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May 14, 2012

**SUSAN CARLSON, VICE PROVOST  
ACADEMIC PERSONNEL**

**Re: Senate response to Faculty Salaries Task Force Report**

Dear Susan:

As you requested, I sent the report of the joint Senate-administration Faculty Salaries Task Force for systemwide review. The Senate Divisions at all nine general campuses and four committees (UCAP, UCFW, UCPB, UCPT) responded. Respondents universally agreed that raising faculty salaries is vital to maintaining UC's competitiveness and the quality of its faculty. Respondents also emphasized the need for increased resources, via state support or tuition; however, they were divided on whether salary increases should be contingent on the availability of additional resources. Similarly, they were divided on how increases should be distributed, if offered. After extensive discussion, Council passed the following motions.

**MOTION 1:** Allocating 3% of total salary for salary increases for faculty and non-represented staff over and above increases associated with faculty merit reviews should be considered on an equal basis with other unavoidable cost increases (17 in favor, 1 opposed).

**Justification for Motion 1:** It is essential that faculty salaries be viewed as a mandatory cost of maintaining a quality institution. Last year the President insisted that faculty salaries be a priority for the University; they must remain so. In the past, increasing faculty salaries has been sacrificed to other needs with the unfulfilled promise that in better budget years, salaries will be a priority. This has resulted, over time, in the degradation of the published scales, a high incidence of off-scale salaries, and a severe loyalty penalty.

**MOTION 2:** Council recommends that 2% of total salary should be used for across-the-board salary increases for faculty and non-represented staff. To the extent that salary increase funds are in excess of 2%, any additional funds should be used to implement the Task Force's "Step 1" recommendation, proportionally, to the level possible (13 in favor, 4 opposed).

**Justification for Motion 2:** Providing across-the-board salary increases will ensure that both on-scale and off-scale faculty receive some increase. Members worried that following "Step 1" alone would result in no increase for faculty with off-scale salaries. There is a substantial lag in faculty salaries

and a modest 2% increase, in conjunction with last fall's 3% increase, will help to address that discrepancy and maintain take-home pay in light of the rise of employee contributions to UCRP to 5%. This motion would also require that some monies be dedicated to raising the scales. If funds equal to 3% of total payroll are provided, the additional 1% will allow most of what Step 1 envisions after a 2% across-the-board increase. Despite its support for an across-the-board increase, Council emphasizes that the key issues are that the scales are severely uncompetitive, and that salaries must be considered in the context of total remuneration. Members also noted that "Step 1" establishes a minimum salary level at each rank and step, not a ceiling; campuses are free to establish higher salaries if they wish and have the resources to do so.

**MOTION 3:** Council endorses the Task Force's "Step 2" recommendation (to reformulate the scales correlated to campus averages for each rank and step at the time of merit advancement), to the extent that funds are available after the implementation of Motion 2 (11 in favor, 5 opposed).

Justification for Motion 3: Step 2 raises salaries based on local market conditions and reduces the "loyalty penalty." In units in which women have lower off-scale increments, it would help to address gender inequities. It provides flexibility for campuses to set salaries at a higher level than the minimum systemwide salary. Finally, by bringing the salary scales closer to realistic levels, it enhances the role of peer review in setting salaries on those campuses on which CAPs advise on rank and step but not salary. Those who opposed the motion recognized the problem of the loyalty penalty and called for the Chancellors to address such inequities on their campuses.

Opposition to the motions: The Berkeley and UCLA Divisions were strongly opposed to adoption of the Task Force report. The UCLA Division was opposed primarily because of the inflexible nature and cost of this plan, which they viewed as prohibitive in the midst of the fiscal crisis. In addition, UCLA's salaries are significantly closer to market than those of other campuses, and decisions on future expenditures must take into account other campus priorities, such as new faculty hires and temporary teaching funds. The Berkeley Division also cited the inflexible nature and cost of the plan, and noted that it would make faculty retention more expensive by increasing the salaries of faculty who were not retention targets. Because the Budget Committee (Berkeley's CAP) advises on the setting of salaries, including off-scales, the automatic award of off-scale salary under Step 2 of the plan would reduce the Senate role in determining salaries. Berkeley also asserts that it is already taking measures to address salary issues that are more appropriate for their circumstances than the model described in Step 2. In lieu of further discussion of these objections here, we ask you to carefully review the details of their campus positions as attached. Some other members of Council shared some or all of the concerns of Berkeley and UCLA.

Other comments:

- Respondents supported the recommendation that a Task Force on Professional School Salaries be convened, and request that it also address the salaries of Economics faculty.
- Opinion on the specific proposals ranged considerably, with significant concerns raised by UCLA and strong opposition from Berkeley.
- In general, there was more support for "Step 1" than for "Step 2," due to differences both in the availability of campus resources to provide additional salary and in local cultural practices.
- Some respondents expressed concern that Step 2 would deepen salary differences across the campuses by pegging future increases to campus averages, which already vary significantly. This would represent a fundamental shift in University policy.

- UCP&T points to a requirement of APM 620-18a regarding how range increases should be applied to faculty who have off-scale salary components. They note that precise implementation guidelines should be developed by Academic Personnel to avoid grievance claims based on this section of the APM.
- UC Irvine recommends that the adjustment of the scales be reevaluated when the gap with the Comparison 8 has been closed.
- UCPB recommends that UCAP gather information on the range of practices that campuses have engaged in to address salary issues and recommend approaches in lieu of Step 2 that could be applied systemwide.

