Executive Summary
Strategic compensation planning serves three functions for an organization: attraction of employees, retention of employees, and provision of incentives for development and promotion. This document was generated from ongoing talks between the Compensation and Fringe Benefits committee and members of University administration over a period of several months primarily during the 2012-2013 academic school year. It is intended to serve as a guiding document for future conversations as a clear agenda, with emphasis on faculty compensation and the resources that Saint Louis University will commit towards compensation.

History
During the 2012-2013 academic school year, the Compensation and Fringe Benefit Committee (Steve Bolesta, William Ebel, Brad Fogel, Mark Gaynor, John James, Kathleen Kienstra, Mary Krieger, Carl Maertz, Vicki Moran, Ian Redmount, Terry Tomazic, Chris Sebelski) in collaboration with University Administration (Ellen Harshman, Ken Fleischman, Stacey Barfield-Harrington, Steve Sanchez) initiated talks to formulate a guiding philosophy for the Saint Louis University community faculty to assure compensation levels at Saint Louis University are competitive with other Jesuit and peer institutions. Versions of this document have been explained and shared with the Executive Staff of the University three times over the past several months in order to continue the conversation on compensation.

The intention of this document is to:
1. Outline guidance towards a strategic, philosophical approach for the institution to adopt competitive faculty compensation as a long term goal;
2. Provide principles to guide strategic planning and procedural and policy developments for faculty compensation;
3. Provide a defined directory for accessing best available information on faculty compensation;
4. Propose a plan to address faculty compensation

Philosophy Statement
Inherent to the mission of Saint Louis University, and central to its vision to be the top Catholic University in the United States, is an effective, creative, and committed faculty. To support Saint Louis University’s strategic intention to improve academic and research performance, the University shall maintain a compensation program directed at attracting, retaining, and rewarding faculty members within the guidelines of fiduciary responsibility. Employee
compensation shall be a strategic focus that should include consideration of merit-based and market adjusted, annual increases. Planning processes and budgetary goals will respect this as a long term strategic focus.

**Principles**

The following principles should be applied to faculty compensation and should guide the development of specific salary policies.\(^5\)

**Base salary:** Pertaining to equitable, market salary comparisons, the base salary of each current permanent faculty member will be aligned with the strategic goals of the University and shall be no less than 60th percentile of base salaries for their individual discipline and rank, using the directory as detailed below. Merit-based and promotional increases shall be additional to such base salary. New hires for applicable positions will have base salary offers that are minimally at the median for new hire salaries in their discipline. This allows for the establishment of minimum salaries per rank and discipline as recognition of equitable and fair pay for all faculty members.

**Directory Defined:** The directory was used for establishment of a faculty member’s salary comparisons consists of published then-current salary data from the discipline specific professional organization (Appendix 1 and 2). In instances, where such data is not available; the University default is the national data from College and University Professional Association for Human Resources (CUPA). Internally, a formula has been derived for indexing that accounts for additional data from the American Association of University Professors (AAUP) and the Integrated Post-Secondary Education Data System (IPEDS). This formula appears to have internal validity and is comparable to the Salary Factor utilized in the Oklahoma State Survey\(^7\).

**Institutional Practice before 2013 Budget meetings:** In previous budget cycles, the need for faculty compensation competed with other University priorities. The Faculty Senate President presented salary recommendations based upon national, aggregate salary comparison data to the President’s Coordinating Council and Deans during the annual budget meetings. Based on this presentation and the salary recommendations made by the Vice President for Human Resources, a personnel merit pool was discussed. After all budget priorities were presented, the group reviewed the priorities and determined the distributable merit pool as part of the University’s fiscal year budget.
2013 Budget meetings: The current budget cycle highlights the result of the conversations held by this group with an emphasis on a clear agenda of strategic prioritization for faculty compensation. The Chair of the Compensation and Fringe Benefits Committee presented directly to the President’s Coordinating Council and Deans during the annual budget meetings. The personnel merit pool discussion and determination of the distributable merit pool, as part of the University’s fiscal year budget, was set as a priority item prior to the identification of the other budget priorities.

Proposed Plan: We propose that the University establish a budget line item for faculty salary market adjustments and merit increases that equal a pre-determined percentage of budgeted gross revenue. The portion allocated to merit adjustments should be consistent with the staff merit pool for the same fiscal year. The University should maintain its current policy of rank and tenure promotional funding from a separate funding pool that is separate from, and in addition to, the merit and market adjustment pool. In years where the budget does not meet revenue goals, funding of compensation shall continue to be a strategic focus.

