Before the arrival of Dr. Simone, an attempt to establish some benchmarking for faculty and staff salaries was initiated under President Rose and Provost Plough. In November of 1990, they made a commitment to bring faculty and staff salaries to match specific benchmarking goals. For faculty, the mean salaries of category IIA institutions were selected for each faculty rank. These categories originated in 1970 when the Carnegie Commission on Higher education developed a classification of colleges and universities to support its program of research and policy analysis. http://www.carnegiefoundation.org/classifications/ Category IIA are institutions characterized by diverse post baccalaureate programs (including first professional), but not engaged in significant doctoral-level education. This data is collected and published annually by the American Association of University Professors (AAUP) in the March-April issue of Academe. This was to be a five year program. Unfortunately, it was only implemented for one year. No reasons were given. I suspect that budget priorities changed.

A new Financial Accounting Standard, FAS 106, was announced in December 1990 by the Financial Accounting Standard Board. TPF&C, a Towers Perrin company prepared for RIT a Postretirement Welfare Plans Actuarial Report based on data up to January 1, 1991 related to the upcoming implementation of the FAS 106. FAS 106’s implementation was scheduled for fiscal years starting after December 15, 1992. After that date, RIT must recognize the future liability of benefits on their balance sheets for current and retired employees. The major liability was connected with health benefits. The financial impact of this accounting change was a major concern of most college administrations. For example, the RIT cost for health plans in 1991 was $787,000 in cash value if one followed a pay-as-you-go method, but under FAS 106, the liability increase was estimated to be around $7,694,000 for that same year. TPF&C made several recommendations to RIT.

In May 1993, the Personnel Office (Human Resources) published a Post Retirement Health Plan Overview. J. Burns and K. Bello recommended several alternatives to address how RIT could meet its financial obligations under FAS 106 and still provide a competitive health plan for current employees and retirees.

In August 1993, President Simone created the Compensation Advisory Committee (CAC) and gave it three charges:

1. Recommend changes in the RIT retiree health care plan which will reduce RIT’s liability for future payments.
2. Recommend a method for including the current and future liability for retiree health care premiums in our financial statement.

3. Compare and benchmark our compensation levels, i.e. fringe benefits and salaries, with those of competing universities and other organizations hiring comparable personnel. Prepare a multiyear schedule for bringing our compensation to the benchmarking level.

CAC submitted its first of two reports in February 1994. It included recommendations for charges one and two. For charge one, CAC recommended extending the minimum age requirement for retirement eligibility (from age 50 to age 55) and reducing RIT’s premium share for those retiring between the ages of 55 to 65 from 100% to 70% on average. Some grandfathering was also recommended. The latest retirement information about benefits is available at the following URL:

http://finweb.rit.edu/humanresources/benefits/docs/retirementinformation.pdf

The recommendations for charge two included using funds from the unrestricted funds such as the “quasi-endowment”.

Some preliminary recommendations were made in addressing charge three, but were limited to benefits such as the dental plan (to provide a wider coverage), and the cost sharing of the health plans by various groups (single plan, family plan). It included some preliminary salary information and creating a possible benchmarking group of comparable institutions.

The benchmarking of salaries was submitted in a separate report in May 1994 along with other recommendations. It included six recommendations.

1. A five year salary program for faculty to bring salaries to the fiftieth percentile for each rank of a selected college and university benchmarking group.

2. A five year salary program for exempt staff to bring salaries to the fiftieth percentile of a selected college and university benchmarking group.

3. A five year salary program for non-exempt staff to bring salaries to the average of comparable employees of local firms.

4. An increase in the share of dental costs paid by RIT’s dental insurance plan with the added recommendation that this ratio be maintained in future years.

5. A study and redesign of the disability and sick pay program.

6. The continuation of the Compensation Advisory Committee to conduct an annual review of salaries and fringe benefits until the revision of the Institute’s governance process creates a vehicle for this purpose.
Recommendations 1 and 6 are the focus of this paper. One should note that implementation of recommendations 2 and 3 were delayed for a few years after the benchmarking for faculty was initiated. The implementation of recommendations 4 and 5 were addressed by CAC with a request for further evaluation by the Personnel Office (Human Resources).