In summary, Senate bodies agree that the issue of competitive compensation must be addressed. Council was nearly unanimous in supporting the president's commitment to budgeting annual salary increases, even in difficult budget times. As reported above, Council supported by a three-fourths majority undertaking Step 1, to the extent possible within the salary increase budget after allocating funds for a 2% across-the-board increase. Council also supported by a two-thirds majority undertaking Step 2, if sufficient funds were available; Council members recognized that it was highly unlikely sufficient funds would be available in 2012-13.

I thank you for the opportunity to provide input on the Task Force report and encourage you to review the Senate's thoughtful and rich responses to this complex set of issues.

Sincerely,



Robert M. Anderson, Chair  
Academic Council

Cc: Mark Yudof, President  
Lawrence Pitts, Provost and EVP  
Members of the Faculty Salaries Task Force  
Academic Council  
Executive Director Winnacker

Encl.



April 9, 2012

ROBERT ANDERSON  
Chair, Academic Council

*Subject: Report of the Senate-Administration Taskforce on Faculty Salaries*

Dear Bob,

On March 12, and April 2, 2012, the Divisional Council (DIVCO) of the Berkeley Division discussed the report of the Senate-Administration Taskforce on Faculty Salaries, informed by reports of our divisional committees on Academic Planning and Resource Allocation (CAPRA), Budget and Interdepartmental Relations (BC), Faculty Welfare (FWEL), and Status of Women and Ethnic Minorities (SWEM).

DIVCO and the reporting committees all agree that there are serious faculty salary and compensation issues that must be addressed. UC faculty salaries lag behind those of our competitors, substantially so in some fields. Additionally, FWEL noted: "An emphasis on recruitment and retention has led to a serious loyalty penalty problem and to salary inversion problems in many units."

We do not, however, believe that this proposal is best strategy for addressing these issues. We considered the relative benefits and costs of the proposal, including purported improvements in faculty retention. The prevailing sense of DIVCO is that the costs of the proposal outweigh the modest benefits we can expect from its implementation. While there was a broad consensus on DIVCO opposing the report's recommendations, we also acknowledge there will undoubtedly be a subset of our campus colleagues who support them.

The discussion in DIVCO brought a number of serious concerns to the fore.

**Berkeley's approach to compensation**

The Berkeley campus currently has a vigorous approach to compensation and salary setting. Initiatives currently underway include a salary adjustment linked to promotion to tenure, and a targeted decoupling initiative to provide competitive salaries to high-performing faculty members. Further, there is strong Senate involvement from conception through detailed implementation of these efforts, as opposed to the more mechanistic and centralized approach envisioned by the proposal.

We believe that the issue on this campus is one of insufficient funding for competitive salaries, not the process by which salary and compensation is determined. In addition, the scope and nature of the Senate role in determining compensation for faculty on our campus is a core principle that must be preserved going forward.

### **Merit-based salary setting**

We are also concerned that the proposal runs counter to Berkeley's strong tradition of merit-based salary setting. DIVCO underscored FWEL's observation:

Its operation would give faculty extra bumps in salary at the time of a merit increase essentially based on retention and recruitment packages offered to colleagues in a broad range of departments, so that faculty become free-riders on the success of their colleagues. This is not a merit-based system of adjusting faculty salaries, and would meet considerable opposition on many fronts. It has a "Lake Wobegon" aspect to it—that everyone is above average—which would not sit well with many observers and which is inconsistent with our traditions.

We believe that any retreat from the merit-based approach that has served this campus well should be strongly opposed.

### **Exacerbates recruitment, retention and equity issues**

With respect to the proposal's effect on faculty recruitment and retention, DIVCO agreed with the BC's analysis. In sum:

Step 2 of the proposed salary plan significantly raises the cost of recruitment and retention efforts (assuming no reduction in quality in the former activity and no "gaming" the step system for either activity). This indirect cost is substantial—it will likely raise the costs of recruitment and retention by between 65 and 120%. One possible response to such an increase is that the campus will forgo recruiting and retaining high-performing individuals. Another is that it recruits less distinguished individuals. Yet a third is a distortion ("gaming") of the rank-and-step system to avoid paying that indirect cost, leading to inequitable assignments of faculty to rank and step. None of these consequences are desirable and they would adversely affect Berkeley's quality, or the morale of its faculty, or both.

While equity was not included in the Taskforce charge, SWEM discussed the recommendations, noting:

... there is ample preliminary evidence (e.g., the Yahr report; ongoing salary equity studies in the School of Public Health) that pay disparities between faculty members at comparable rank and step correlate with respect to gender ...

The Taskforce recommends a system by which faculty advancement to a new rank and/or step is rewarded with a salary at least equal to the average of all campus faculty at that rank/step. The effect of such an averaging mechanism for determining salary would be to reduce disparities between faculty members; as such, it would necessarily reduce those disparities that specifically correlate to gender ...

Because of their effects on salary inequities, SWEM believes that the Taskforce recommendations would be positive. We are, however, adequately worried by the Chair of Budget Committee's argument that implementing the Taskforce recommendations would lead to the discouragement of recruiting and retaining highly paid faculty. If so, this will also hurt the recruitment and retention of highly paid women and URM faculty.

