

A History of Benchmarking Faculty Salaries at RIT  
Revised May 24, 2007

Jean-Guy Naud (NTID)

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 50<sup>th</sup> 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):

Professor	10 <sup>th</sup> percentile
Associate Professor	13 <sup>th</sup> percentile
Assistant Professor	17 <sup>th</sup> percentile

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

Professor	37 <sup>th</sup> percentile
Associate Professor	47 <sup>th</sup> percentile
Assistant Professor	48 <sup>th</sup> percentile

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 50<sup>th</sup> 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  
Northeastern 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:

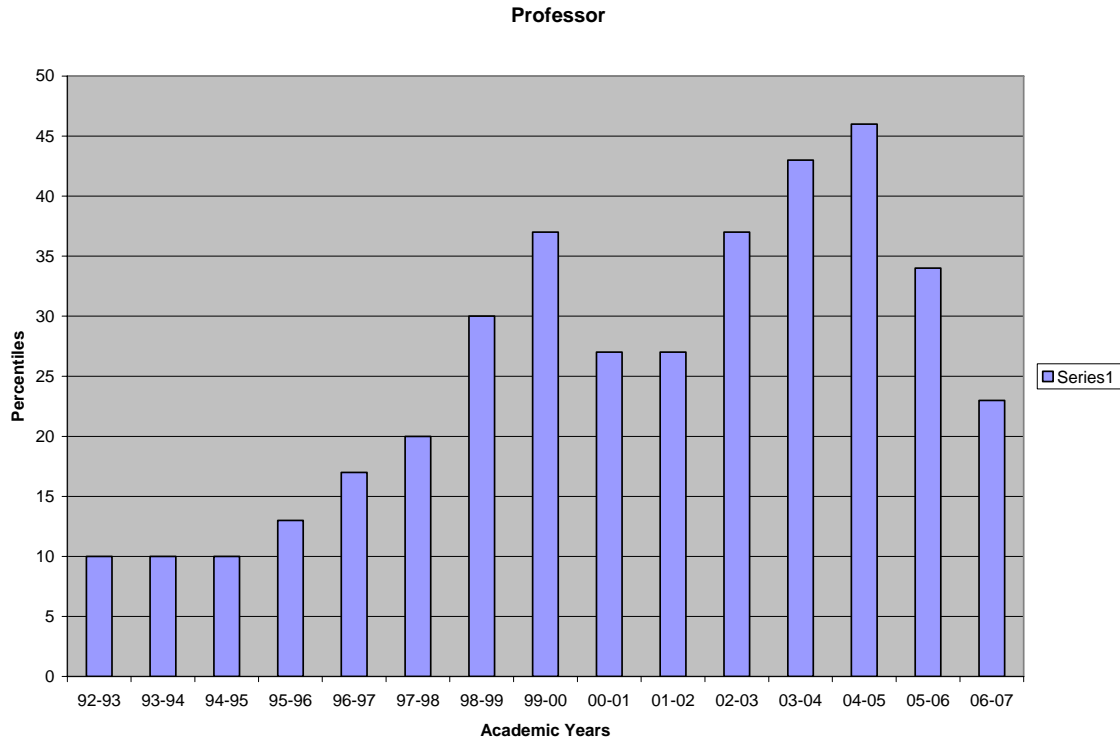
- Carnegie Mellon University PA
- Case Western Reserve University OH
- Clarkson University NY
- Cornell University NY
- Drexel University PA
- Embry-Riddle Aeronautical University FL
- Gallaudet University DC
- Illinois Institute of Technology IL
- Ithaca College NY
- Kettering University MI
- Lehigh 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:

	Proposed CAC-II Benchmarking Schools	Final CAC-II Benchmarking Schools
Professor	42 <sup>nd</sup> percentile	46 <sup>th</sup> percentile
Associate Professor	46 <sup>th</sup> percentile	46 <sup>th</sup> percentile
Assistant Professor	31 <sup>st</sup> percentile	36 <sup>th</sup> percentile

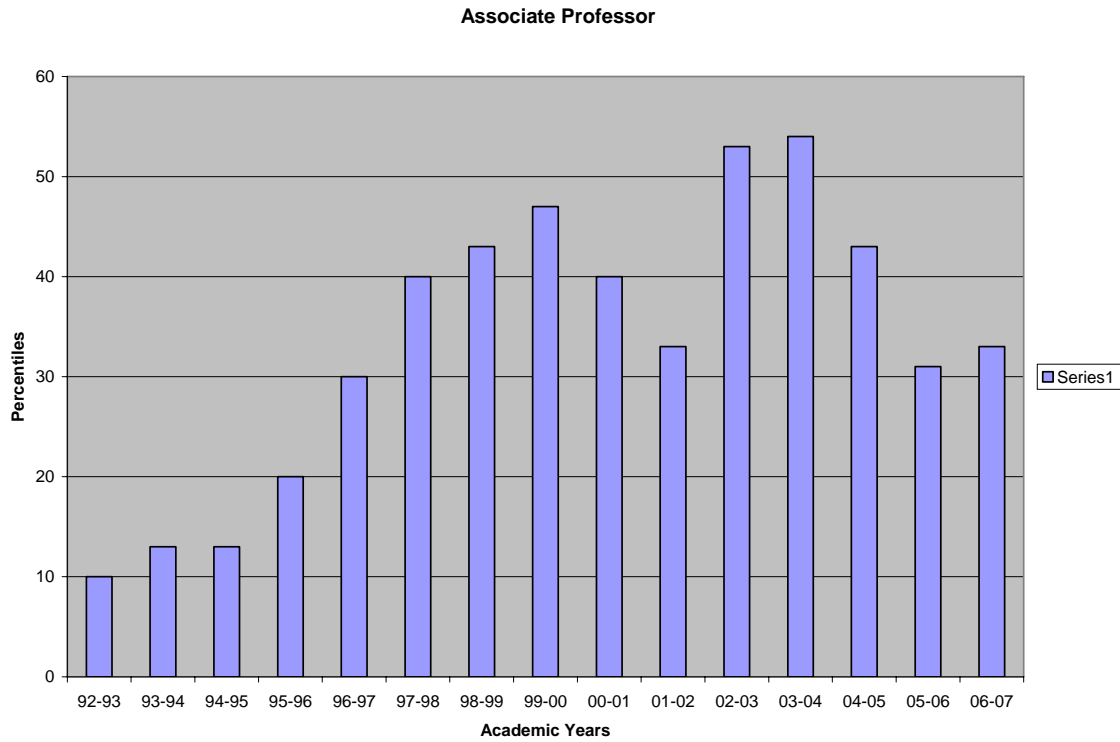
One should consider in the future a return to the formula used for faculty benchmarking as proposed by the original CAC committee. [See recommendation #6 on page 11.]