The original benchmarking group, A.K.A. the Combined Group, was based on the following criteria: select the top twenty institutions with which RIT has the largest number of student cross-applications and the institutions belonging to the Association of Independent Technological Universities (AITU), a private, by invitation-only, association to which RIT has belonged since the mid-80’s. One institution (Boston U.) was removed because salary data was not available.

Original CAC Combined Group used for benchmarking at the 50th percentile:

- Alfred U. NY
- Caltech CA
- Carnegie Mellon PA
- Case Western Reserve OH
- Clarkson NY
- Cornell U. End. NY
- Drexel U. PA
- Gallaudet U. DC
- Harvey Mudd CA
- Illinois I.T. IL
- Ithaca College NY
- Lehigh U. PA
- M.I.T. MA
- Penn State U. PA
- R.P.I. NY
- Rice U. TX
- Rose-Hulman I.T. IN
- SUNY Stony Brook NY
- SUNY Albany NY
- SUNY Binghamton NY
- SUNY Buffalo NY
- SUNY Geneseo NY
- SUNY Oswego NY
- Syracuse U. NY
- The Cooper Union NY
- U. of Connecticut CT
- U. of Mass. at Amherst MA
- U. of Rochester NY
- Worcester Polytechnic I. MA
RIT’s rankings were as follow prior to the start of the five-year benchmarking plan (1994-1995):

<table>
<thead>
<tr>
<th>Professor</th>
<th>10\textsuperscript{th} percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate Professor</td>
<td>13\textsuperscript{th} percentile</td>
</tr>
<tr>
<td>Assistant Professor</td>
<td>17\textsuperscript{th} percentile</td>
</tr>
</tbody>
</table>

At the end of the five-year benchmarking plan (1999-2000), the rankings were significantly improved:

<table>
<thead>
<tr>
<th>Professor</th>
<th>37\textsuperscript{th} percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate Professor</td>
<td>47\textsuperscript{th} percentile</td>
</tr>
<tr>
<td>Assistant Professor</td>
<td>48\textsuperscript{th} percentile</td>
</tr>
</tbody>
</table>

In December 2002, President Simone commissioned a second Compensation Advisory Committee (CAC-II) with a deadline of February 28, 2003. He listed three charges in the form of questions:

1. Does our current salary plan enable us to recruit, retain and motivate competent faculty and staff?

2. Have we achieved the benchmark goals from the plan in 1994 and is there a need to address future benchmark requirements?

3. Is the salary plan for faculty and staff sustainable over the coming years in recognition of the difficult economic environment facing higher education today?

CAC-II recommended:

1. Updating the original CAC benchmarking schools following the metrics used by the original committee.

2. Addressing the erosions of salaries by rank.

3. Continuing with faculty pools to be distributed by the Provost to each of the colleges taking into account college-specific benchmarks as well as CAC-II benchmarks.

4. Annually, each college should make available to its faculty a statistical summary of the raises given in the college with appropriate college specific benchmarking data.

One issue remained unresolved by the February 28, 2003 deadline: revising the list of the Professional Staff Benchmarking schools. CAC-II thus recommended to President Simone “to reconvene a small committee of Vice Presidents with business/operational responsibilities to review CAC-II Professional Staff Benchmarking Schools and endorse or modify”. A list of CAC-II schools was included in Appendix 2. Additionally, documenting the rationale for
reassessment of the key schools on a five year cycle consistent with faculty process had yet to be completed.

CAC-II Combined Group used for faculty benchmarking of salaries at the 50th percentile as listed in Appendix 1 from the draft dated February 28, 2003, version 3:

Carnegie Mellon PA  
Case Western Reserve OH  
Clarkson NY  
Cornell U. End. NY  
Drexel U. PA  
Embry-Riddle A.U. Dayt. FL  
Gallaudet U. DC  
Harvey Mudd CA  
Illinois I.T. IL  
M.I.T. MA  
Milwaukee School of Eng. WI  
New York U. NY  
Northeaster U. MA  
Penn State U. PA  
Polytechnic U. NY  
R.P.I. NY  
Rose-Hulman I.T. IN  
SUNY Binghamton NY  
SUNY Buffalo NY  
Syracuse U. NY  
The Cooper Union NY  
U. of Rochester NY  
Virginia Tech. VA  
Worcester Polytechnic I. MA  

At that time, data for Kettering U. MI and Stevens Institute of Technology NJ were not published by the AAUP and were omitted from the list above. Both institutions have released data in recent years.