### **Campus needs beyond salary**

DIVCO also noted that the Taskforce recommendations must be considered in the larger context of campus needs. We believe that we should balance the need for higher faculty salaries with other pressing campus needs. CAPRA expressed this well:

We agree with the Task Force that that this under-funding of faculty salaries has a negative effect on faculty welfare and risks the loss of faculty to competitors. However, we note that salary is only one of several factors affecting our ability to compete for new hires and to retain faculty who have other employment options. Additional factors that are highly important are the collegial environment and policies of shared governance for which Berkeley is rightly famous, and the quality of the resources available (laboratories, libraries, IT, support services.) CAPRA has been concerned for some time that we are not investing enough in these latter resources, and that this underinvestment has a negative impact on faculty welfare. We believe that the broader picture should be weighed in evaluating how to allocate current and/or new funds on the campuses, and in advocating for increased funding.

### **UC financial initiatives**

Recent UC initiatives such as funding streams and rebenching have been welcome steps toward efficiency and flexibility for the campuses. These have been well received by the Berkeley Division because we believe that local control over finances gives faculty a much larger say in how funds will be used on this campus. DIVCO views the Taskforce proposal as an unfortunate step back from this direction by reinforcing that salary budgeting decisions are to be made by central authority.

Many of the key points of the discussion in DIVCO are discussed in detail by BC in its report. Accordingly, I am appending the BC report in its entirety. We are happy to provide the detailed analysis contained in the appendices to the BC report as well, if that would be helpful to Academic Council.

Sincerely,



Bob Jacobsen  
Chair, Berkeley Division of the Academic Senate  
Professor of Physics

Encl. (1)

Cc: Alexis Bell and Elizabeth Deakin, Co-chairs, Committee on Academic Planning and Resource Allocation  
Benjamin Hermalin, Chair, Committee on Budget and Interdepartmental Relations  
Yale Braunstein and Calvin Moore, Co-chairs, Committee on Faculty Welfare  
Pheng Cheah, Chair, Committee on the Status of Women and Ethnic Minorities  
Aimee Larsen, Manager, Committee on Budget and Interdepartmental Relations  
Diane Sprouse, Senate Analyst, Committee on Academic Planning and Resource Allocation, and Committee on the Status of Women and Ethnic Minorities

March 27, 2012

BOB JACOBSEN, CHAIR  
BERKELEY DIVISION OF THE ACADEMIC SENATE

RE: System-wide Salary Taskforce Recommendations

We write in response to your request for comments on the recommendations of the system-wide Senate-Administration Taskforce on Faculty Salaries (hereafter the “Taskforce”), set forth in a February 3, 2012 memorandum to Executive Vice President and Provost Lawrence Pitts (hereafter the “Taskforce memorandum”). This document and attached appendices detail our analysis of the Taskforce memorandum.

To summarize our conclusions: we find that implementation of the Taskforce’s proposals would not be in the interest of the University of California system as whole. Implementation would definitely not be in this campus’s interest. If it proves politically infeasible to block implementation completely, then Berkeley should insist the policy be formulated in a way that allows campuses to opt out of participating; at the very least, campuses must be allowed to opt out of “Step 2” of the recommendations. Overall, we find that the costs associated with the Taskforce’s recommendations—financial, political, and in terms of quality—to be greater than the Taskforce memorandum suggests; that the costs outweigh the benefits; and that the benefits are less than the Taskforce memorandum suggests. Moreover, many of the purported benefits could be realized via less costly means—means that have already proved successful on this campus. We detail the rationales for these conclusions below. Given the length of this document, we have divided it into sections and provided short summary paragraphs at the end of most sections.

**Contents**

**Our Review Process**..... 2

**High Costs** ..... 2

    Direct Costs and Funding Concerns ..... 2

    Indirect Costs Arising from Recruitment and Retention ..... 4

    Political and Other Costs ..... 5

**Modest Benefits**..... 6

    Increased Faculty Salaries ..... 6

    Improved Faculty Retention (Alleged Benefit) ..... 7

    A Means (Questionable) to Keep UC Faculty Salaries Competitive ..... 7

    A Means to Undo the Loyalty Penalty ..... 9

    A Means to Improve Equity ..... 9

**Final Remarks**..... 11



## ***Our Review Process***

In addition to considering the Taskforce memorandum itself, other information was gathered. To wit, the Budget Committee (BC) Chair had meetings with (i) Vice Provost Janet Broughton and EVC&P George Breslauer; (ii) Bob Jacobsen and Christina Maslach, Chair and Vice-Chair of the Berkeley Division of the Academic Senate; and (iii) Robert Anderson, Chair of the Academic Senate (system-wide). The BC Chair also attended the March 8, 2012 meeting of the University Committee on Appointments and Promotions (UCAP) in Oakland, at which the Taskforce memorandum was discussed. Oral summaries of the discussions at those meetings were provided to the other members of the BC and discussed by the BC as a whole. We have also availed ourselves of data supplied by Vice Provost Broughton on retention and salaries.

As part of our review process, we provided a written preliminary assessment to Division Chair Jacobsen (see Appendix A). This assessment was discussed at the March 12, 2012 DIVCO meeting. Our preliminary assessment was—as our final assessment is—negative. In our earlier assessment, we indicated that the recommended policy would not adequately achieve its stated goals; could prove unduly costly to the campuses; and would very likely significantly increase Berkeley’s costs of attracting and retaining the best scholars. Further review has not changed those conclusions.

At the March 12<sup>th</sup> DIVCO meeting, a concern was expressed that our preliminary assessment neither discussed nor gave appropriate weight to the positive consequences of the Taskforce’s recommendations in terms of improved equity. We address that concern below. Although the Taskforce’s recommendations may improve equity, the improvement is more modest than it might at first seem.

