



CENTRAL WASHINGTON UNIVERSITY

Memorandum of Understanding Compression Formula

The purpose of this Memorandum of Understanding between the United Faculty of Central Washington University (the “Union”), and Central Washington University (the “University”) is to memorialize an agreement reached between the parties.

RECITAL

Article 15 of the Collective Bargaining Agreement (2009 – 2013) contains language that tasked representatives of the Union and the University administration to create a formula for the Fall 2011 distribution of \$220,000 to Associate and Full professors in order to reduce salary compression across campus. Compression occurs when market demand and inflationary pressures result in increased base starting salaries of newly hired faculty and when there is no system in place that adjusts faculty salaries based on professional longevity and maturation. The starting salary differential may be compounded within an academic rank if those moving through promotion in recent years receive greater percentage increases in salary than their predecessors. The problem of compression is more likely to be found among experienced faculty (those having longer terms of tenure within an institution regardless of academic rank). The intended purpose of a compression adjustment is to attempt to reduce both types of disparity.

AGREEMENT

Now, therefore, the parties agree as follows:

Article 15.3.2 states: “The salary compression adjustment process will give consideration to a faculty member’s salary effective Fall 2010 (less any performance adjustments made since Fall 2007), discipline, department, rank (associate or full professor), and years in rank, as well as the average salaries for the peer/discipline rank, and other factors the committee considers relevant. The process will generally target compression funds toward those faculty members whose salaries are most compressed.” Further (15.3.3), faculty members who are in ‘continued with reservations’ status as of Winter quarter 2011 will not be eligible to receive a compression adjustment.

Compression Formula:

The compression formula described below is based upon the following variables: the faculty member’s Fall 2010 salary, rank, years in rank, and CUPA rank/discipline mean salary.

When calculating compression adjustments any funds resulting from the past two CBA performance adjustments are removed from the faculty member’s fall 2010 base salary. The rationale behind this correction is that this money was to reward meritorious work and not to compensate for compression.

The average number of years of service of an Associate professor at Central Washington University is 3 years. Based on an analysis of CUPA data, the committee determined that each year of service is worth \$1000¹. For compression adjustment purposes, the committee recommends setting the maximum number of years as an Associate professor counted in the formula at 8 (5 over CWU's average years in service for Associate professors and three years beyond the minimal standard for promotional consideration).

The average number of years of service for a Full professor at Central Washington University is 10 years; each year of service is worth \$1000¹.

The CUPA rank/discipline data shall be pulled for all public Masters institutions reporting to CUPA. In cases where CUPA data isn't available for a particular department, the compression committee will evaluate similar department data and select the most appropriate alternative.

To work through the calculation of compression for an associate professor:

1. Start with faculty member's 9 month base salary
2. Subtract any funds derived from the last two Performance Adjustment processes – the resulting product is the *adjusted base salary* (ABS)
3. List years of service at CWU
4. Calculate difference between actual years of service and mean years of service (YSD). For example, the range for Associate professors is -3 to 5.
5. List rank/discipline CUPA mean salary (CMS)
6. Calculate an adjusted CUPA mean salary (ACMS) using the formula $CMS + (\$1000 * YSD)$.
7. Calculate estimated compression as $ACMS - ABS$.

Examining Fall 2009 data, approximately 200 Associate and Full professor salaries were compressed. The total dollar value of compression was approximately 1.33 million.

Disbursement Process:

We envision a four-tier disbursement process of the \$220,000, with disbursements of \$500, \$500, \$1000, and \$1000. For example, if exactly 200 faculty were determined to be compressed:

- All 200 faculty would receive \$500.
- Of those 200, the 100 most compressed faculty would receive another \$500.
- Of those 100, the 50 most compressed faculty would receive another \$1000.
- Of those 50, the 20 most compressed faculty would receive another \$1000.

¹ These dollar amounts were adopted from a similar compression program carried out at Western Washington University in 2008. The committee felt adopting the methodology used by another state institution possessed a certain degree of merit. Given that their analyses did not appear to under- or overestimate the compression problem at Central, particularly in light of the available funding to address the problem, the committee decided to use this framework.

Thus,

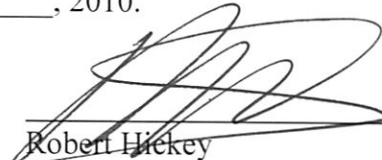
- The 20 most compressed faculty would receive \$3000.
- The next 30 most compressed faculty would receive \$2000.
- The next 50 most compressed faculty would receive \$1000.
- The next 100 most compressed faculty would receive \$500.

Ultimately, using the fall 2010 data, this will not be as tidy. We foresee everyone whose salary is compressed receiving \$500. If this is more than 200, fewer faculty will receive the top adjustment. If this is less than 200, more faculty will receive the top adjustment. Assuming that approximately 200 faculty are compressed, the final disbursement will be calculated using the above process and distributed according to the steps laid out in section 15.3.1 of the CBA. If significantly more or fewer than 200 faculty are compressed, the compression committee will be reconvened to reassess the disbursement process only.

Signed and dated this 9 day of Sept, 2010.



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