During the review process of the Professional Staff Schools, Drs. M.B. Cooper, J. Miller, J. Watters and S. McKenzie created a single list of benchmarking schools for faculty and professional staff. This list was approved by President Simone in December 2003.
Final CAC-II Benchmark Schools for Faculty and Professional Staff for implementation in 2004:

Carnegie Mellon University PA
Case Western Reserve University OH
Clarkson University NY
Cornell University NY
Drexel University PA
Emory-Riddle Aeronautical University FL
Gallaudet University DC
Illinois Institute of Technology IL
Ithaca College NY
Kettering University MI
Lehigh University PA
Massachusetts Institute of Technology MA
Milwaukee School of Engineering WI
New York University NY
Northeastern University MA
Penn State University PA
Polytechnic University of New York NY
Rensselaer Polytechnic Institute NY
Rose-Hulman Institute of Technology IN
Stevens Institute of Technology NJ
SUNY Albany NY
SUNY Binghamton NY
SUNY Buffalo NY
SUNY Stony Brook NY
Syracuse University NY
The Cooper Union NY
University of Rochester NY
Virginia Polytechnic Institute and State University VA
Worcester Polytechnic Institute MA

The net effect of this change had a negligible effect to RIT’s ranking if one compares actual RIT salary data for 2004-2005 against these two lists:

<table>
<thead>
<tr>
<th></th>
<th>Proposed CAC-II</th>
<th>Final CAC-II</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Benchmarking Schools</td>
<td>Benchmarking Schools</td>
</tr>
<tr>
<td>Professor</td>
<td>42nd percentile</td>
<td>46th percentile</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>46th percentile</td>
<td>46th percentile</td>
</tr>
<tr>
<td>Assistant Professor</td>
<td>31st percentile</td>
<td>36th percentile</td>
</tr>
</tbody>
</table>

One should consider in the future a return to the formula used for faculty benchmarking as proposed by the original CAC committee. [See recommendation #6 on page 11.]
So are we better off today than at the end of the five year benchmarking plan?

The answer is “no” at the professor rank. The progress toward the fiftieth percentile during five years of benchmarking is clearly visible (1995-1996 to 1999-2000). During the next two years (2000-2001 to 2001-2002), the merit pools were significantly below our benchmarking groups. Some corrective actions were taken over the next three years (2002-2003 to 2004-2005), but we have fallen behind since (2005-2006 to 2006-2007).
At the associate professor rank, it’s a similar pattern except that the fiftieth percentile was exceeded twice (2002-2003 and 2003-2004). Currently, associate professors are also below where they were at the end of the fifth year of benchmarking (199-2000).
The most surprising data is with the rank of assistant professor.

The five year benchmarking process did bring the assistant professor rank very close to the fiftieth percentile, but the rank has declined during the past three years. The efforts in early 2000 were not sufficient to raise assistant professors near the fiftieth percentile. The most recent ranking (2006-2007) has assistant professors well below the ranking they occupied prior to the start of the five year benchmarking process.

The main reason that faculty is losing ground is that our benchmarking schools as a group have budgeted in recent years higher salary increases than those provided by RIT. Last year for example, our benchmarking group at the professor level averaged an increase of 3.94% with a range of -1.19% to +10.54%. The associate professor rank averaged an increase of 3.29% with a range of -6.68% to +7.58%. The assistant professor rank averaged an increase of 3.98% with a range of -2.71% to +9.30%. Large annual fluctuations are usually related to individual schools catching up with its peers.

