Staff Compensation Recommendation for the 2012-13 fiscal year

In our recommendation this Fall, we stated the following: "After we know the approved size of the pool, we will recommend how to split it between categories such as cost of living, merit (not added to base), market gap, benefit changes (as specified below), etc."

Since we now know the size of the pool, here is our recommendation on how to split it out.

- The staff salary pool will increase by **2.000%** for the 2012-13 fiscal year (note that the faculty salary pool is also increasing by **2.000%**)
- Consumer Price Index (CPI) has been calculated at **2.417%**
- An extra sum (approximately $200,000, or about 1%) is being provided over and above these amounts to start implementing the new salary structure - our recommendation does not include this figure.

We developed the following recommendation in the spirit of matching actions with words regarding our core values and community emphasis, making sure to take care of the lowest paid staff at Colorado College first, while laying the foundation for a long term change to a system that incorporates pay for performance as a more significant component.

This year's recommendation is only for CPI, but we'd like to split it into 2 different parts:

- **Cost of Basic Goods and Services (CoBGS)** - flat dollar amount (as opposed to the usual percentage) to truly reflect an increase in the cost of basic goods and services.
- **Across the board increase** (percentage based amount to help maintain relative distance between salaries, and help maintain purchasing power).

The intention behind this split is to create a component of annual raises for staff that truly reflects the phrase "cost of living," by using calculations to determine a reasonable estimate of the flat dollar amount required to maintain purchasing power for basic goods and services (CoBGS). Maintaining purchasing power for lifestyle choices above and beyond basic goods and services is another matter, and can be attended to with a different piece of the compensation pool. We believe that all staff, regardless of their performance, deserve at least this amount as a yearly increase.

For more information related to the idea of a flat dollar CoBGS raise, originally proposed by the working group on compensation and classification in December of 2009, see:

Staff increases may include both the following components (based on satisfactory performance):

Cost of Basic Goods and Services (flat dollar) - base salary adjustment

- In total, this item is **1.093%** of the staff salary pool
- Flat dollar adjustment for *__all__* staff of **$556.02**, pro-rated based on annual hours worked (*__not__* contingent on satisfactory performance)
    - Calculated by multiplying the CPI (2.417%) with the lowest hourly rate at Colorado College ($11.06 / hour, as of 7/1/12), then multiplying the product by 2080 to represent a full time, 40-hour per week employee.
        - 0.02417 x 11.06 = 0.267 (27 cents per hour)
        - 0.267 x 2080 = 556.02 ($556.02)

Across the board increase (percentage) - base salary adjustment

- In total, this item is **0.907%** of the staff salary pool
- The remainder after CoBGS, applied as a percentage based adjustment for staff of **0.907%** (contingent on satisfactory performance)

This means that:

- Low range salaries ($23,000 for example) would get appx. **3.32%**
- Mid range salaries ($50,000 for example) would get appx. **2.01%**
- High range salaries ($100,000 for example) would get appx.**1.46%**

Since these recommendations are departures from past practices, we recommend that extra care be taken to communicate to staff, particularly in their annual salary letters (we are happy to help with this), so that everyone understands the components of their raise.

Respectfully submitted by the staff members of the 2011-12 compensation committee. Please contact any of us if you have any questions or comments.

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