## ***High Costs***

### **Direct Costs and Funding Concerns**

In the first year, the Taskforce estimates that annual salary costs would increase by approximately \$30 million system-wide above what they otherwise would have been. After two years, the cost rises to approximately \$60 million. Projections beyond that are not offered, but since year three would represent the third year of a normal merit cycle, extrapolation suggests additional annual salary costs would be approximately \$90 million. Costs will likely rise thereafter. Note that these cost estimates *exclude* the additional costs that could arise as a consequence of recruitment and retention (discussed below, see also Appendix B).

In discussions, proponents of the new salary system have claimed it will be put in place only if adequate state funding is provided. Yet some phrases in the Taskforce memorandum create doubt about whether that is truly a condition for implementation. For example, point #3 of the memorandum’s executive summary suggests that adequate state funding may not be a necessary condition; and p. 11 of the memorandum it expressly states that “individual campuses will have

to generate the salary increase dollars.” Moreover, this last excerpt refers to Step 2, which for the Berkeley campus will be the more expensive of the two steps.

Even if state funding were provided for the first few years of the program, experience teaches that the state is an unreliable partner. There is a real danger that state funding would later disappear, and the new salary program would become either an unfunded mandate (even if it doesn’t start in whole or in part that way) or it would have to be suddenly abandoned, creating serious equity and morale issues because some faculty would have benefitted by virtue of the timing of their merit cycles and others would be left with nothing.

Cost estimates for the new salary system are predicated on absorption of decoupled increments at time of next merit review (see footnote 7 of the Taskforce memorandum).<sup>\*</sup> Under current Berkeley practice, decoupled increments are *not* absorbed at time of next merit; rather, actual salary equals the rank-and-step salary at the new step plus the previously earned decoupled increment. Absorption means that the decoupled increment is eliminated if the rank-and-step component at the new step exceeds the faculty member’s current salary; or it is reduced—and she receives no pay increase—if her current salary exceeds the rank-and-step component at her new step.<sup>†</sup> For over a decade, decoupled increments have not been absorbed on this campus because absorption was deemed to be self-defeating in retention cases (faculty knew that the increased decoupling due to retention would shortly be “taken back,” so they discounted Berkeley’s retention offers) and demoralizing when it led to no salary increase despite a successful merit. If Berkeley were compelled to adopt the Taskforce’s new salary program, it would either have to resort to absorption, which would reintroduce the aforementioned problems and would not be popular, or this campus would face even higher costs than currently estimated.

**Section summary:** The costs of implementing the Taskforce’s new salary program are very high, and they are likely significantly higher than the Taskforce memorandum indicates. Unless Berkeley wishes to drop its policy of not absorbing decoupled increments at time of merit advance, the costs will be higher still. There are reasons to be suspicious of claims that the new program will be implemented only if adequate state funding is available. Indeed, there is a significant chance that the campuses will have to come up with the necessary funding.

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<sup>\*</sup> The Taskforce writes about the “off-scale” portions of faculty salaries, which are called decoupled increments on this campus. Most faculty salaries at Berkeley have a rank-and-step component, which is the amount listed in the relevant pay scale for a faculty member’s rank and step, and a decoupled increment; the sum of the two equals a faculty member’s salary.

<sup>†</sup> For example, consider two physicists, Mary and Jane. Both are currently Professor, Step IV. Mary’s salary is \$105,000 and Jane’s \$108,000 (their decoupled increments are \$5700 and \$8700, respectively). Absent absorption, a one-step merit advance for each would make their salaries \$112,100 and \$115,100, respectively. With absorption, they would be \$106,400 and \$108,000, respectively.

## Indirect Costs Arising from Recruitment and Retention

Recruitment or retention cases often award the faculty candidate a larger-than-average salary for his or her rank and step. Consequently, the recalculated average salary for that rank and step will be higher. Because, under Step 2 of the proposed salary program, that recalculated average is the minimum salary of anyone advancing to that rank and step in the future, there is an indirect cost of recruitment and retention due to those actions' effects on the salaries of others. That is, if a faculty member gets  $\Delta$  more in salary than is average for her rank and step, then the pay level for that rank and step increases by  $\Delta/N$ , where  $N$  is the number of faculty currently at that rank and step.<sup>‡</sup> This increase in the pay level is an additional indirect cost of the proposed salary program.

An analysis that the BC Chair conducted—subsequently reviewed and endorsed by the Committee as a whole—indicates that this indirect cost raises the total cost of a recruitment or retention action by between 65 and 120% of the direct cost. That is, under the proposed salary program, the cost of recruitment and retention would roughly double. A copy of that analysis is attached as Appendix B. Some members of the Committee believe those estimates of the indirect costs are *too low* because these estimates exclude certain factors (see footnote 2 on page 2 of the Appendix B document).

To provide some context on those estimates, data from academic years 1998-2006 indicate that Berkeley had approximately 46 retention cases per year and retained on average 33.<sup>§</sup> Suppose that, on average, each retained individual's salary is \$20,000 above what it would otherwise have been;<sup>\*\*</sup> that is, above the relevant rank and step average. Hence, the *direct* annual cost of retention is \$660,000. Even just the 65% estimate implies, therefore, an additional *indirect* cost \$429,000, roughly the equivalent of four new assistant professors (including benefits). Hence, in terms of forgone slots, the *lowest* estimate of the indirect cost arising from the proposed salary program is equivalent to a loss of 6% of current annual recruitment on this campus.