You will find on the next page a spreadsheet listing the history of salaries at the professor, associate and assistant professor ranks. It includes the mean, ranking and percentile to mid-point of the various benchmarking groups, and the percent salary increment for the mean from year to year.
### History of RIT Faculty Salary, Ranking and Percentile from 1992-1993 and to 2006-2007

**Benchmarking Group Approved 12/03 used from 2003-2004 to present**

<table>
<thead>
<tr>
<th>Academic Years</th>
<th>Original Benchmarking Schools</th>
<th>Rev. Benchmarking Sch. 12/2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;&lt;&lt;&lt;&lt;&lt;&lt; Benchmarking Years &gt;&gt;&gt;&gt;&gt;&gt;</td>
<td>&lt;&lt;&lt;&lt;&lt;&lt;&lt; Post Benchmarking Years &gt;&gt;&gt;&gt;&gt;&gt;</td>
</tr>
<tr>
<td>RIT</td>
<td>BM1  BM2  BM3  BM4  BM5  BM6  BM7</td>
<td>BM+1  BM+2  BM+3  BM+4  BM+5  BM+6  BM+7</td>
</tr>
<tr>
<td>92-93</td>
<td>95-96  96-97  97-98  98-99  99-00  00-01  01-02  02-03  03-04  04-05  05-06  06-07</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Professor</th>
<th>Provost AAUP AAUP Provost Provost Provost Provost Provost Provost Provost Provost Provost Provost Provost Provost Provost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>54.50  56.80  57.10  56.52  66.28  71.12  76.84  82.45  85.41  88.91  93.80  98.09  99.35  100.67  102.51</td>
</tr>
<tr>
<td>Ranking</td>
<td>27/30  27/30  27/30  26/30  25/30  24/30  21/30  19/30  22/30  22/30  19/30  16/28  15/28  19/29  23/30</td>
</tr>
<tr>
<td>Percentile</td>
<td>100  100  100  90  80  70  60  50  40  30  20  10  90  80  70  60</td>
</tr>
<tr>
<td>RIT % inc.</td>
<td>4.22%  0.53%  7.74%  7.74%  8.04%  7.30%  3.59%  4.10%  5.50%  4.57%  1.28%  1.33%  1.83%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Associate</th>
<th>Provost AAUP AAUP Provost Provost Provost Provost Provost Provost Provost Provost Provost Provost Provost Provost Provost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>45.80  47.60  47.40  50.85  53.70  56.14  59.05  62.43  64.98  66.92  71.53  73.03  74.79  75.84  77.11</td>
</tr>
<tr>
<td>Ranking</td>
<td>27/30  26/30  26/30  24/30  21/30  18/30  17/30  16/30  18/30  20/30  14/30  13/28  16/28  20/29  20/30</td>
</tr>
<tr>
<td>Percentile</td>
<td>100  100  100  90  80  70  60  50  40  30  20  10  90  80  70  60</td>
</tr>
<tr>
<td>RIT % inc.</td>
<td>3.93%  -0.42%  7.28%  5.60%  4.54%  5.18%  5.72%  4.08%  2.99%  6.89%  2.10%  2.41%  1.40%  1.67%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assistant</th>
<th>Provost AAUP AAUP Provost Provost Provost Provost Provost Provost Provost Provost Provost Provost Provost Provost Provost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>39.90  41.70  41.10  42.25  44.92  47.79  49.80  53.54  54.16  55.18  58.53  60.01  61.22  62.21  63.41</td>
</tr>
<tr>
<td>Percentile</td>
<td>100  100  100  90  80  70  60  50  40  30  20  10  90  80  70  60</td>
</tr>
<tr>
<td>RIT % inc.</td>
<td>4.51%  -1.44%  2.80%  6.32%  6.39%  4.21%  7.51%  1.16%  1.88%  6.07%  2.53%  2.02%  1.62%  1.93%</td>
</tr>
</tbody>
</table>

Mean salary in $1,000

Provost = RIT data. AAUP = Academe The Annual Report. AAUP data includes only faculty who are teaching/researching 51% or more.

Revised 5/18/07 (Actual data provided by Provost)  
Prepared by Jean-Guy Naud

Mean salary in $1,000

Provost = RIT data. AAUP = Academe The Annual Report. AAUP data includes only faculty who are teaching/researching 51% or more.

