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Policy 11B: Faculty Salary ^[1]

1. Salary Principles

a. Introduction

The university recognizes the importance of its faculty and the need to invest resources in them to develop and maintain the capacity to achieve its mission. A fundamental purpose of the University of Colorado is the teaching of students; it is faculty members who provide that instruction. The faculty convey the latest information and techniques to students so that our graduates can be locally, nationally, and internationally competitive. A second fundamental purpose of the university is to generate new knowledge. Faculty members define the cutting edge of their fields of knowledge through their research, which also strengthens the education of their students. Faculty members contribute to the university's well-being, mission, and operations through shared governance and leadership and service to the institution and the community. [A glossary of salary terminology is located at the end of this policy.]

b. Principles

(1) Faculty compensation is a major factor in securing the quality of the university's academic programs. Therefore, the salary needs of the faculty will be a high-priority element of budgetary planning each fiscal year. (Note: Compensation in addition to salary is determined at the university level and is described in Regent Policy 11-F Benefits).

- Merit shall be the prevailing factor in all recommended salary increases. Determinations of merit shall be made by a collegial and consultative process within the primary unit using clearly articulated standards of merit and employing existing primary unit (defined in the glossary) guidelines, including peer review.
- Salary increments shall be used to reward merit defined in terms of systematic, comparative evaluations of teaching and learning facilitation, research and creative work, clinical and/or professional practice, where relevant, and leadership and service and outreach. A unit head recommends a salary increment based upon the weights specified in each faculty member's workload assignment.
- Each campus may implement structural adjustments for market, career merit, salary equity, and promotion, as needed, within the guidelines of the salary policy, always basing such adjustments upon the systematic, comparative evaluation of merit. In keeping with the collegial and consultative process of determining merit increases, the

general guidelines and rationale for structural adjustments given in a primary unit shall be made known to its faculty early in the process.

- Primary units may choose to evaluate merit over multiple years (up to five years) in order to reflect ongoing achievements in teaching, research, and leadership and service that may not yield measurable results in any given year. This principle of a rolling measure of merit recognizes that some projects require years to come to fruition and that strongly productive years may coincide with years with low salary pools. This approach produces more equitable and accurate results.

(2) Salary pools (defined in the glossary) may differ from campus to campus. The approved range in the salary pools must include both base-building and any non-base building salary adjustments.

- Academic units that have approved alternative faculty compensation plans shall follow the requirements of those plans. Such plans may differ from the details contained in this policy. However, alternative compensation plans shall uphold the basic principle that merit is the prevailing factor in all recommended salary increases.
- Each campus shall develop a plan for allocation of approved salary levels that provides guidelines for implementing these salary principles. Plans must be developed and implemented in consultation with faculty. Plans must also adhere to adopted principles, but may differ in specifics from campus to campus where those differences are appropriate and justified. Campus plans shall address the processes of determining salaries for the faculty and shall be made available to all campus faculty members.
- Faculty members may be awarded non-base building salary based on merit and in accordance with specific criteria and guidelines approved by the campus chancellor. These increases may be awarded for no more than one academic year at a time; however, they may be renewed in subsequent years. Non-base building increases may take the form of fellowships, awards, etc. The use of non-general funds as the source of such compensation is encouraged. Award criteria and source of funding must be approved in advance by the campus chancellor.
- The university has long recognized non-base building salary increases for extra duties authorized in accordance with defined approval processes in Section H, Additional Pay.

(3) An Open Process. There must be ongoing communication regarding standards of performance for merit increases among faculty members and all administrative (chairs, deans, and campus academic affairs office) levels. All annual merit evaluation standards for faculty members shall be developed in consultation with them and incorporated into primary unit criteria. These standards must identify what level of performance meets professional expectations. Also, annual policy decisions to provide competitive increments or to address relative internal salary position shall be made known to faculty members. Each faculty member shall have access to a copy of the evaluations and recommendations, from all administrative levels, regarding his or her review for a merit increase.

Each campus shall have a salary oversight committee composed of faculty members and administrators. The faculty representatives shall be selected by a method that is mutually agreed upon by campus faculty governance and campus administration. The committee shall examine the salary process on the campus and review salary recommendations -- by category rather than by individual case -- to ensure compliance with this policy. It is the responsibility of this committee to assure that peer ratings of merit are, on the whole, the primary determinants of salary adjustments.

Each campus shall have in place a salary grievance process to which faculty members may turn for review of their individual salaries.