The Committee believes that such a significant increase in the cost of recruitment and retention will either discourage recruitment and retention or cause other distortions. A well-known principle is that if the cost of an activity increases, less of it is done. Hence, a response to the proposed salary program could be less retention of key faculty or less effort to attract top faculty to Berkeley. A related distortion could be recruitment of less distinguished faculty, for whom salaries will tend to be lower.

Yet another possible distortion is that, although Berkeley continues to retain and recruit the same caliber faculty as before, it seeks to avoid the indirect cost by advancing or appointing these faculty at very high ranks and steps. The rationale for such a distortion is that the indirect cost

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<sup>‡</sup> Actually, the increase in salary is  $\Delta/N$  only for one year. It is higher for subsequent years because the first beneficiaries of this higher salary also, then, contribute to a higher average. See the analysis in Appendix B.

<sup>§</sup> Data supplied by Vice Provost Broughton. More recent data suggest the number of retention cases is closer to 50 per year and that we retain 38 to 42 per year.

<sup>\*\*</sup> The figure of \$20,000 is a low-end ballpark estimate derived from recent retention cases.

disappears if a candidate is advanced or appointed to a rank and step at which the average salary is approximately equal to the salary necessary to retain or recruit him or her. Such a manipulation would make a mockery of the notion that rank and step reflect academic merit. It would also be demoralizing to long-serving Berkeley faculty, who would risk seeing less accomplished faculty advanced or appointed at ranks and steps well above their own. Certainly many long-serving Berkeley faculty would see that as inequitable.

**Section summary:** Step 2 of the proposed salary plan significantly raises the cost of recruitment and retention efforts (assuming no reduction in quality in the former activity and no “gaming” the step system for either activity). This indirect cost is substantial—it will likely raise the costs of recruitment and retention by between 65 and 120%. One possible response to such an increase is that the campus will forgo recruiting and retaining high-performing individuals. Another is that it recruits less distinguished individuals. Yet a third is a distortion (“gaming”) of the rank-and-step system to avoid paying that indirect cost, leading to inequitable assignments of faculty to rank and step. None of these consequences are desirable and they would adversely affect Berkeley’s quality, or the morale of its faculty, or both.

## Political and Other Costs

Even if adequate state funding were available for the new salary program, it might prove politically costly (*i.e.*, a public relations disaster that would have negative political repercussions) to direct so much of that funding to faculty salaries at time when the University is otherwise making cutbacks in staff and programs and raising tuition and fees.

Such political fallout could be exacerbated by the following. Most of the dollars spent on salary increases under the Taskforce’s proposal will go to faculty with below average salaries. Because faculty salaries are positively correlated—albeit imperfectly—with accomplishment, the Taskforce’s proposal will—on average—more heavily reward less accomplished faculty than it will more accomplished faculty. Given strong public sentiment for *more* merit-based pay for public employees (*e.g.*, school teachers), this aspect of the Taskforce’s proposal could make it even more politically costly.<sup>††</sup>

Political concerns aside, there are many other pressing needs on this campus. Hence, although an increase in faculty salaries is to be welcomed, there are other campus priorities that would also be very deserving of a share of any increased state funding.

If no or inadequate state funding is provided for the Taskforce’s proposal, but it is nevertheless enacted, then the consequences could be even more painful, because funds currently allocated to staff, faculty hiring, infrastructure and maintenance, and ensuring Berkeley remains accessible and affordable would need to be diverted to fund the proposed salary plan.

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<sup>††</sup> In this regard, it should be remembered that one motive President Yudof had to make the October 1, 2011 salary adjustments partially merit based was precisely to make it more politically palatable than a simple across-the-board salary increase.

Furthermore, to the extent that the Berkeley campus will need to pay for the new salary program, it will likely be forced to abandon other salary programs, such as market-based salary adjustments at time of tenure and the current targeted decoupling initiative (TDI). Faculty who were promised TDI awards or who were led to expect a significant salary adjustment at time of tenure are likely to feel they had been treated unfairly. Such demoralization could prove costly in terms of commitment of effort and future retention cases.

**Section summary:** There are significant public relations costs to the new salary program even if adequate state funding is available. Moreover, if such funding is truly available, there are other pressing needs that should also be addressed. If no or inadequate state funding is provided, then the new salary program will have a significant effect on other spending on the campus, including facilities, faculty recruitment, and existing salary programs. These would all prove problematic and lead to lower faculty morale.

## ***Modest Benefits***

### **Increased Faculty Salaries**

There is no denying that the new salary program will raise some faculty salaries. Three points, though, should be kept in mind: (i) the increases are relatively modest on this campus; (ii) the new salary program is not the only means available for increasing salaries; and (iii) the increases will not be evenly distributed among the faculty.

According to the Taskforce memorandum, the *average* salary increase for Berkeley faculty is 2.4% in the first year and 2.7% in the second year. Both numbers, it should be noted, are less than the 3% we received on October 1, 2011.

The October 1, 2011 salary adjustment or traditional range adjustments (increases to the on-scale portion of salaries) represent alternative models of providing salary increases. One could also consider variations on such models: for instance, a more progressive version of the October 1, 2011 salary adjustment that gave an  $x\%$  increase on the first  $\$y$  thousand of salary, a  $z\%$  increase on the next  $\$w$  thousand, and so forth, where  $z < x$  (e.g., 4% on the first \$100,000, 2% on the next \$100,000, and 0% thereafter). Another alternative is to give a percentage increase to the on-scale portion of salary (*i.e.*, like a range adjustment) and a smaller percentage (or no) increase to the decoupled increment.

