UNM – Gallup Faculty Compensation Analysis Project Report
January 23, 2017
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Executive Summary

Early in the 2016-2017 academic year, the University of New Mexico – Gallup (UNMG) began a comprehensive analysis of its faculty compensation process, and current rates of base salary compensation for 58 regular faculty member at its college. The intent of the initiative was to develop a data-driven, standardized process to guide compensation rates to ensure they were competitive within the community college marker, and were fair and equitable. This effort was part of a larger initiative spanning the UNM main and branch campuses overseen by the Provost's Office of Academic Affairs.[1]

To inform the process, external data from the Chronicle of Higher Education and the College and University Professional Association for Human Resources (CUPA), and UNMG internal faculty salary comparison data were gathered under the guidance of the Office of Faculty Affairs and Services on the main campus.

Analysis of how UNMG salaries compared with the external datasets indicated that faculty salaries, especially in the Assistant and Associate Professor ranks, were not competitive with national averages for two-year institutions. It was also clear that much of the variance from national averages had occurred relatively recently, during the era when less recurring revenue was appropriated for higher education salaries in general.   Further the national data show that the two main factors contributing to compensation rates at community colleges are: (1) years of service, and (2) credentials, e.g., degree attainment.

UNMG administrators developed a framework to inform faculty compensation rates that reflects these two factors, and obtained approval to invest $220,336 in recurring revenue to adjust faculty who fell below the new framework to the extent possible given the revenue available at this time. As a result, 53.45% of the regular faculty received base salary compensation adjustments effective January 1, 2017.

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[1] http://provost.unm.edu/Initiatives/faculty-compensation-studies-and-policies.html.

This initiative is a first step in what will be on-going process of assuring competitive and equitable compensation at UNMG. The administration of UNMG is confident that this adjustment properly rebalances salaries when compared to national data. Future funding of annual adjustments will be determined by the availability of funding, and needs to remain at the discretion of the administration and visited annually during the budget process. As mentioned above, the commitment to this model is the cornerstone to keeping UNMG faculty compensation fair and competitive in the future.

Process and Formula Details

In order to create appropriate compensation guidelines for UNMG the following considerations and principles guided the process:

1. Beginning salary level is the cornerstone of any effective compensation model. The determination of a starting salary will be dependent upon data. Specifically:
    a. In order for a model to be effective and supportable, accurate, appropriate data are essential to the process.
    b. The data licensed from the CUPA-HR is the industry standard for college and university employees, both faculty and staff.
    c. The Chronicle of Higher Education republishes CUPA-HR data into an easy to use format, which is publicly accessible, contributing to its transparency.
    d. In analyzing these data regional differences, as well as scope and scale, must all be considered.
2. Faculty credentials (degrees attained) are also a factor in the determination of appropriate compensation level. How UNMG compares to other two year institutions – with its blended academic environment of a two-year teaching institution under the flagship R1 parent institution – had to be addressed. Components of the UNMG compensation model must reflect the levels of education that UNM Gallup faculty hold, as well as how those levels of education compare to other institutions. Specifically:
    a. A faculty member's level of degree attainment is a key factor in demonstrating appropriate qualifications to teach.
    b. UNMG's accreditation status is dependent on faculty meeting minimum credentials to teach which are set by UNMG's accreditor, the Higher Learning Commission.[2]
    c. Credentials, i.e., degree attainment, is also a factor in what appointment types and ranks faculty can attain at UNMG.
3. Relevant experience and productivity must also be a factor in the determination of compensation levels. This is documented by annual performance reviews and a faculty member's Curriculum Vitae (CV).

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[2] See HLC Assumed Practice B.2., *Faculty Roles and Qualifications*, http://download.hlcommission.org/FacultyGuidelines_2016_OPB.pdf.

4. The CUPA data showed that longevity is a factor in community college compensation practices, and UNMG had to determine how to incorporate this to yield a fair and equitable model.
5. Finally, the CUPA data showed that compensation differentials across disciplines are small to non-existent at community colleges. This is unlike research universities such as UNM main campus where wide variation in market compensation rates is seen between the various disciplines.

A formula was designed that was informed by these factors. Next, existing salaries of faculty were compared with a working model of the new UNMG compensation formula. Using external national data, a single point was determined as a starting point for salary determination, i.e., a minimum wage. This calculation used data to determine an average salary for the Assistant Professor at two-year institutions nationwide, and adjusted the salary down using experience levels quoted in CUPA data. It was determined that the current average salary for a newly-hired faculty member with no experience at the Assistant Professor Rank was $51,000.

