

BC FACULTY COMPENSATION COMMITTEE (FCC)

REPORT TO FACULTY

2009-10 CALENDAR YEAR

The FCC, consisting of university-wide elected faculty members, typically meets monthly as a Committee and with administrators. The FCC is YOUR Committee. We try to represent university-wide faculty interests. Please let us have your ideas, concerns, and proposals on an ongoing basis so that we can represent you more accurately and democratically.

The tables on the following pages were submitted to the Administration also indicate that over the last ten years BC faculty total compensation has declined relative to the 18 comparable schools (Table 1) and AAUP Category 1 schools (Table 2). Salary data reflect a similar decline.

Consequently, FCC recommended again that:

Given the failure of compensation practices to achieve articulated objectives, BC should establish more effective faculty compensation policy to replace current practice of increasing the faculty salary pool by the projected rate of inflation plus one percent (Table 3). In this context please see last year's FCC report to the faculty.

Please note that the 10 year data precedes the recent economic crisis and do not reflect the reduction in total faculty compensation that resulted from the change in BC admission policies regarding faculty children or the reduction in the percentage of health care premiums that began this year (Table 4).

Action: According to the administration the faculty salary pool size for 2010-11 will be 2.5 % (projected rate of inflation 2%).

Please note that 1) There is no administrative decision regarding a new BC Budget Committee or faculty participation in future budget deliberations. 2) FCC received periodic reports on broad potential BC budget strategies and but did not participate in and was not consulted about current budget decisions. 3) Consistent with FCC's last year recommendation, the Administration announced the creation of a Roth 403(b) investment vehicle to complement the existing supplementary employee retirement option. Please consider this investment form as a hedge against potential increases in income tax rates

Please let us know if you have any suggestions or topics for discussion with the Administration.

FCC members:

Martin Bridgeman (Mathematics)

Curt Dudley-Marling (LSOE)

Demetrius Iatridis (GSSW), Chair

Thomas Kohler (Law School)

Gil Manzoni (CSOM), Associate Chair

Jane Regan (STM)

Judith Shindul-Rothschild (SON)

Eileen Sweeney (Philosophy)

Table 1

**Faculty Compensation from 99-00 to 08-09
Boston College relative to 18 Comparable Schools***

	Full	Assoc	Assist
	<u>Prof.</u>	<u>Prof.</u>	<u>Prof.</u>
\$ Change in Boston College compensation, 99-00 to 08-09	\$60.6	\$32.1	\$29.0
Average \$ change of 18 comparable schools, 99-00 to 08-09	<u>\$60.6</u>	<u>\$39.7</u>	<u>\$33.3</u>
\$ Difference, BC relative to comparable schools	<u>\$0.0</u>	<u>\$(7.6)</u>	<u>\$(4.3)</u>
Number of 18 comparable schools with greater increase in compensation than Boston College	7/18	18/18	16/18
Boston College compensation rank relative to 18 comparable schools in 99-00	15/19	7/19	9/19
Boston College compensation rank relative to 18 comparable schools in 08-09	12/19	13/19	13/19

The table above indicates that relative to comparable schools BC total compensation has remained flat for Full Professors and declined notably for Associate and Assistant Professors. The 18 schools used as comparables are identified below and were selected by the administration.

New York University	Northwestern
Duke	Dartmouth
Washington University	Emory
Georgetown	UCLA
Cornell	USC
Brown	Rice
Notre Dame	Vanderbilt
Carnegie Mellon	Tufts College
Wake Forest	George Washington

* Data from AAUP Compensation Survey

Table 2

**Boston College Compensation relative to
Category 1 AAUP Schools***

	Full	Assoc	Assist	All
	<u>Prof.</u>	<u>Prof.</u>	<u>Prof.</u>	<u>Ranks</u>
2008-2009 average BC compensation	\$183.0	\$120.9	\$102.5	\$137.9
AAUP Category 1 rank	90.0%	81.4%	81.9%	84.7%
1999-2000 average BC compensation	\$122.4	\$88.8	\$75.4	no data
AAUP Category 1 rank	86.3%	90.0%	90.0%	
Change in AAUP Category 1 rank	3.7%	(8.6%)	(8.1%)	

The table above indicates that relative to AAUP Category 1 schools BC total compensation has increased modestly for Full Professors and declined notably for Associate and Assistant Professors. As well, total faculty compensation relative to AAUP Category1 schools ranked was 84.7%, notably below 90%.

* Data from AAUP Compensation Survey

Table 3

**Boston College Total Faculty Compensation
Changes and inflation adjusted growth***

	Full	Assoc	Assist
	<u>Prof.</u>	<u>Prof.</u>	<u>Prof.</u>
2008-2009 average total compensation	\$183.0	\$120.9	\$102.5
1999-2000 average total compensation	<u>\$122.4</u>	<u>\$88.8</u>	<u>\$75.4</u>
\$ Change in average total compensation	<u>\$60.6</u>	<u>\$32.1</u>	<u>\$27.1</u>
Annualized inflation adjusted			
Change in total compensation	1.1%	0.1%	0.1%

The table above indicates that BC total compensation has increased annually on an inflation adjusted basis at 1.1% for Full Professors and 0.1% for Associate and Assistant Professors.

* Data from AAUP Compensation Survey

* Inflation adjustment based on CPI-U (consumer price index for urban consumers) for the New England area

Table 4

Economic effect of Recent Tuition and Health Care Changes

Reduction in compensation related to tuition benefit:

In this analysis we compare the pretax tuition benefit at BC versus BC Woods College. We assume that employee children who could have gained admission to Boston College prior to the change in admission standards can gain admission to and get tuition benefits from Boston College's Woods College. Thus we estimate the reduction in pretax value as a result of the change in admission standards as the difference between the two:

Pretax tuition cost at Boston College, 2009-2010 multiplied by 4	\$225,657
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Pretax tuition cost at Boston College Woods College, 2009-2010 per course multiplied by 30	<u>\$62,229</u>
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Per student pretax reduction in tuition benefit	<u>\$163,428</u>
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(based on an assumed 30% tax rate)

Reduction in compensation related to health care premium coverage	\$810
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Note: We estimate the present value benefit to the university from changes in health care coverage and tuition benefits related to admissions standards expressed as perpetuity approximates \$30 million based on a discount rate of 5%.