Under the Taskforce's proposed salary plan, faculty whose salaries are above average for their rank and step could see little or no increase at all: as envisioned in the Taskforce memorandum, any increase in the scale would result in the absorption of an equal amount of those faculty members' decoupled increments. For example, consider a Professor, Step IV on the regular scale who has a decoupled increment of \$24,000 (the Berkeley average). Her current salary is, thus, \$123,300. She would be eligible for a salary increase at her next merit advance. The on-scale salary at Professor, Step V, under the new salary program is estimated to be \$124,100. Her increase in salary would, therefore, be \$800 or 0.6%. Had her decoupled increment been \$25,000, she would have received no salary increase.

Although the highly progressive nature of the Taskforce’s proposed salary program could be welcomed by some, many other faculty would perceive it as being unfair that they received little or no increase under the plan, especially after they have enjoyed a successful merit.

**Section summary:** The Taskforce’s proposed salary plan would raise salaries on average. That noted, similar size increases could be achieved via alternative programs that would not generate the indirect costs and other distortions associated with the Taskforce’s plan. Moreover, it is likely that many faculty will view the Taskforce’s plan as unfair insofar as the distribution of salary increases is highly uneven and many meritorious faculty would enjoy little or no pay increase.

### **Improved Faculty Retention (Alleged Benefit)**

It is claimed in the Taskforce memorandum (p. 13) that the new salary plan (specifically Step 2) “is a mechanism that has been in place at UC Irvine for several years, ... and has proved effective in faculty retention.” *A priori*, we do not understand why this would be true even if it were. Worse, we have been told that UC Irvine actually suffers from retention problems.<sup>‡‡</sup> It is unfortunate—and rather unscientific—that the Taskforce did not compare retention rates at UCI with those at the other UC campuses.

As noted above, because Step 2 of the Taskforce’s salary plan significantly increases the costs of retention, it should lead to fewer successful retention cases. For that reason it could lead to more successful poaching of Berkeley faculty by our rivals: given the costs of generating outside offers, rival institutions are more likely to hunt, all else equal, where they think their chances of success will be greatest. In short, adoption of the Taskforce’s plan could lead to Berkeley losing more of its stars.

**Section summary:** Although the Taskforce memorandum claims a benefit of the new pay plan would be to improve faculty retention issues, both logic and actual experience indicate that just the opposite is more likely true.

### **A Means (Questionable) to Keep UC Faculty Salaries Competitive**

One of the principal goals of the new salary program is to keep UC faculty salaries competitive with those at relevant peer institutions. The way this would work is through Step 2 of the plan: Every competitive recruitment and retention case would raise the average salary at the candidate’s rank and step. Specifically, if she receives  $\Delta$  more in salary than is average for her rank and step, then the pay level for that rank and step increases by  $\Delta/N$ ,  $N$  the number of faculty

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<sup>‡‡</sup> Conversations that Division Chair Jacobsen had with UCI colleagues indicate that UCI has a retention problem in the sciences. In a conversation with BC Chair Hermalin, Senate Chair (systemwide) Anderson confirmed that retention was an issue across the campus at Irvine.

currently at that rank and step. Faculty subsequently advanced to that rank and step would obtain a greater salary (see page 3 of Appendix B for details). In this way, UC salaries would increase somewhat to reflect market.

Although this effect will tend to raise UC salaries, observe that division by  $N$  means the effect is somewhat limited if there are a large number of faculty at the candidate's rank and step. (For example, if  $N = 30$ , then the long-run effect of a  $\Delta$  of \$20,000 is a \$1,000 salary increase for each individual advancing to that rank and step.) Of course, if there are lots of competitive recruitments and retentions at a particular rank and step, then the increase in the salaries of others advancing to that rank and step will be larger.

A serious concern about this mechanism is that it is likely self-defeating. As discussed above, because this mechanism roughly doubles the cost of recruitment and retention, it will in all likelihood lead to either less recruitment and retention, or to a gaming of the system by which recruits and retained faculty are brought in at or advanced to higher ranks and steps to keep their high salaries from having much of an effect on the relevant averages. In short, a mechanism that seeks to operate under the principle that a rising tide raises all boats simultaneously provides incentives to build a dam to keep the tide from coming in. Moreover, to the extent that cost concerns cause a campus to lose retention cases involving its high fliers—people whose salaries are already above average—there is a danger that the mechanism can actually serve to drive down salaries as water flows out of the harbor.

As with the issue of generally increasing salaries, there are other mechanisms available; moreover, these mechanisms are more direct and do not have the negative features of the Taskforce's recommended plan. Two such mechanisms are the use of targeted decoupling initiatives (TDIs) and efforts to provide discipline-specific, market-based salary adjustments at the time of promotion.<sup>§§</sup>

**Section summary:** Although it is advertised as a way to keep UC faculty salaries competitive, the Taskforce's recommended salary plan is a very indirect way of doing so. Its ability to do so—even assuming no negative feedback loop in terms of reduced recruitment or retention or gaming of the step system—seems modest. Once feedback is taken into account, the prospects for the Taskforce's plan to enhance the competitiveness of UC salaries become even dimmer. Furthermore, we reiterate that the Taskforce's plan is not the only possible answer: in particular, use of TDIs and market-based adjustments at time of promotion would serve the same purpose, more directly and with fewer side effects.

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<sup>§§</sup> Currently, Berkeley has just one promotion market-based salary adjustment, done at the time of promotion to Associate Professor (tenure). The administration and Budget Committee have expressed an interest in having a similar program at time of promotion to Professor, should funds become available.

