 adopted 2021). Developed in concert with the National Center for Higher Education Management Systems (NCHEMS), fifty-one schools were selected based on criteria such as similarity of enrollment, public status, types of degrees offered, level of degrees offered, Carnegie classification, city size, and region. A comparison of faculty at UNC to similar faculty at matched schools illustrates our low and uncompetitive salaries.

Table 1. Comparison of UNC faculty and staff to peer salaries.

	UNC Median	NCHEMS 51 Median	% of parity
Instructor/Lecturer	\$48,377	\$53,254	90.8%
Assistant Professor	\$57,457	\$74,082	77.6%
Associate Professor	\$64,022	\$84,505	75.8%
Professor	\$82,618	\$106,552	77.5%
Professional Staff	\$51,542	\$57,858	89.1%
Administrators	\$117,509	\$124,145	94.7%

UNC faculty and staff are paid approximately 15% below the national average (i.e., among peer institutions, NCHEMS-51). Low salaries for faculty and staff at UNC represent hundreds of thousands of dollars per individual in lost potential wages over the course of our employees' careers (roughly \$590,000 less over the course of their lifetimes than individuals at our average peer institutions (Wilson, 2019), and low, uncompetitive salaries make it difficult for UNC to attract and retain high-quality faculty and staff.

Local Factors

The NCHEMS-51 is an important comparison peer group but does not fully address the impact of local cost of living. Greeley's overall cost of living index is 105.9 with a specific housing index of 127.5. This suggests that living in Greeley costs 5.9% more than the national average and housing 27.5% more than the national average, with the median home cost in Greeley currently at \$370,000. Our starting salaries are pricing new faculty hires out of home ownership. Rental prices are similarly elevated with a modest two-bedroom apartment renting for \$1,278 and a three-bedroom for \$1,642. Local communities (within commuting distance) offer even less affordable housing (e.g. Windsor median home \$506,100; Loveland median home \$434,200; Ft. Collins median home \$487,800). With an estimated 2021 inflation rate of 2.4% (2020, 1.4%; 2019, 2.3%; 2018, 1.9%; 2017, 2.1%), we expect increasing difficulty for faculty and staff to cover housing costs.

The majority of new faculty are hired as Contract Renewable Assistant Professors or Tenure Track Assistant Professors. A sample of entry-level salaries illustrates the difficulty that new faculty experience attempting to live in Greeley.

Table 2: Sample of New Faculty Salaries

Hiring Status	Rank	Salary	Recommended Mortgage
Contract Renewable	Instructor (History)	\$38,000	\$163,867
Contract Renewable	Assistant Professor (Musical Theater)	\$46,350	\$196,714
Tenure Track	Assistant Professor (Criminal Justice)	\$54,500	\$228,775
Tenure Track	Assistant Professor (Teacher Education)	\$55,000	\$230,742
Tenure Track	Assistant Professor (Physics)	\$58,000	\$242,544

As part of the University’s multi-year planning work, we now have an opportunity to establish sustainable practices for providing competitive compensation to recruit and retain faculty and staff to deliver on our promise of transformative education to our students. The Salary Equity Committee recommends prioritizing a fair and equitable compensation plan that brings UNC faculty and staff salaries to 100% of parity with our NCHEMS51 peer group over the next five years.

There are several possible models for moving UNC faculty and staff salaries to 100% of parity in five years. The models below provide possible scenarios for reaching the goal but do not represent specific recommendations for the administration (Table 3). The Salary Equity Committee understands that the details regarding how to reach this goal will take significant discussion across the UNC campus.

Three possible scenarios:

- (1) moving to 100% of parity all at once in year 1, with 1.5% increases in subsequent years to maintain parity
- (2) front-loaded with 6% salary increases for the first three years, at which point we will get to 100% of parity, and 1.5% increases in years 4 and 5 to maintain parity
- (3) 4.5% increases per year in each of the next five years to reach 100% of parity in five years. A detailed breakdown of how scenario #3 impacts UNC faculty and staff salaries is presented in Table 4.

