

**National–Louis University Policy for Faculty Compensation Plan  
FP: 116**

**Approved: Faculty Senate**  
**Approved: Board of Trustees**

**Date: January 19, 2005**  
**Date: January 26, 2005**

**EFFECTIVE DATE: February 04, 2005**

**FACULTY COMPENSATION PLAN**

Annually, as part of the Board’s normal budgeting process, the Administration will determine the aggregate dollar amount available for faculty salaries. It is anticipated that this determination will be made each year prior to August 1, if possible. Once this determination is made, the dollars will be allocated to the following “purposes”:

**PURPOSE 1 (COST OF LIVING)**

This “purpose” is intended to provide faculty with an annual raise to base salary which recognizes the change in the cost of living in the Chicago metropolitan area. This raise should approximate the change in the Consumer Price Index for the Chicago Metropolitan Area as determined by the U.S. Department of Labor. It is the intention of the Committee that the dollars allocated for this purpose be minimal unless the aggregated dollars available for total salaries in a given year is so minimal as to not allow progress toward the goals established for the other “purposes” noted below.

**PURPOSE 2 (INTERNAL INEQUITIES)**

Dollars allocated to this “purpose” are intended to eliminate, to the extent feasible, existing inequities between the salaries of faculty with comparable qualifications within the same college. It is anticipated that this goal will require a multi-year solution and the maximization of allocated dollars for this purpose. It is also expected that as this purpose is accomplished, this “purpose” will be diminished, and the dollars will be made available for the other “purposes”.

Initial determinations regarding the expenditures from this “purpose” will be made by the Dean or the Dean’s designee. In remedying inequities, the Dean or designee will consider factors including, but not limited to, (1) highest earned degree, (2) teaching excellence, (3) rank, (4) years of service in rank, at NLU and at other academic or professional institutions, (5) service to the University, (6) service to the community, (7) service to the profession, (8) professional development, and (9) scholarly activities.

Decisions of the Dean or designee shall be subject to review by the Provost, who will provide a summary of the review to the FWCC.

**PURPOSE 3 (EXTERNAL INEQUITIES)**

Dollars allocated to this “purpose” are intended to eliminate, to the extent feasible, existing inequities in the salaries of NLU faculty in comparison to faculties at similarly situated institutions. In examining this area, consideration will be given to the relevant college, discipline or academic specialty. It is anticipated that this goal will require a multi-year solution. It is also expected that as this “purpose” is accomplished, the “purpose” will be diminished, and the dollars will be made available for Purpose 4.

The criteria to be used to make decisions regarding the expenditure of “Purpose 3” dollars will be developed by the Provost, who will review the criteria with the FWCC. These criteria may include some or all of the criteria used to make determinations for the expenditure of “Purpose 2” dollars.

**PURPOSE 4 (REWARDING EXCELLENCE)**

Dollars allocated annually to this “purpose” are intended to reward faculty members, departments, and/or programs for academic and non-academic excellence and achievement. These dollars, if awarded, are annual bonuses which are non-repeating, non-cumulative, and are not part of the base salary. Requests for consideration for any such rewards may be initiated by the faculty member(s), peers, or the members of the administration. Any such requests should be made to the Provost.

These rewards will be administered according to a process and criteria jointly developed by the Provost and the FWCC. However, it is anticipated that at a minimum these criteria will include (1) teaching excellence, (2) service to NLU, (3) service to the community, (4) service to the profession, (5) professional development, (6) scholarly activities, and (7) contribution to the NLU mission and priorities.

It is anticipated that in the long term once the goals of “Purpose 2” and “Purpose 3” are accomplished, dollars allocated to this “purpose” will be maximized from the aggregate annual allocation.

The decisions of the Provost regarding these awards will be reported to the FWCC.

It is recognized that annually a limited number of dollars will be allocated for purposes of recognizing faculty promotion. The procedures and decisions regarding the promotion of faculty will be governed by the Promotion and Tenure requirements outlined in the Faculty Constitution.