Market analysis should occur every 2 years. When the analysis identifies evidence of internal compression or deficiencies in external market equity, the subsequent years’ budget plan will emphasize faculty compensation prior to any other identified budget priorities.

Transparency: A Joint Compensation Committee (the “Committee”), consisting of administration and faculty, should be established. The Committee shall present compensation recommendations to the Executive Staff of the University, Board of Trustees, and Faculty Senate, for integration into the annual University budget process. Administration and faculty representatives will have equal decision-making authority within the Committee.

The charge of the Committee is to review and approve the compensation strategy and make recommendations to the Executive Staff of the University and the Board of Trustees. This will be distributed to all employees annually. This compensation strategy shall include all pertinent action items formulated in response to budgetary conditions. If budgetary conditions necessitate a revision to this Philosophy, then a summary of the rationale for compensation policy changes should be made known to all employees in writing before any compensation decisions are made. Additionally, open fora shall be scheduled to discuss the proposed revision.
prior to any decision or action. Any deviation from the Committee’s recommendations made without the Committee’s approval must be made public and explained.⁶

**Faculty Defined:** The term “faculty” as used herein shall mean all St. Louis University faculty, as that term is defined in Section III of the St. Louis University Faculty Manual; *provided, however,* that the provisions of this Philosophy statement shall not apply to: (i) Visiting Faculty, Artists-in-Residence, Retired Faculty or Emeriti/ae Faculty, as defined Section III of the St. Louis University Faculty Manual; (ii) individuals who choose to volunteer at St. Louis University without significant compensation; (iii) faculty members covered by a compensation agreement or agreements between St. Louis University and the University Medical Group (or its successor or assigns); and (iv) non-permanent faculty who have no reasonable expectation of renewal of their contract of employment or of employment that lasts longer than one (1) year. To the extent any faculty member shall receive a portion of their salary from a non-St. Louis University grant or from recovery of such a grant, the portion of such faculty member’s salary allocable to such grant shall not be covered by the provisions of this Philosophy statement.

**Concluding Statement**

It is the intent of the drafters of this document to guide conversations within the institution toward a strategic, philosophical approach by which equitable and fair pay for faculty is an annual budget priority. It is our intent that the University community act in conjunction with the spirit and words of this document, acting in good faith for the advancement of our University.
Appendix 1: Resources used for salary comparisons in 2013-2014

AACN - American Assoc of Colleges of Nursing (SON) 2011-2012
AAMC – Assoc of American Medical Colleges (SOM) 2011-2012
CUPA (CAS) 2011-2012
AMS – American Mathematical Society (Math) 2011-2012
APA – American Psychological Association 2010-2011
ACS – American Chemical Society 2007
ASAHP – Assoc of Schools of Allied Health Professions (Doisy except PT) 2011-2012
CAPTE - Commission on Accreditation in Physical Therapy Education (per Mark Reinking) 2011-2012
AACSB – Assoc to Advance Collegiate Schools of Business (Cook) 2012-2013
ASPH – Assoc of Schools of Public Health (SPH) 2011-2012
CUPA - College and University Professional Association (SPS) 2011-2012
CUPA (CEPS/SW) 2011-2012
CILE – Consortium for Innovative Legal Education (Law) 2012-2013
ASEE – American Society for Engineering Educ (PKS) 2011-2012
American Dental Education Association (CADE) 2008-2009
ASA - American Statistical Association 2012-2013
Appendix 2: Resources used for salary comparisons in 2014-2105

CUPA - College and University Professional Association 2013-2014 salary report

AACSB - The Association to Advance Collegiate Schools of Business 2013-2014 US Salary survey report

ASAHP - 2013 - 2014 Association of School of Allied Health Professions

CAPTE - 2013-2014 Commission on Accreditation in Physical Therapy Education

CILE - 2013-2014 Consortium for Innovative Legal Education

AALL - 2013-2014 American Association of Law Libraries Annual Salary Summary

AAMC - 2012-2013 Association of American Medical Colleges

AACN - American Association of Colleges of Nursing 2012-2013 salary comparisons

ASEE – American Society for Engineering Education 2013-2014 salary report

ASPH - 2013-2014 Association of Schools and Programs of Public Health

AMS – American Mathematical Society  2012-2013

APA – American Psychological Association 2013-2014
Resources


2 Mission Statement. St. Louis University Retrieved: http://www.slu.edu/x5021.xml

3 Saint Louis University President's Vision Statement Retrieved: http://www.slu.edu/presidents-vision-statement


7 Oklahoma State University. 2013 -2014 Faculty Salary Survey by Discipline. Office of Institutional research and information management of OSU. Web: http://irim.okstate.edu/