Campus Council on Planning and Budget Meeting
Nov 10, 2021, 11am – 12:30pm, via Zoom

Present: Keith Nitta (chair), Shauna Carlisle, Jason Naranjo, Camille Walsh, Wayne Au, Stefanie Iverson Cabral, Gowri Shankar, Peter Brooks, Camelia Bejan

Guests: Adrian Sinkler

Approval of Minutes
Oct 13 minutes approved

Report out from Unit Adjustment Target Salary Formula Working Group
- As a result of discussion in Oct 28 GFO Autumn meeting, more target salary formula options have been added. IR volunteered to model the added formulas.
  - Primary concern with original model was that it didn't account for inflation
- Working group (Nitta, Bejan, Adrian Sinkler (IR), Shari Dworkin (CAD)) and investigated the alternative formulas and circulated results to CCPB
  - Chancellor and VCs interested to see what increasing funds would look like so IR included tables to show what distribution would look like at 1.5% and 2% in addition to original 1%
  - Included description of what a sample of faculty salaries looked like under the 3 different formulas. Big differences identified in compression under each formula
  - EC has directed GFO leadership to create a survey to collect individual faculty member preferences on target salary formula.
    - Include copy of IR report that identifies compression under various models
    - Include cover letter that interprets, highlights, educates faculty on data in IR report
      - CCPB to frame cover letter so that people can make informed choice.
    - Include preamble that centers the voices of BIPOC faculty
  - Due to Nov 22 deadline to get GFO unit adjustment recommendation to Chancellor, need to have survey out by Nov 15 so that a summary of faculty feedback can in included.
    - CCPB is advising the Chancellor, not making the decision
    - Hasn't been clear consensus so far, may be even less with more formulas added

  DISCUSSION:
  - What will come of the working group's efforts? Crucial that faculty are informed.
    - Working group met 5 days ago and their work has since been brought to the EC and CCPB for full faculty conversation and, once IR report is ready, will go out to all faculty via survey. GFO will appeal to EFCs for another layer of faculty voice. As much faculty voice as possible will be gathered within the timeline
    - IR working to run all scenarios discussed in working group and an alternative scenario. It is a lot of work to do in a short amount of time
      - IR working on data governance structure that is more flexible to allow for more timely process for situations like this
  - Bejan shared screen, showing chart of different formula scenarios
    - Important to consider fairness assumptions we are making with each scenario
    - Green curve indicates that senior faculty will be compensated at 2% above inflation rate for every year here, resulting in 4.5% increase every year.

- - Are junior faculty being promised the same increase?
    - Are RCM allocations increasing at 2% every year so we can sustain this?
    - If the answer to the above 2 questions is "No", then we need to question the fairness of the allocation
- Green curve IS higher for everyone at every stage but we are not committing to do compression work each year to ensure everyone has chance to be compensated that
- Green curve is not the plotted salary path for a new hire but, rather, is the correction that the model is proposing.
  - Model is saying that someone currently being compensated at $180,000 should actually be compensated at $299,000. Premise that justifies that increase is that the model is saying that everyone should be compensated 2% above inflation
- Orange curve is estimate of actual salary of a particular person
- Curves are all target salary not actual salaries
- Different curves show different models' predictions about the compression
  - How can all curves apply to same individual if they don't start at the same salary?
    - Orange curve shows actual salary path of an individual full professor and the model of compression requires us to compare that full professor's salary to the salary of a junior professor, anchoring it to junior professor
      - Anchoring occurs at beginning of green/yellow/purple curves
    - But the orange curve starts at 14,000 above hypothetical curve
      - That is the reality and a center point. If we look at what actually happened to this full professor, we see that they started at a much higher salary than a current assistant professor
    - Professors start at different points, first step is to compare junior salary in 1994 dollars to the starting junior salary of current senior professor
      - Model depends critically on which particular junior faculty is chosen to compare to a current senior faculty member
      - Comparisons are done is similar fields
    - How can compression be accurately judged by comparing one particular junior faculty to one particular senior faculty?
      - Two things needed to happen to identify compression:
        - Set a target salary line, which isn't going to be a band but rather a single line. This was done for each comparison group so it is just one line for entire campus
        - Figure out how to plot the line, which IS dependent on the recent hire. Who the most recent hire is will have great impacts on what the target salary line looks like
          - Working group did a few things to try and ameliorate that:
            - Took an average of recent hires rather than simple the most recent hire
        - Depending on most recent hire is a necessary weak point
        - Alternative method could have been to make most senior faculty the anchor point and work backward. Problem is overreliance on most senior person, likely hired long ago