2. Salary Policy

a. **Salary Adjustments.** The resources for salary increases are dependent on: (1) external decisions, e.g., state funding and; (2) system decisions, based on general principles for allocation to the campuses worked out collectively by the chancellors and the president, subject to approval by the Board of Regents; and (3) internal decisions, e.g., each campus's stated goals for compensation based on analysis of the competing demands for resources among campus priorities.

Each campus wishes to compensate its faculty in a manner that explicitly rewards meritorious performance in teaching, research and creative work, clinical and/or professional practice, where relevant, and leadership and service and in a manner that is competitive with its marketplace (as fiscal constraints allow). Accordingly, unit heads should provide separate evaluation scores for: instruction and learning facilitation, research and creative work, clinical and/or professional practice, where relevant, and 3) leadership and service and outreach. The evaluation scores should be weighted according to the individual's agreed-upon workload allocation or as assigned in the prior year.

A range for each campus's salary pool increase or decrease shall be developed by the president and campus chancellors and approved by the Board of Regents each spring as part of the ongoing budget process.

Funds for salaries and annual merit increases derive from several sources, including state appropriations, tuition, grants and contracts, endowments, and faculty practice plans. The award of merit increases depends upon the funds available. Increasingly, faculty activities are becoming a major source of those funds.

Notwithstanding any provision of this policy, the chancellor or the president may designate funds to distribute for salary increases for extraordinary merit, equity, market, promotional, title changes, and additional responsibilities (without a title change).

b. Salary Freezes and Decreases

When the salary pool is inadequate to provide base salary increases for faculty members, the following options are available to the campuses:

1. Base salaries may be frozen; or
2. Base salaries of faculty members may be decreased as follows:
 - a. simultaneous uniform percentage decreases in the salaries of all faculty members on a campus, or
 - b. simultaneous uniform percentage decreases in the base salaries of a class of faculty members on a campus such as those of a particular rank, or in a particular department/school, institute, center, or in a particular funding source. When base salaries are to be decreased as described in this section, the campus salary oversight committee shall review the criteria for such differential decreases as part of its normal oversight.

c. Relevant Policies

(1) **Salary Increases Are Merit Based.** Article 11.A.1 of the Laws of the Regents, established that salary increases for faculty members are to be given on the basis of the systematic comparative evaluation of merit, and in consideration of each individual's assigned differentiated workload assignment and total contributions to the university.

Adjustments are based on peer evaluations of a faculty member's record in teaching, research/creative work (clinical and/or professional practice, where relevant) and leadership and service.

(2) **Role of Primary Unit, Department Chair, and Dean.** Each primary unit develops and makes available to all faculty members a written statement of criteria for salary increase recommendations.

Because of the dean's and the vice chancellor's roles in the annual salary review process, the criteria used by primary units must be developed in consultation with the dean and the provost/vice chancellor for academic affairs.

Recommendations for merit increases are to be determined by the department. In primary units where a salary committee may make the salary increment recommendations, the chair may submit comments to the dean in addition to the recommendations but may not overrule recommendations of the department or of regularly constituted committees of the department. When a school, college, or library is the primary unit, recommendations for merit increases are to be determined by the dean in consultation with school, college, or library faculty (who provide the peer review).

Deans also play an important role in the determination of salary increases. According to the Laws of the Regents [Article 4.A.2 (C)], deans are responsible for "budgetary planning and allocation of funds," including recommendations regarding faculty member salary adjustments. As deans are responsible for the overall intellectual health and vigor of their schools, colleges, or libraries through academic planning and budget decisions, they are responsible for ensuring that allocations of merit-based salary increments to individuals and of unit merit funds to units serve the larger academic purposes of the primary unit. Similarly, the provost/vice chancellor for academic affairs and the chancellor have responsibility for ensuring that the overall allocation of salary adjustments to colleges, schools, and libraries serves to benefit the campus as a whole and that the process of annual salary adjustments conforms to this policy.

Campus merit evaluation processes must carefully balance the need to reward extraordinary performance with the need to reward meritorious performance that is the backbone of the university. Campuses should set goals for salary allocations that embody this principle of fairness.

(3) **Merit, Market, and Other Factors.** While salary increments are given to reward the performance of meritorious individual faculty members, other legitimate considerations may shape the allocation of resources for salary increases to schools/colleges and units in order to further the goals of the campus as a whole.

(a) While campus allocations to primary units should be made on the basis of merit, highly productive units should be more highly rewarded than less productive units, just as highly

productive faculty members should be more highly rewarded than less productive faculty members. In order to identify highly productive units for purposes of unit merit allocations, each campus, in a collegial process involving faculty members and administrators, should develop a process for evaluating the merit of academic units, using criteria that assess the contributions of the unit to the campus's role and mission in the areas of teaching, research and creative work, leadership and service and outreach, and clinical and/or professional practices at appropriate units.