Revised 5/18/07 (Actual data provided by Provost)  
Prepared by Jean-Guy Naud

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z:\bmhist19.xls  82
The following recommendations are my own and do not reflect those of the RIT-AAUP chapter.

The Academic Senate should charge the Resource Allocation and Budget Committee to:

1. Conduct and publish an annual salary analysis related to the latest benchmarking goals as published by RIT.

2. Use the same salary data that RIT submits to the AAUP to eliminate the slight inflation caused by including faculty not teaching or researching at least 51 percent of their workload.

3. Recommend to the Academic Senate salary targets by rank that will achieve the stated goal of the fiftieth percentile of the CAC-II benchmarking schools.

4. Publish salary data in a similar format used by the AAUP chapter at the University of Syracuse. [The annual report is available on-line at http://su-aaup.org/salary.htm and should be a model for RIT.]

5. Review annually fringe benefits and recommend revisions to the Academic Senate. [This was a recommendation from the original CAC Committee. A biennial review may be a better suggestion.]

6. Recommend to the Academic Senate revisions to the benchmarking group following a five year calendar starting with academic year 2007-2008. [2007-2008 is the fifth year using the revised benchmarking schools approved in December 2003.]
Sources

Benchmark ←-----→ Market Adjustments, an RIT Commitment, November 1990


Post Retirement Health Plan Overview, Rochester Institute of Technology, Personnel Office, J Burns, K Bello, May 1993

Requested Review and Advice on the Draft of Proposed Changes in Retiree Health Benefits and in Methods of Budgeting and Accounting for the Plan’s Expense, Compensation Advisory Committee, January 7, 1993

Report on Proposed Changes in Retiree Health Benefits and in Methods of Budgeting and Accounting for the Plan’s Expense, Compensation Advisory Committee, February 21, 1994 (Ed. first of two reports)

Report on Salaries and Selected Fringe Benefits, Compensation Advisory Board, May 11, 1994 (Ed. Second of two reports)


Memo from President Simone to Members of CAC-II, CAC-II Recommendations, September 18, 2003

Addendum to Compensation Advisory II: Report and Recommendations, Edited and Released: January 12, 2004

Annual March-April Issue of Academe, AAUP

Annual Benchmarking Calculations, Jean-Guy Naud 1990-1991 to present

RIT Colleges, Benchmarks by Faculty Ranks, Dr. Stan McKenzie, 1997-1998 to present
Membership of the original Compensation Advisory Committee (CAC):

Chair: Walter F. McCanna, Professor of Management and Director of Frank D. Bertch Center for Business Ethics, College of Business

Stephen F. Aldersley, Associate Professor, NTID English
Kathy Bello, Director of Personnel
Margaret Cass, Controller
Rosemary Grego, Secretary, Enrollment Management & Career Services
Bruce L. Oliver, Professor, College of Business
Paul Petersen, Dean, College of Engineering
Valerie Liotta, Payroll Supervisor, Office of the Controller

Membership of the second Compensation Advisory Committee (CAC-II):

M. Patricia Spinelli, Director Human Resources
Melissa Answeeney, Financial Coordinator, ETC/Online Learning
William Bianchi, Budget Director
Margaret Ferber, Associate Vice President of Finance & Administration
Dr. Surenda Gupta, Instructional Faculty, College of Engineering
Dr. Thomas Hopkins, Dean, College of Business
Jean-Guy Naud, Chair, NTID Digital Imaging & Publishing Technology
Christina Nelson, Coordinator of NTID Interpreting Services
Dr. Bruce Oliver, Instructional Faculty, College of Business
AITU Membership

AITU Members
California Institute of Technology
Carnegie Mellon University
Case Western Reserve University
Clarkson University
The Cooper Union for the Advancement of Science and Art
Drexel University
Embry-Riddle Aeronautical University
Harvey Mudd College
Illinois Institute of Technology
Kettering University
Massachusetts Institute of Technology
Milwaukee School of Engineering
Franklin W. Olin College of Engineering
Polytechnic University
Rensselaer Polytechnic Institute
Rochester Institute of Technology
Rose-Hulman Institute of Technology
Stevens Institute of Technology
Webb Institute
Worcester Polytechnic Institute