

DRAFT
Indexing of Faculty Promotional Base Increases:
Proposal to University Committee
17 November 2014

Michael Bernard-Donals on behalf of Provost Mangelsdorf requests endorsement of the new promotional base increases for FY 2016 given in the table below. The indexing protocol follows:

1. Use the urban CPI index (CPI - U, Consumer Price Index for All Urban Consumers, U.S. Bureau of Labor Statistics), for the core inflation rate during the 12-month period through the end of September to establish the proposed rates for the subsequent fiscal year. The core inflation rate is known technically as "all items less food and energy."
2. As discussed with UC and LC in 2011, we rely on the smoother core inflation rate, rather than the volatile all-items rate that fails to smooth the spikiness of short-term food and energy prices. This is a sound methodology and also sustainable from fiscal and equity points of view.
3. Each year, the Provost Office presents the University Committee the proposed indexed figures, reviews fiscal or other relevant implications, and seeks approval of the new amounts.
4. After five years, review what happened and confirm or adjust the indexing method.

Proposed Schedule of Faculty Promotional Base Increases

	Faculty Appointed on C-Basis (9-month basis)		Faculty Appointed on A-Basis (12-month basis)	
	Promotions that took effect in FY 2015	Promotions to take effect in FY 2016	Promotions that took effect in FY 2015	Promotions to take effect in FY 2016
From assistant to associate professor	6,700	6,814: Rounded to <u>6,900</u>	8,000	8,136: Rounded to <u>8,200</u>
From associate to full professor	8,800	8,950: Rounded to <u>9,000</u>	10,500	10,679: Rounded to <u>10,700</u>

Notes:

1. The CPI-U index for core inflation (all items less food and energy) rose 1.7% during the 12 months ending in September 2014, per U.S. Bureau of Labor Statistics, www.bls.gov, accessed 13 November 2014.
2. For the 12 months concluding in September 2014, the all-items rate was 1.7%, the same as the core inflation rate of 1.7%.
3. Last year, the number of faculty approved for promotion (with base adjustments effective FY 2015) amounted to 138. Among them, half were promoted to associate level, and half to full level. Last year's promotional cohort sizes were about the same as in previous years.