The second step in the process is to determine the starting salary of the ranks above and below Assistant Professor. To determine this, current UNM promotional salary increase standards were applied to reflect the effect of promotion in rank:

Lecturer to Senior Lecturer	$3,000
Senior Lecturer to Principle Lecturer	$4,000
Assistant Professor (base-line)	N/A
Assistant Professor to Associate Professor	$4,000
Associate Professor to Full Professor	$5,000
Professor to Distinguished Professor	$5,000

This provides a logical methodology to determine minimum base salaries for faculty at UNMG.[3]

Lecturer	$40,000
Sr Lecturer	$43,000
Pr Lecturer	$47,000
Assist Professor	$51,000
Assoc Professor	$55,000
Full Professor	$60,000
Dist Professor	$65,000

To address the second challenge in developing the model, compensation for attainment of degree credentials was set at $1,000 for a MA/MS, and $1,500 for a

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[3] UNM Main Campus has also established minimum wages for faculty appointments which are published on the OFAS website: http://ofas.unm.edu/faculty/compensation/minimum-wages-for-faculty/index.html

PhD. These elements will be added at the point of hire or anytime during the career of the faculty member at UNM Gallup.

In an effort to compensate for seniority, it was determined that a faculty member should, at a minimum, see $10,000 in salary growth for increased experience as demonstrated by years of service, over a typical 30-year career. While this element of the model is problematic in times of fiscal difficulty, the idea is valid in principle. Using this same methodology, adjusting the base salary of a newly hired faculty member for resume-experience is used to give credit up to 10 years. Using these elements, base salary ranges can be determined, as well as the range at the 30-year point in the career. When financially possible, an annual adjustment can be added to the faculty salary that moves the salary toward the 30-year maximums. Depending on whether a faculty salary was adjusted at the point of hire for resume experience determines the annual adjustment, which ranges from $222.23 to $333.33 annually for faculty below the Professor rank, and $333.33 to $500.00 annually for Professor.[4]

This compensation model is utilized at the time of hire to propose a standardized offer of employment that prevents inequities and imbalances. A new hire's resume is evaluated, and the formula is applied as follows:

Base salary at the applicable rank + credential credits + (years since obtaining an MA/MS x applicable rate) = salary offer.

The result is a data driven, standard compensation model that can be utilized well into the future.

After incorporating all of these factors, the completed salary model creates salary ranges over time as depicted in the graphs below.

Graphs Explanatory Note: The two lines represent the top and bottom limits to compensation over time. Where a salary starts is determined by degrees and credit for prior experience, and the annual adjustment moves the comp up. The top of the scale is only separated by degrees attained. Depending on prior experience (as documented on the CV) and current degrees, a salary falls between these two lines on the graph.