Table 3. Cost of salary increases in three possible scenarios

5 Year Annual Cost Summary (including fringe)								
Scenario		FY22	FY23	FY24	FY25	FY26	FY27	Total
#1: All at Once	Annual Increase	\$ -	14,334,115	2,237,764	2,281,453	2,326,101	2,371,731	23,551,164
#2: 6 - 6 - 6	Annual Increase	\$ -	6,086,209	6,431,727	6,797,386	2,333,031	2,378,765	24,027,117
#3: 4.5 x 5	Annual Increase	\$ -	4,728,448	4,931,400	5,143,191	5,364,209	5,594,860	25,762,108
Assumptions								
UNC increases salaries 4.5% every year								
Classified increases at 3% annually, not included in peer comparison								
Peers increase salaries at 1.5% annually								
Fringe benefits on salary increase is 34%								

Table 4. Detailed information about faculty and staff salaries in comparison to peers with scenario #3 (4.5% increases per year in each of the next five years)

FY22 Compensation Investment Proposal : Rowing Not Drifting Action #8													
Draft #2 9/17/21													
		Five-Year Projection											
		Current Year (FY22)		FY23		FY24		FY25		FY26		FY27	
		Total Salary	% of Peers	Total Salary	% of Peers	Total Salary	% of Peers	Total Salary	% of Peers	Total Salary	% of Peers	Total Salary	% of Peers
Faculty	UNC	32,521,898	86.7%	33,985,383	89.2%	35,514,726	91.9%	37,112,888	94.6%	38,782,968	97.4%	40,528,202	100.3%
	NCHEMS51	37,519,495		38,082,287		38,653,521		39,233,324		39,821,824		40,419,151	
Professional Admin Staff	UNC	35,028,417	89.6%	36,604,696	92.3%	38,251,907	95.0%	39,973,243	97.8%	41,772,039	100.7%	43,651,781	103.7%
	NCHEMS51	39,089,853		39,676,200		40,271,343		40,875,414		41,488,545		42,110,873	
Classified Staff	UNC	16,297,606		16,786,534		17,290,130		17,808,834		18,343,099		18,893,392	
	NCHEMS51	N/A		N/A		N/A		N/A		N/A		N/A	
Annual Salary Increase				3,528,692		3,680,150		3,838,202		4,003,141		4,175,268	
Total Annual Increase with Fringe				4,728,448		4,931,400		5,143,191		5,364,209		5,594,860	
Assumptions										Five-Year Total		25,762,108	
UNC increases salaries 4.5% every year													
UNC increase classified salaries 3% every year													

(Page left intentionally blank)

NCHEMS Comparison Group Selection Service (CGSS)

Target Institution: University of Northern Colorado

Overview

The NCHEMS Comparison Group Selection Service (CGSS) is designed to aid institutions in selecting a group of institutions which are similar in mission to be used in comparative data analyses. CGSS has been in use at NCHEMS since 1982 and has been used by hundreds of institutions.

CGSS consists of two primary components. The first is a large database containing indicator variables on each of more than 7,000 higher education institutions. This database is constructed from data files derived from the various surveys which make up the Integrated Postsecondary Education Data System (IPEDS) survey system administered by the National Center for Education Statistics (NCES, a part of the U.S. Department of Education in Washington, D.C.). The indicator database contains variables covering institutional characteristics, faculty, finance, degrees awarded, academic programs, enrollments, research and other expenditures, and other miscellaneous data.

The second component of the CGSS is a set of algorithms designed to condense the 7,000+ institutions in the indicator database down to a useable list of potential peers for the target institution. These algorithms use a set of selected criteria to determine which institutions appear on the possible comparison institution list and their associated relative rankings within the list. Depending on the selection criteria described below, this list can be 100 institutions or more, with each institution assigned a ranking based on the criteria used. Ultimately, it is the responsibility of the target institution to choose the final list of institutions to become the actual comparison group.

