COMMITTEE ON COMPENSATION
Block 2 Minutes
October 10, 2011

Present: Joan Ericson, Paul Kuerbis, Bob Loevy, Shaleen Prehm, Carrie Ruiz, Chad Schonewill, Patti Spoelman, Diane Westerfield, and Dan Johnson (chair)

The meeting opened with a discussion of the status of our salary proposals before the Budget Committee. At this point, their committee does not wish to meet with us in person, but will be discussing our proposals this upcoming Wednesday. We'll await input or questions from them.

Next, we reviewed our commitment to present a proposal to the Block 2 Faculty Meeting, a proposal intended to cap progression for full professors. We discussed the historical reasons for the progression model (egalitarianism, parity with teaching union salary structure in K-12 schools, budget projections, risk aversion among faculty, incentives for the College to promote based on merit rather than expense, and a reward to longevity). We also reviewed the reasons that threaten its continuation (later retirements, the abolition of a mandatory retirement age). We find no peer institutions with which we can compare ourselves, as all other schools appear to give large raises upon promotion, without a stepwise progression model between ranks. The predictions are fairly dramatic, as even conservative estimates suggest that full faculty will continue to use more and more of the progression salary pool, squeezing out assistant and associate professor salaries. We discussed options for keeping the system sustainable (i.e. funding progression via retirements), and embarked on a deeper discussion of what it means to progress, and whether the most senior faculty should be capped at all. We will gather more information on sustainability and alternatives to discuss at our Block 3 meeting. Meanwhile, Dan will postpone our presentation to the Faculty Meeting until Block 3.

We have been tasked by a previous incarnation of this committee with reviewing the Emeriti retirement health benefits program this year. Shaleen educated the committee on the history of the decision to adopt this benefit (as a replacement for a retiree health insurance program, and as a retirement health savings benefit; historically managed by Fidelity and as of January 2012 to be managed by TIAA-CREF), on the benefits of the current plan (it serves as a health insurance plan for retirees, a Medicare subsidy, sets up a trust to be used as deferred salary in a VEBA trust, and enables dedicated retirement health savings by employees above the College-contributed benefit). The objections to adoption and continuation of the program include the facts that it is mandatory (to qualify as a tax-free benefit), that it does not roll into the beneficiary's estate (although does continue to cover qualified medical costs of spouse and dependents after death), that it involves monthly maintenance fees (small, and covered by the College's contribution), that it's adoption is irreversible (in the sense that if we discontinue at this point, we still need to manage the funds in their current status, and cannot refund them to College payroll or individual savings accounts), and that it may not be fair to non-citizens or those who retire abroad (Shaleen will investigate the ability to use those funds for qualified health care either outside of the US, or by non-citizens). As a committee, we could continue along a number of different paths from here: a survey of the community on the continuation/expansion/contraction of this program; a discussion of whether to increase the mandatory contribution (currently frozen at its 2008-09 level through June 2012, and Dan has volunteered to collect data on health care cost inflation); a discussion of the impact on international faculty and staff; meeting with Emeriti program officers here on campus on November 30; inviting Amelia Taylor to present to our group (as she chaired the subcommittee that encouraged adoption of this benefit in 2008). We will continue to deliberate, with new data and information, at our next meeting. We must have a recommendation on how to proceed with this benefit program by February 2012 at the latest.

The meeting adjourned at 5pm sharp, to resounding sighs of "there's so much information, my head hurts".