<div style="text-align: right">and salary may be more variable. Also makes person
we've anchored on ineligible for a compression increase</div>

- Will be difficult to get feedback from faculty as this is very difficult to understand.
- We are trying to access how big of a difference in salary there SHOULD be. We are saying if we want our current junior faculty to start at the same wealth level as our current senior faculty started at in 1994, what would that salary be?
    - We found that a junior professor starting today at $143,00 should have started at $73,000 in 1994. Then we asked, what is the appropriate wage today for the senior professor. Different models go through different scenarios as to how they go through that path.
    - We are taking individual people and answering the question "Is the salary appropriate or not?" And repeat this for everyone in an attempt to understand what is fair and what fairness judgements we are making
        - Have already run 50 faculty through models, next step is to do it for all
- Orange line represents an actual salary and, because it is above the yellow line and if we use the inflation-adjust model it would show that that person is not compressed whereas the current model would show that they are massively compressed
    - Yes, and we need to ask, do we expect to pay our junior faculty 2% above inflation and do we expect an RCM increase of 2% above inflation to sustain that?
        - If we use RCM for this, what will we be cutting? Are we cutting potential future increases of salary for junior faculty? Are we cutting research support? Are we cutting hiring? We need to have that conversation.
        - When we eventually implement demographic data and look at inequities, will there be any money left in RCM to address any of the issues?
- Need to take care of senior faculty. If we implement a model that pulls from them, we essentially create a penalty for loyalty. Need to keep junior and senior faculty in mind
    - Is it fair to say unless we provide a compensation above inflation that we are not taking good care of faculty? If that is the message, need to ensure the same for junior faculty? And is that sustainable. Yes, we need to look out for junior and senior faculty but what is the appropriate level?
- What is the value judgement for each model?
    - Green model: senior professors should be compensated at 2% above inflation rate every year plus get 10% for every promotion
    - Yellow model: senior professors should be fully compensated for inflation every year and granted 10% for each promotion.
    - Purple model: senior professors should be compensated 2% every year and granted 10% for every promotion
- How do those models compare to what we offer junior professors?
    - Purple model: instantly fair because junior faculty are already promised 2% every year and 10% for every promotion
    - Yellow model: fair IF RCM allocations increase at rate of inflation but junior professors are not guaranteed compensation for inflation
    - Green model: hard to justify as fair since junior faculty are not promised 2% over inflation
- Gap at latter end of plot is so much larger at the senior level than the gap at the beginning. Fairness would say that this adjustment happens equally as we move forward

- Important to remember that a lot of people are being left out of compression, which is a good argument against any compression adjustment expect the Purple model which would ensure everyone gets 2% compensation
  - Schools with divisions/areas have faculty for whom there is no one to compare
  - Divisions/areas that haven't hired recently are out
  - All teaching professors are out because there is no one to compare them to
- Purple line is correcting for fact that annual increases in the past may have been less than 2% and merit increases may have been less than 10% so it is bringing them up to current conditions and assume the current conditions will last for foreseeable future.
- Is the green line the purple line plus the yellow line?
  - Sort of. You are multiplying each year by a factor and that factor is the sum of the factor we used in the yellow line and the factor we used for the purple line
- If the increases were not compounded in the Green model, it would be more parallel to the Yellow model. IR did not compound.
- In each model, what becomes of professors in small end group? How is that person's compression calculated?
  - In the Green or Purple model, they wouldn't be included but they would be included yellow model
    - Yellow model uses inflation so we can go back to any time in the past
    - Take Asst Prof salary now and bump it up 10% and bump it up twice for Assoc. Prof., compounding it. You can do that for any rank, you don't need to go back in time and asses when a professor might have started
      - Can't do that with Purple model because it doesn't use inflation
    - To get starting point Yellow model, take junior salary and deflate it at inflation rate all the way back to starting point of senior faculty. Starting at that point, deflate back at inflation rate every year so they cancel out every year. Only thing left are the increases for promotion
      - Significant benefit of Yellow model as it will include more faculty members as eligible for being compressed
- Whichever model is picked, needs to include all faculty
- IR originally stated that a lot of people would be compressed using their model but now they are indicating that no one would be compressed using their model. Need to clarify.
- Suspicious person may claim the purpose of Green model curve is to extend out the Y axis so you can't see the difference among the other curves. A strawman put there to drive decision.
  - Any curve that has a compounded increase each year is going to have an increase in slope.
  - If you took out the Green curve and expanded the Y axis, now it looks like the Yellow curve is accelerating much fast than the others. Talking about it as being unfair because the gap increases as you go along is purely a function of the assumed increased each year. It is relative, not absolute.
    - The gap increasing every year is not the main argument against the Green model's fairness. The main argument is that it is unsustainable, RCM can't support it, and junior professors have not been promised that
    - We rely on expectations and VCAA suspects that the RCM allocations are expected to remain constant