Part I: Selection Criteria

The selection criteria work as a filtering mechanism to eliminate characteristically dissimilar institutions from the institution comparison list. An institution that does not satisfy any one of the selection criteria is excluded from further consideration as a comparison institution. For the University of Northern Colorado, selection criteria included institution sector (public 4-year), Land Grant institution (No), Medical school (No), Historically Black College or University (No), and 2018 Basic Carnegie Classification (Doctoral/Professional Universities in addition to Doctoral Universities: High Research Activity, Master's Colleges & Universities: Larger Programs, and Master's Colleges & Universities: Medium Programs). Institutions not meeting any one of the previous criteria were eliminated from consideration as potential peers.

Part II: Weighting Criteria

Once the universe of possible comparison institutions has been reduced by the selection criteria specified in Part I, the Weighting Criteria can be used to rank the remaining institutions from most similar to most dissimilar with respect to the weighting criteria (variables) selected.

There are two ways that the Weighting Criteria affect the rankings of possible comparison institutions. The first way is through the specification of a range for each variable. The range for each weighting variable is set according to the target institution value. An institution which falls within the set range of values is not affected by that variable in terms of its order/placement on the comparison institution listing. An institution whose value for a particular variable falls outside of the range specified will accumulate “distance points” and will be moved lower in the listing than an institution which falls within the range.

The second way that weighting variables have an effect is through the level of importance assigned. The number of distance points assigned to an institution for being outside the range of values for a given weighting variable depends on the level of importance specified for that variable. An institution which falls outside of the range on a variable which has been assigned “Very Important” will receive 100 distance points and an institution which falls outside the range on a variable which has been assigned “Important” will receive 50 distance points. Institutions who fall within range receive 0 distance points. Since institutions are ranked in ascending order by the number of distance points they accumulate, institutions with a higher accumulation of points across the weighting variables selected will be viewed as less similar than the target institution and appear lower on the list.

The weighting criteria selected for the University of Northern Colorado included the following:

Total Annual FTE Students, Very Important (range 7,500-15,000)
Percent Part-Time Headcount, Important (range 10-40)
Percent Minority Headcount, Important (range 10-45)
Percent International Headcount, Important (range 0-6.4)
Percent Masters Awards, Very Important (range 15-40)
Percent Doctorate Awards, Very Important (range >0-15)
Number of Certificate Programs, Very Important (=0)
Number of Associates Programs, Very Important (=0)
Number of Doctoral Programs, Very Important (range <15)
Percent Health Science Degrees, Very Important (range 5-20)
Percent Engineering Degrees, Very Important (range <5)
Percent Business Degrees, Important (range <15)
Percent Education Degrees, Important (range 15-35)
Percent Visual and Performing Arts Degrees, Very Important (range 3-11)
Research/Instruction Expenditures Ratio, Very Important (range 1-8 percent)
Endowment per FTES, Important (\$4,000-\$12,000)
Percent of Undergraduates Awarded Pell Grants, Very Important (range 25-35)

Part III: Final Adjustments

In this final stage, any additional adjustments can be made to the list of peers generated by the selection and weighting criteria used. Institutions can be excluded due to known special characteristics not available/included in the selection criteria or institutions can be added that didn't make the list but who have traditionally been included as peers due to their locality or other known characteristics that support their inclusion.

Using the above selection and weighting criteria for the University of Northern Colorado resulted in an initial list of 79 peer institutions with distance scores ranging from 200-900. Three Colorado institutions that did not make it through the initial selection process were added, including Colorado Mesa University (distance score 550), Colorado State University-Pueblo (distance score 700), and Metropolitan State University of Denver (distance score 750). The University of North Texas (distance score 800) and Binghamton University (distance score 650) were also added due to their previous selection/inclusion in former peer analyses.

After review by the Salary Equity Committee, the determination was made to include all institutions from the NCHEMS analysis with distance scores of 600 or less in our new peer group recommendation. This criteria resulted in a peer group of 51 institutions which will provide a sufficient amount of data to have matches for most all faculty positions and is also large enough to reduce volatility in the data created by smaller peer groups.