(b) Competitive (market) increments are permitted to units in which there is a significant deviation from the appropriate market reference (as measured by peer group or other relevant indices) and there is evidence that faculty recruitment and retention are adversely affected. These increments may not be given across-the-board to all members of a unit or department, but by rank and discipline, where needed, and always on the basis of merit.

(c) The policy recognizes the balancing concern of relative internal salary position. Care must be taken to ensure that market salary strategies do not lead to the development of basic unfairness in salaries within or across disciplines. Examples of this balancing strategy include but are not limited to special allocations to address structural inequities between and among ranks including:

- i. allocations to address salary inequities of women, minorities, and other protected classes; and
- ii. allocations to address compression among meritorious faculty members caused by economic factors.

Other legitimate grounds for salary increases include promotion and periodic review of career merit. Salary differences arising from differences in the merit of performance should be expected, and are not grounds for equity adjustments.

d. Implementation. Implementation of adjustments usually is effective the first day of each fiscal year, which is July 1. For individual increases that equal or exceed twice the percentage of the salary pool -- e.g., 7% or above in a 3.5% campus pool -- explanatory notes are expected to accompany the recommendation.

e. Delay in Implementation and/or Mid-Year Salary Adjustment. For fiscal reasons, a chancellor or the president, for system administration, may decide to delay the implementation of approved salary adjustments to a date certain beyond July 1. Subject to board approval, campuses may implement a mid-year salary adjustment process for additional salary adjustments.

f. Salary Increase as a Term of a Retirement Incentive Agreement for Tenure or Tenure-Track Faculty. Notwithstanding any other term or provision of this policy, the chancellors have limited authority to negotiate a salary increase as a part of an approved retirement incentive agreement for a tenure or tenure-track faculty member.

g. Salary Adjustment for an Administrator Returning to a Faculty Position. The faculty salary of an administrator returning to a faculty position shall be determined by the appointing authority in consultation with the dean of the college and the chair of the unit in which the faculty position is rostered. The appropriate salary shall be based upon the faculty member's academic and administrative experience, expertise, standing in the discipline, and duties the faculty member is expected to perform. The faculty member's salary shall be within the salary

range of faculty of the same rank in the academic unit and shall be no higher than the highest salary in the academic unit. The president (or the Board of Regents in the case of a president returning to the faculty) may authorize and approve exceptions to this policy only under the most extraordinary circumstances.

h. Additional Pay. It is recognized that in certain instances additional pay is necessary to the mission of the university due to the breadth of the university's instructional and service programs. In limited circumstances employees may be asked to perform additional work integrated throughout their regular assignment, or work that is at a substantially higher level than their current assignment. In some cases the employee cannot be reasonably expected to maintain their current workload within their normal work hours. Additional pay is most appropriate in those cases in which the employee is working on an assignment outside normal duties. Additional work hours do not count as extra service credit toward retirement; however, such earnings are subject to retirement contributions and deductions as applicable under the appropriate retirement plan.

Additional pay to employees providing services, on an overload basis or outside their normal duties, must be determined by the department head and other appropriate administrative officials, and approved according to campus policies and processes. Departments are encouraged to provide release time, when feasible, in lieu of additional pay when an overload assignment is necessary. All recommendations for additional pay must be accompanied by documentation of the nature of the overload assignment and summary of the employee's current responsibilities.

Additional pay from appointments involving two or more departments/units requires approval from all departments/units involved. All recommendations must be submitted in advance to permit time for review and approval. In no case should an employee be paid additional pay that was not pre-approved.

(1) Extra Work Outside of Regular Duties. Additional pay for extra work outside of a full-time faculty member's regular duties may be authorized in writing by the supervisor and dean of the faculty member's primary unit for the following:

- Overload teaching
- Continuing education teaching
- Summer school teaching
- Intersession teaching
- Summer sponsored research, and
- Institutional agreements as per a contract or grant.

(2) Administrative Stipend. A faculty member who has an administrative appointment or compensatory duties outside the scope of the primary position's scope of responsibilities may qualify for an administrative stipend with written approval by the supervisor and dean of the faculty member's primary unit, and as may be required by the chancellor or president.

Examples include:

? University leadership and service, such as department chair or faculty governance; and

? Significant workload increase, leadership, or supervisory responsibility such as Executive MBA stipend.

(3) Fellowships, Grants and Awards. Faculty fellowships and grants, and recognition and achievement awards constitute other forms of additional pay.