## A Means to Undo the Loyalty Penalty

Another claimed benefit of the Taskforce's recommended salary plan is that it will address the "loyalty penalty," (see page 6 of the Taskforce's memorandum); that is, the tendency of long-serving faculty at UC campuses to get lower salaries than newly hired faculty of comparable, or even lesser, achievement.

To the extent long-serving faculty have lower salaries than more recently hired faculty *at the same rank and step*, then they will indeed see an increase in their salaries in the short run under the Taskforce's plan. Note, however, that the plan will do nothing to address salary inversion by age or step. That is, if the new, highly paid faculty are at a lower rank and step, their high salaries will have no effect on the salaries of long-serving faculty.

The *long-run* benefits of the proposed salary plan *vis-à-vis* the loyalty penalty are questionable. Data made available to us by Vice Provost Broughton show that the probability of becoming a retention case drops steadily with age after 35.<sup>\*\*\*</sup> If Berkeley's own hiring shows a similar age pattern, then recruitment and retention at the upper levels of the professoriat will be relatively rare and, thus, the influence of those actions on salaries at the upper steps of the professoriat minimal.

It is sometimes claimed that women suffer disproportionately from the loyalty penalty. The limited evidence available to us calls that claim into question, at least for the Berkeley campus: for the period 1998-2006, women faculty were 30% of all retention cases, while they were less than 25% of the total faculty (source of data: Vice Provost Broughton). Under-represented minorities were also disproportionately retention cases: for the same time period, nearly 10% of all retention cases involved members of under-represented minorities, while this segment made up little more than 6% of the faculty.

**Section summary:** The Taskforce's recommended salary plan could partially alleviate the loyalty penalty in the *short run* insofar as long-serving Berkeley faculty without recent retention actions (who are, thus, likely to have below average salaries for their rank and step) will see immediate raises. The Taskforce's plan is not, however, a long-run solution to the loyalty penalty. In neither the short nor long run is it a solution to issues of salary inversion by age and step. Finally, we again note that it is not the only possible remedy: TDI programs can and have sought to address the loyalty-penalty issue directly, again without the side effects of the Taskforce's plan.

## A Means to Improve Equity

Some of the issues considered previously already touch on matters of equity. One issue connected to equity is the salary dispersion within rank and step; specifically, if rank and step are

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<sup>\*\*\*</sup> The data concern Berkeley retention cases from academic years 1998-2006.



supposed to reflect achievement, then equity—at least by some definitions—suggests faculty at the same rank and step should earn similar salaries. Because the Taskforce’s recommended salary plan sets a floor for each faculty member’s salary at time of advancement or appointment to a given rank and step equal to the average at that rank and step, it must necessarily reduce salary dispersion within each rank and step. Consequently, it will improve equity.

Two questions arise: (i) how inequitable are current Berkeley salaries? And (ii) by how much would the Taskforce’s salary plan improve equity? In other words, how big is the problem and how much of a fix will the Taskforce’s salary plan provide?

A complete study of equity was beyond the capacity of this Committee. However, a limited exercise, while not definitive, does offer some sense of what the answers to those questions might be. The details of our analysis may be found in Appendix C. For data, we took all Professors in the Divisions of Arts and Humanities and Social Sciences (with the exception of Economics, which has a different pay scale) at Steps III through IV.5. The rationale for choosing this group is given in Appendix C. For each step, various measures of inequality were constructed using actual salaries and also under the assumption that those with salaries below the average would have them raised to the average. Three measures were calculated: the coefficient of variation (CV), the inter-quartile range divided by the median (a “robust” variant of CV—call it RCV), and a Gini coefficient. For all these measures, a higher score means greater *inequality*. Across the four steps, using actual data, the CV varied between 10% and 24%; RCV between 9% and 24%; and the Gini coefficient between .06 and .12. To provide a sense of magnitudes, the OECD iLibrary reports a CV for US income of 90% and a Gini coefficient of .38. For Sweden, these numbers are 80% and .23. Across the four steps, raising all salaries below average to the average, the CV varied between 6% and 16%; RCV between 1% and 8%; and the Gini coefficient between .03 and .07.

It is doubtless open to debate as to what constitutes an unacceptable level of inequality within rank and step and how valuable the reductions in that inequality described above are. That said, given the various competing goals that the campus faces—including preserving and enhancing the quality of its faculty—we are unconvinced that these equity gains trump the significant costs that the Taskforce’s proposal would impose.

Finally, we again note that the proposed pay system is not the only way to address inequality: TDIs are another proven way to address it.

**Section summary:** The Taskforce’s proposed salary plan would reduce inequity in salaries with any given rank and step. Although a legitimate concern, a partial analysis of the situation at Berkeley suggests that such salary inequality is not especially great. Moreover, the Taskforce’s plan does not seem as if it would reduce that inequality dramatically. Finally, alternative methods exist to address inequality, such as the use of TDIs.

## ***Final Remarks***

After careful review and discussion, the Committee has concluded that the new salary program set forth in the Taskforce memorandum is a bad plan. It is very costly and the costs—claims of its proponents notwithstanding—will be borne in large part, if not entirely, by the campuses. In contrast, the benefits it delivers, at least for the Berkeley campus, are relatively small and no greater than those provided by existing, less expensive programs. Whatever new funding may exist to fund the Taskforce’s plan could be better spent—if only to expand existing salary programs such as market-based salary adjustments at time of promotion and targeted decoupling initiatives (TDIs).