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[4] Increases for seniority/years of experience may be attained where there are annual performance reviews on file showing excellent or at least effective performance. Faculty members receiving ineffective performance reviews would not be eligible for seniority/longevity increases that year.
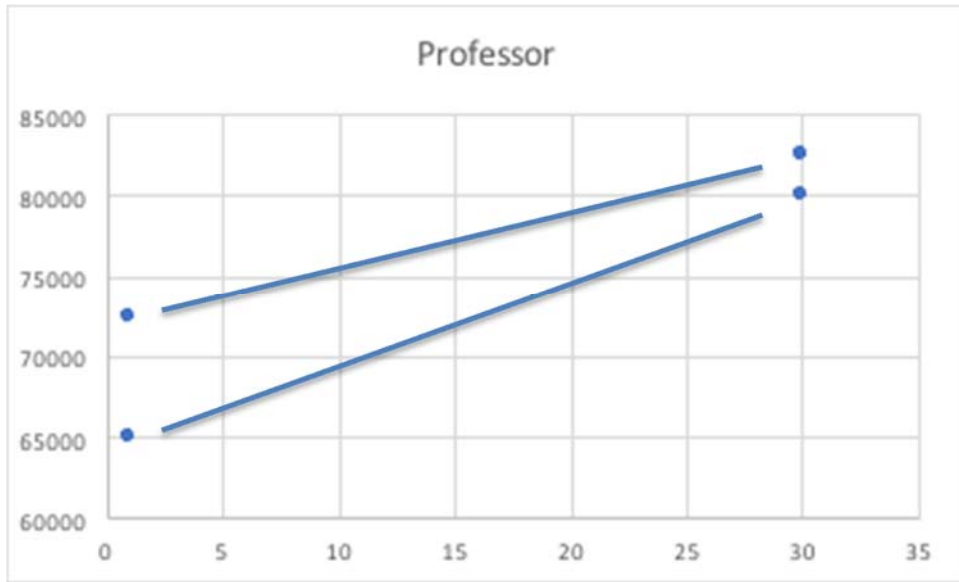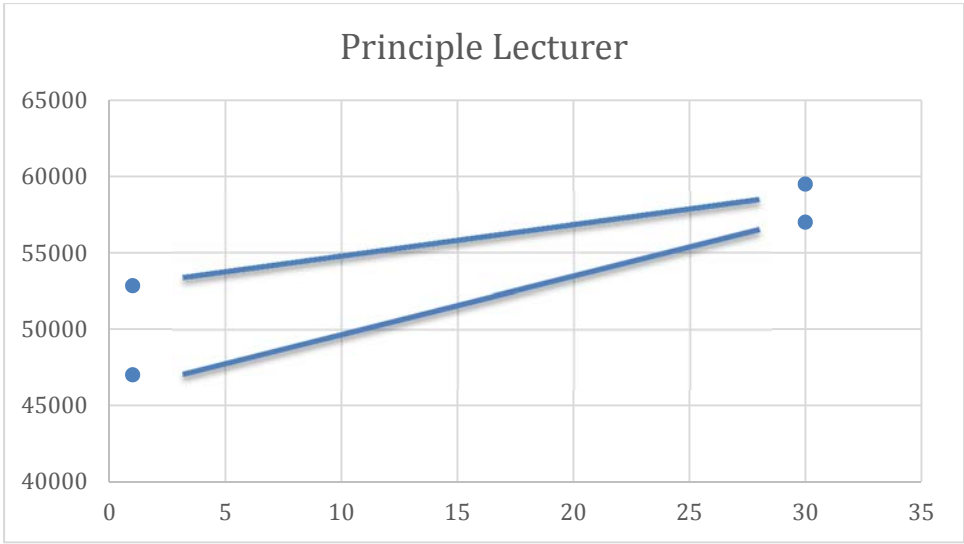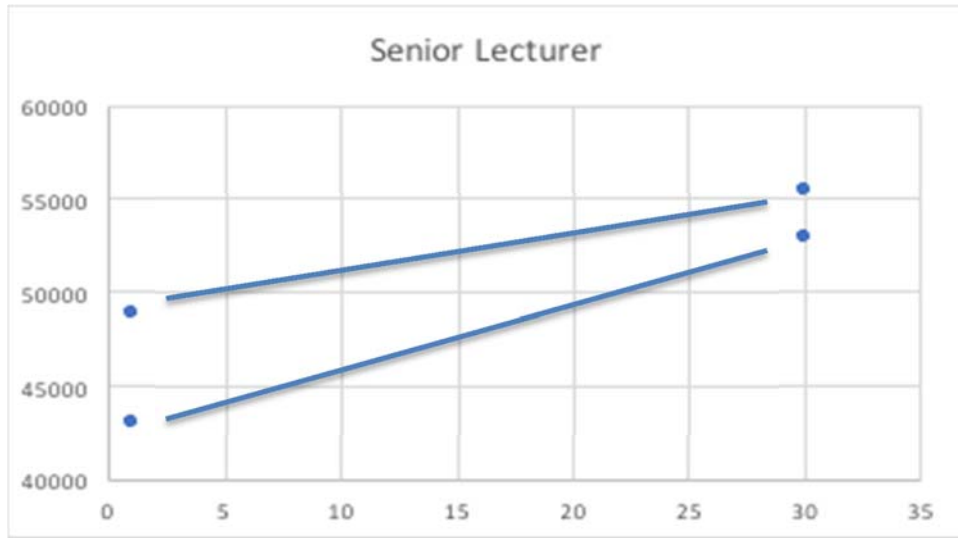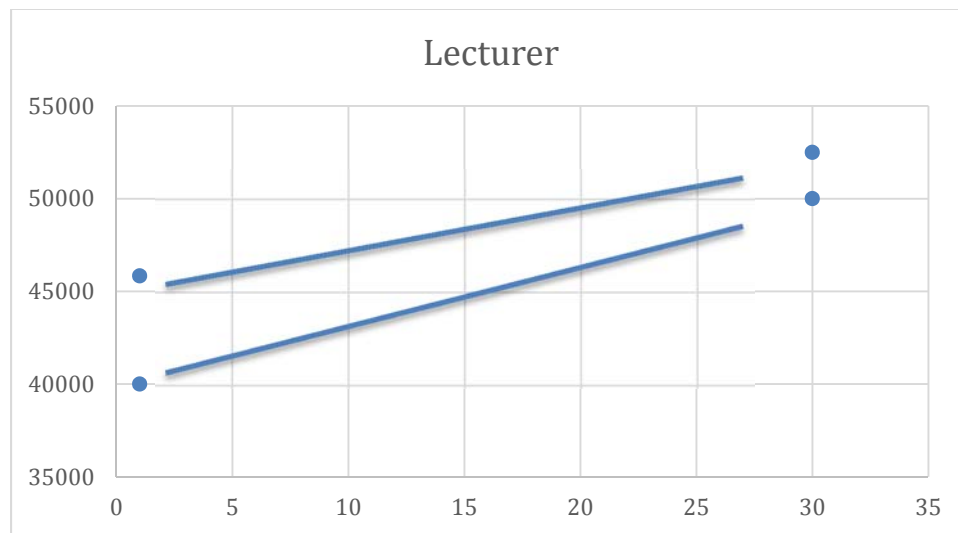
X axis = years of service; Y axis = annual base salary
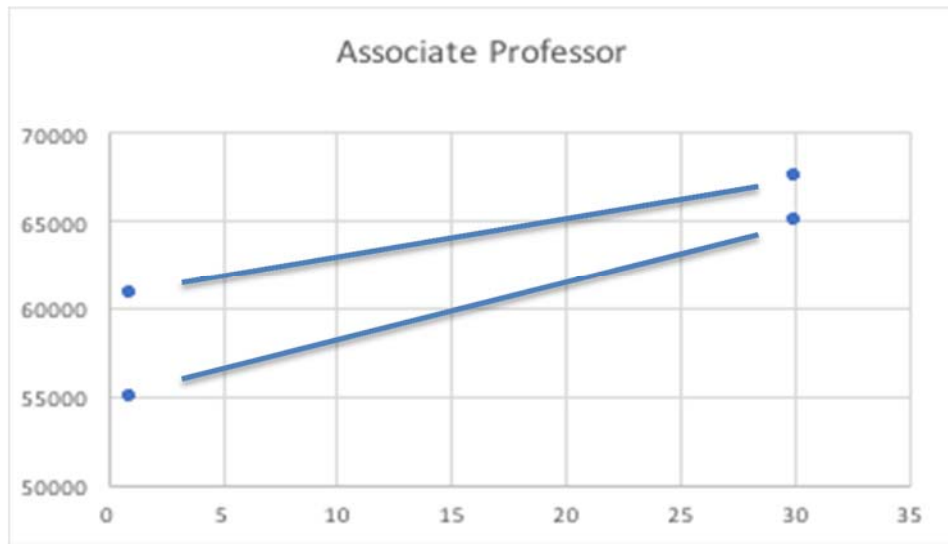
X axis = years of service; Y axis = annual base salary