So are we better off today than at the end of the five year benchmarking plan?



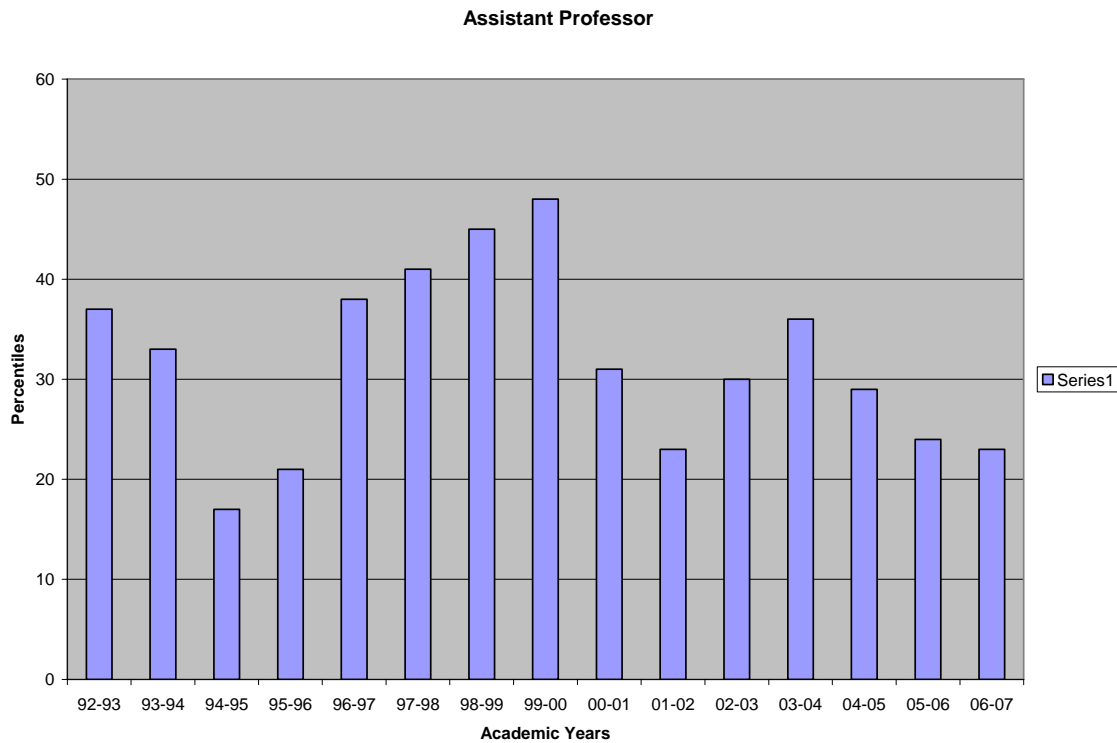
The answer is “no” at the professor rank. The progress toward the fiftieth percentile during five years of benchmarking is clearly visible (1995-1996 to 1999-2000). During the next two years (2000-2001 to 2001-2002), the merit pools were significantly below our benchmarking groups. Some corrective actions 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% - +7.58%. The assistant professor rank averaged an increase of 3.98% with a range of -2.71% - +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

		Academic Years													
		Original Benchmarking Schools								Rev. Benchmarking Sch. 12/2003					
		<<<<<< Benchmarking Years >>>>>>					<<<<<< Post Benchmarking Years >>>>>>								
		BM1	BM2	BM3	BM4	BM5	BM+1	BM+2	BM+3	BM+4	BM+5	BM+6	BM+7		
RIT	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07
<u>Professor</u>	Provost	AAUP	AAUP	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost
Mean	54.50	56.80	57.10	61.52	66.28	71.12	76.84	82.45	85.41	88.91	93.80	98.09	99.35	100.67	102.51
Ranking	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
Percentile	10	10	10	13	17	20	30	37	27	27	37	43	46	34	23
RIT % inc.		4.22%	0.53%	7.74%	7.74%	7.30%	8.04%	7.30%	3.59%	4.10%	5.50%	4.57%	1.28%	1.33%	1.83%
<u>Associate</u>	Provost	AAUP	AAUP	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost
Mean	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
Ranking	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
Percentile	10	13	13	20	30	40	43	47	40	33	53	54	43	31	33
RIT % inc.		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%
<u>Assistant</u>	Provost	AAUP	AAUP	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost	Provost
Mean	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
Ranking	19/30	20/30	25/30	23/29	18/29	17/29	16/29	15/29	20/29	23/30	21/30	18/28	20/28	22/29	23/30
Percentile	37	33	17	21	38	41	45	48	31	23	30	36	29	24	23
RIT % inc.		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%

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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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

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**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

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