Economic Status Report  
2009-2010  

The Committee on Faculty Workload and Economic Status spent the entire year in discussions with the Administration regarding a new faculty salary plan. The plan that was approved by the Executive Committee of the Board of Trustees is included here. As previously noted, there will be no raise for faculty FY’11, other than increases for promoted faculty. A 2.7 percentage-point increase in faculty salaries is being deferred. This deferred amount will be disbursed over, at most, the next three years in addition to the salary plan's prescribed increases. At least one-third of this deferred increase (.9 percentage points) will be added to faculty salary increases for FY’12.

Respectfully submitted,  
Kirk Anderson  
Tom Armstrong  
Anni Baker  
Andy Howard  
Mike Kahn  

Addendum  

Executive Committee  
Meeting of April 20, 2010  
Faculty Salary Plan (with Addendum May 2010)  
May 18, 2010  
Faculty Salary Plan Principles and Guidelines  
Fiscal Years 2011 - 2014  

Continuing Principles  

- The faculty salary plan is intended to provide a clear and constructive framework in which the faculty and the administration are collaboratively advancing the mission and strategic priorities of the college and in which the faculty feel a direct connection to the financial well-being of the college in terms of both responsibilities and financial benefits.

- Faculty salaries continue to be a primary institutional priority and are to be treated as such throughout the budget process in accordance with the faculty salary plan rather than be treated as a remainder variable toward the end of the budget process.

- A multi-year faculty salary plan, typically extending over three or four years, provides an important longer term policy perspective, while at the same time the plan is subject to annual approval by the President. The plan is intended to undergo formal review on a periodic basis. This helps to ensure, through collaboration between the administration and the faculty, that modifications and refinements are formally considered if necessary and as appropriate.
Operational Guidelines

- Linking faculty salary increases to increases in “net local resources” (i.e., college operating resources net of financial aid).
  - Percentage increase in net local resources is to be estimated in April of each fiscal year, and faculty salaries in the subsequent fiscal year are to increase by the same percentage. (There will be a lag of one year in making and applying any needed corrections between estimated vs. actual increases in net local resources. Any corrections will be known in October of each year.)

- Setting a floor for faculty salary increases.
  - The floor for faculty salary increases is 0%.

- Monitoring and considering faculty salary increases in relation to increases in the cost of living.
  - Should net local resources increase in some years at rates below the cost of living growth, then faculty salaries linked to net local resources would not keep pace with the rise in the cost of living. Such a gap between faculty salary increases and cost of living increases (as measured by CPI-U in most recent calendar year) will be monitored.

- Considering faculty salary increases when net local resources are declining.
  - Should there be negative growth in net local resources, the college would have less resources to support faculty salaries and programs in general. Such a reduction in the college’s resource capacity will be monitored.

- Linking faculty salary increase for FY 2011 to increase in cost of living.
  - Faculty salary increase for FY 2011 is to be linked to calendar year 2009 inflation rate of 2.7% (as measured by CPI-U) following a faculty salary freeze in FY 2010.
  - In view of the likelihood of a second year of a salary freeze in FY 2011, the above 2.7% increase is to be applied in FY 2012 (in addition to faculty salary plan increase in FY 2012) or is to be applied evenly over fiscal years 2012, 2013, 2014 (again in addition to the faculty salary plan increase for each of these three years).

  - Wheaton’s position relative to faculty salaries in the Northeast Nine Comparison Group will continue to be monitored. The faculty salary mean of the NE9 institutions is based on a Wheaton-weighted mean (i.e., all institutions are assumed to have a configuration of senior and junior faculty identical to Wheaton).
  - The NE9 salary mean (i.e., the Wheaton-weighted mean) is to serve as the ceiling in the faculty salary plan and continues to be an important goal in making Wheaton’s faculty salaries competitive.
Addendum – May 2010

“Net local resources” is defined in accordance with Wheaton’s operating revenue budget as submitted each year to the Board of Trustees for review and approval. That is, “net local resources” equals a) gross student revenue less institutionally funded financial aid, b) Wheaton Fund, including Project Scholarship, c) Endowment Distribution, and d) Other Income.

The Faculty Salary Plan is to have the salary increase plus the promotion and equity increase (which, together, represent the percentage increase in the faculty salary pool) remain less than or equal to the percentage change in net local resources. In years when there are no retirements or reductions, funds for equity and promotions are taken from the pool for raises; but in years when there are retirements or reductions, the college uses any cost savings from these retirements and reductions to add back to the salary pool up to the percentage increase in net local resources. This decision will be made by the President in consultation with the Provost, Vice President for Finance and Operations, and the Committee on the Economic Status of the Faculty.