- Is this a model for this year and future years? Or is this a model designed to reduce harm of incorrect compression adjustment in later years? Green model will actually increase compression in later years.
    - Green model has the strange property that, even if we compensate people fully at these amounts this year, at this point next year, they will appear compressed every year that we hire
    - Other 2 models will not have that problem.
    - Magic ingredient of Green model is 2% above inflation rate factor. Market salaries do not increase 2% above inflation rate. Only increase at inflation for most fields.
        - Think of a field where market rate increases at inflation rate and we hire an Asst. Prof at market rate. Now we way, wait, the Asst. Prof. we hired last year at market rate should now have 2% on top of what newly hired professor has so they will be compressed
- What makes the Green curve is that we are compounding by a larger factor (inflation plus 2%). The model IR shared, this information wasn't accurate

Nitta asked the council for direction as to how to present this series of decisions and information to faculty so that they can express informed preferences. Hope is that IR report will be done soon and we can see projections under different models.
- Differences between 3 target salary formulas:
    - Give 2% annually plus 10% every promotion
    - Give inflation annually plus 10% every promotion
    - Give 2% plus inflation annually plus 10% every promotion
- All of those in the model we've looked at today are compounded so, over time, the differences are significant
- Fairness assumptions have to do with how much we want to reward individuals for more time in the institution What is the expected additional benefit to your salary for showing loyalty?
    - Green model has a lot more than the yellow and purple
- What else would be helpful for faculty to understand? Another option is that this is too complicated to bring to faculty and they are going to have to trust those that have more expertise than they do
- What can we reasonably ask people to do?
    - Information sessions
        - Would need to be in writing because there is no time
    - Need to provide models, lay out merits and limitations and outcomes and vote with expediency on these imperfect options with what we have in front of us. Conversations need to continue. Work is being done at Faculty Senate regents and legislatures, looking at UW faculty salary. Need to gather faculty voice, now is the time.
    - If we commit to using up funds now on addressing compression, we won't have money left to address issues that arise when we get demographic data
    - Give faculty models and indicate fairness, there is no time for mass education. In the long run, provide compression data and mass education.
    - Faculty will have a lot of questions when looking at the different curves. Why is one curve bigger than the other? Why are some faculty trying to bargain down? How will these models be applied? Are they sustainable? Are they fair?
        - Would provide faculty with IR report focused on total identified amount of compression by school and actual funded compression given different pools. That

would be replicated using different target salary models. Difficulty will be explaining target salary line. Difficult to identify how much compression there is in the first place.

- Will also provide the simple explanation of the models
    - 2% annually plus 10% every promotion
    - Inflation annually plus 10% every promotion
    - 2% plus inflation annually plus 10% every promotion
- All assume an upward curve, the one that's got the biggest upward curve is when we include inflation and 2%
- There are a lot of arguments around fairness, appropriateness, sustainability but, considering how little time we have, how much of that do we need to include for framing this to faculty?
    - We cannot ignore the fairness implications of the difference models because that is why we are having this conversation
- GFO survey to faculty would be an advisory vote. Faculty would be provided information and asked, given what they know, which option do they prefer.
- GFO has a powerful voice and recommendations are largely honored. GFO asked Chancellor and VC to consider increasing the unit adjustment pool and that is now being considered. Our job now is to get as much faculty voice on this as possible in the short time we have.
    - CAD recommendation will also be taken very seriously

Nitta stated that once report from IR is available, he will draft notes to accompany the report (a voter guide of sorts) and will share with CCPB and EC and welcomes feedback to ensure accurate reflections of merits and limitations of choices being presented. Nitta thank Camelia Bejan for her work on this.

12:30pm: Adjourn

Minutes submitted by Dawn Moncalieri
Meeting ended at 12:30pm
The next CCPB meeting will be Dec 8, 11-12:30pm