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X axis = years of service; Y axis = annual base salary

Senior Lecturer

X axis = years of service; Y axis = annual base salary

Lecturer
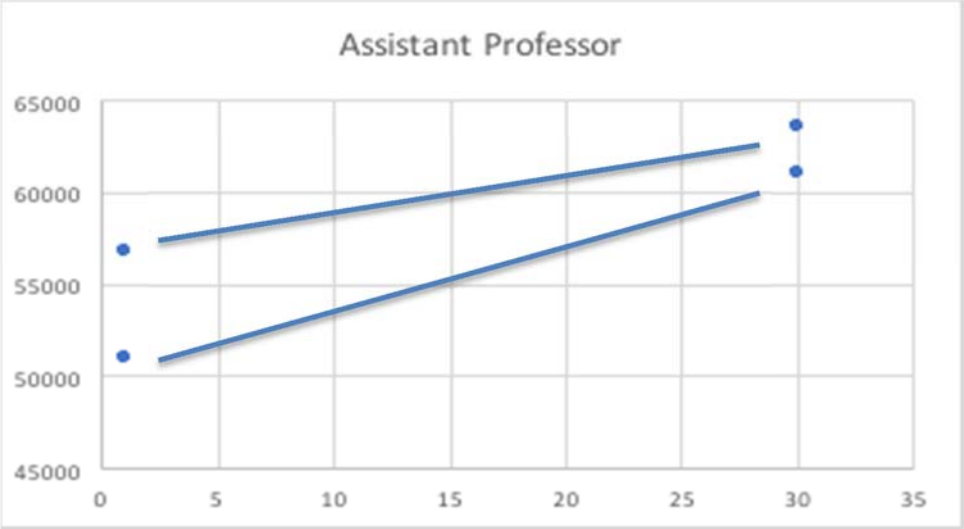
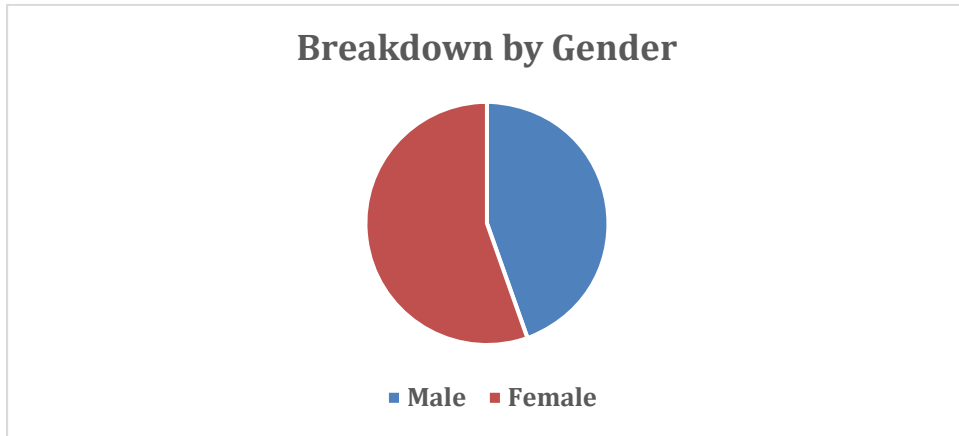X axis = years of service; Y axis = annual base salary

Outcomes

The new compensation model was applied to current regular faculty at UNMG to predictions where their compensation rate should be to remain competitive within the community college market.   As noted in the *Executive Summary* above, faculty salaries, especially in the Assistant and Associate Professor ranks, were no longer competitive with national averages for two-year institutions. It was also clear from the data that many of these variations from national averages had occurred relatively recently, during the era when less recurring revenue was appropriated for salaries in general.

As a result, $220,336 in recurring revenue was invested to adjust faculty who fell below the new framework to the extent possible given the revenue available at this time. As a result, 53.45% of the regular faculty received base salary compensation adjustments effective January 1, 2017. Consistent with the data, an analysis of the distribution of adjustments by rank confirmed that proportionately more Assistant and Associate Professors received adjustments than did full Professors.
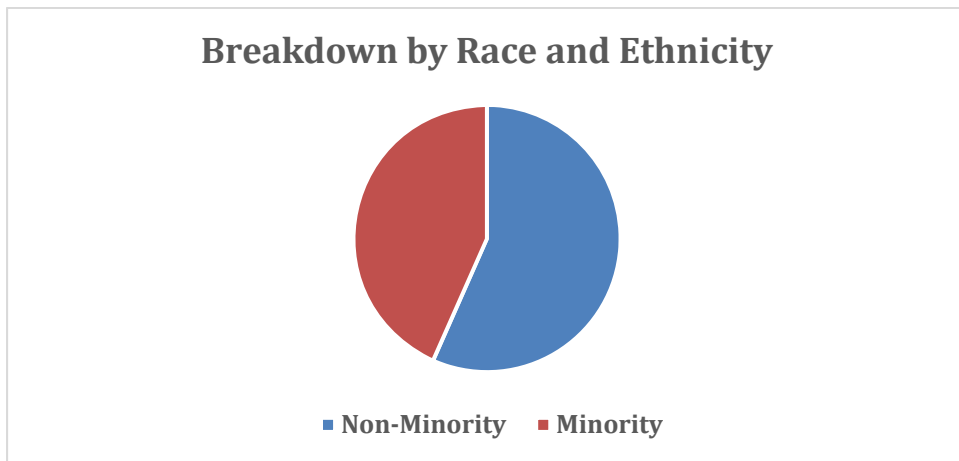
Faculty Receiving Adjustments		
Professors	2 of 4	(50.0%)
Associate Prof.	12 of 13	(92.3%)
Assistant Prof.	14 of 16	(87.5%)
Lecturers (all ranks)	3 of 25	(12.0%)
Total	31 of 58	(53.45%)

Faculty receiving adjustments were also relatively evenly distributed across gender and minority classifications as depicted below:

Breakdown by Gender

■ Male ■ Female

55% female; 45% male

Breakdown by Race and Ethnicity

■ Non-Minority ■ Minority

57% Caucasian; 43% other races and ethnicities