GLOSSARY OF TERMS FOR THE UNIVERSITY OF COLORADO'S SALARY POLICY FOR FACULTY

Additional Pay

Additional pay is a non-base building increase to salary authorized when an overload assignment is necessary to carry out the responsibilities of the university and the employee's normal workload cannot be adjusted to permit the proposed work to be done as part of their regular duties. Administrative stipend, faculty fellowships and grants, and recognition and achievement awards constitute forms of additional pay.

Administrative Stipend

An administrative stipend is a form of additional pay authorized to be added to annual salary, either monthly or as a single amount, for additional duties or services the employee provides outside the primary position's scope of responsibilities. Administrative stipends are time-specific and shall not continue beyond the termination of the additional administrative duties.

Career Merit

Merit is the constant principle on which salary increases are made, but, because the salary pool varies from year to year, the actual "reward" that a faculty member gains for meritorious performance can vary from year to year. Two faculty members who begin with the same salary and who have equally productive records could find themselves, after 5 or 10 years, with different salaries simply due to variations in the merit pool from one year to the next and the timing of their productivity. Evaluations using career merit allow a unit to remedy any inadvertent discrepancies caused by the vicissitudes of budgets and timing.

Equity

The university is committed to equity for minorities and women and has followed a practice of periodic reviews of the salary profiles of these groups compared to others. Each campus also now has a process for reviewing the salary grievances of individual faculty to ensure equitable evaluation of merit.

Market Increments

Market increments are increases in salaries given to departments and/or individuals to match significant competitive changes in the salary available to members of a particular discipline or specialty at comparable institutions. At times, shortages drive up the salaries of specialists in a field; in order to keep valued faculty in these fields and maintain quality at the university, market increments are provided.

Merit

Merit is the historical basis for all salary increases at the University of Colorado. Peer

evaluation of faculty performance in the areas of teaching, research/creative work, and leadership and service forms the basis for merit increases. Salary adjustments or increases that take into account market, career, equity, or structural factors must be simultaneously based on merit.

Non-Base Building Salary

Non-base building salary, authorized as additional pay, may come in the form of a stipend, fellowship, grant or award. Like other types of salary, it must be granted on the basis of merit. Non-base building salary may be authorized if funds are available and for no more than one year at a time. Recipients may be eligible to receive non-base building salary in subsequent years, but the university is under no obligation to renew the award. The use of non-general funds as the source for such salary is encouraged. Campuses that provide non-base building salary must develop specific guidelines with criteria for such awards. Criteria and sources of funds must be approved in advance by the chancellor. Non-base building salary is one of the university's strategies to increase resources for the faculty.

Primary Unit

Primary unit refers to the unit composed of professional colleagues having authority to make personnel recommendations. In schools, colleges, or libraries with departmental organizations, each department will constitute a primary unit. In a school, college, or library without such organization all tenured and tenure-track faculty members shall have responsibility for developing the terms of their working structure whereby the primary unit is defined.

Salary Adjustments

Salary adjustment refers to either increases or decreases in salaries.

Salary Pool

The term salary pool refers to the maximum average percentage increase in salary approved by the Board of Regents.

Structural Adjustments

Structural adjustments are granted to whole units or categories of faculty when it is determined that the entire structure of salaries is out of alignment. For example, salary compression for senior faculty could lead to the decision to make structural adjustments to the salaries of full professors.

(Former Regent Policy 11-E 401(a) Optional Retirement Plan for Faculty and Unclassified Staff, adopted 8/20/92 was rescinded on 05/19/09 as the provisions have been incorporated into new Regent Policy 11-F. Benefits. As part of the 05/19/09 resolution, the board authorized staff to reformat and renumber the sections contained in Policy 11. This policy is now listed at Policy 11-B.

New Regent Policy 11 regarding Faculty Salary, approved 05/19/09:

- Replaces and incorporates the provisions of Regent Policy 11-F-2 Compensation Principles and Policy for Faculty and Glossary, adopted 8/8/96; rescinded on

05/19/09.

- Replaces and incorporates the provisions of Regent Policy 11-F-2 Addendum to Compensation Principles and Policy for Faculty, adopted 8/12/04; rescinded on 05/19/09.
- Replaces and incorporates the provision of additional pay for extra work contained in Regent Policy 5-D Additional Remuneration For Extra Work, adopted 11/3/05; rescinded on 05/19/09.
- Incorporates the provision for faculty salary computation for a faculty member ending an administrator appointment and returning to a faculty appointment contained in Regent Policy 3-I. Compensation for Administrative Officers Returning to AY Faculty Positions, revised 6/2/04.)

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