It is not only that the costs of the proposed plan would outweigh its benefits that make us recommend against it. The proposed plan would also generate a number of distortions that would jeopardize the quality of UC Berkeley, demoralize its faculty, or both. It would—on average—give greater pay increases to our less-accomplished faculty than to our more-accomplished faculty, with the latter group possibly facing small to no pay increases in the short term. It would likely mean the end of existing salary programs, which would represent broken promises. Finally, it would mean either Berkeley would be seriously disadvantaged in terms of recruitment and retention because the costs of those activities would roughly double, or, as a means of evading those costs, Berkeley would be forced to “game” the rank and step system so that rank and step came to reflect market salary more than merit.

For all these reasons, our recommendation is that the Senate resist as fully as possible the adoption of the Taskforce’s recommended salary plan. Should that prove a losing battle, then the line of retreat should be to allowing campuses to opt out of it. The final line should be that Berkeley be allowed to opt out of the Step 2 provision, which is the most pernicious and harmful feature of the plan.

Benjamin E. Hermalin, Chair  
Committee on Budget and Interdepartmental  
Relations

BEH/mg



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April 20, 2012

**ROBERT ANDERSON, CHAIR**

University of California  
Academic Council  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, CA 94607

**Re: UC Wide-Review: Faculty Salaries Task Force Report**

The report was forwarded to all Davis Division of the Academic Senate standing committees and Faculty Executive Committees within the schools and colleges for comment. Responses were received from the Committees on Affirmative Action & Diversity, Academic Personnel-Oversight, Faculty Welfare and Planning and Budget as well as Graduate Council.

The Davis Division of the Academic Senate continues to support the pursuit of competitive UC Faculty Salary Scales. In general, the Division supports the goals of the Faculty Salaries Task Force Report to strengthen UC's system of faculty remuneration. However, the report and its recommendations fall short of acknowledging that the UC Faculty Salary Scales are currently broken. As documented in the task force report, at all campuses, at all ranks, in all disciplines, the majority of faculty receives off-scale salaries. There are wide variations between departments, between campuses and between ranks as to the magnitude of these off-scales. The proposed 'fix' in the task force report makes no attempt to address the issue of the salary scale. In addition, the system-wide recommendations ignore differences between campuses and disciplines. Additionally, the report documents that the published salary schedule for UC faculty lags far behind the marketplace for faculty salaries at the best research institutions. UC Faculty Salary Scales must be restored in order to retain and hire the highest quality faculty; as well as maintain and develop research and teaching excellence.

There was some agreement that the report and its recommendations (if implemented) may positively address some of the Faculty Salary Scales issues.


Below are specific concerns or questions responses brought forward:

- The "loyalty penalty" discussed in the report may be an especially salient problem for women and minorities as well as an issue of concern for a large percentage of the faculty. While this is not a new issue, its resolution remains elusive.
- UC must consider the question of how the costs associated with these increases in pay for ladder faculty might affect the pay scales of other faculty at the university.
- It appears the Joint Senate/Administration task force did not investigate whether the salary is the main component responsible for faculty retention problems at UC, or whether climate or other factors also play a role. This is an issue that deserves study to ensure methods employed for resolution are effective and meaningful.
- The Committee on Academic Personnel-Oversight observed that the recommendations would increase equity in faculty salaries which would at least slightly decrease the case-load of accelerations and equity reviews.
- It is possible the recommendation may set salary targets by identifying either the salary median or mean of colleagues at the same rank and step. Or, perhaps the task force's recommendations ignore differences between campuses and disciplines. However, the lack of clarity is a problem and the issue is of sufficient significance that we believe it deserves greater clarity in revealing how these cohorts would be determined. For instance: What characteristics, exactly, do colleagues share? Do they have to be in the same college, department, or discipline? The answers to these questions are not self-evident. Small changes in definition could have large outcomes when one proposal throws a wide net to include colleagues across

the entire UC system and the other proposal narrows the target cohort to the mean salary for faculty in similar positions on one's own campus.

- There is concern about the prospect that salaries at different campuses would be allowed to diverge over time. UC Davis would suffer because this campus currently offers the lowest proportion of off-scale salaries in the UC system. The adoption of a single UC-wide salary target for faculty at a comparable rank and step would resolve this inequity.
- Graduate Council pointed out that in comparison to peer institutions, specifically to other UC campuses, there must be some level of equity in salary scale across faculty ranks at UC Davis that is strongly correlated to dedication to graduate training in and outside the classroom.

Sincerely,

A handwritten signature in cursive script that reads "Linda F. Bisson". The signature is written in black ink and is positioned above the typed name.

Linda F. Bisson, Chair  
Davis Division of the Academic Senate  
Professor: Viticulture and Enology



Office of the Academic Senate  
307 Aldrich Hall  
Irvine, CA 92697-1325  
(949) 824-2215 FAX

April 11, 2012

Robert Anderson, Chair, Academic Council  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, CA 94607-5200

**RE: SYSTEMWIDE REVIEW OF FACULTY SALARIES TASK FORCE REPORT**

At its meeting of April 3, 2012, the Irvine Division Academic Senate reviewed the Joint Senate-Administration Faculty Salaries Task Force report. The following comments were presented by the Council on Academic Personnel (CAP), the Council on Faculty Welfare, Diversity and Academic Freedom (CFW), and the Council on Planning and Budget (CPB).

**Council on Academic Personnel (CAP)**

To preserve faculty quality, CAP supported the recommendations in the Taskforce Report notwithstanding the contributions to the UC Retirement Plan and funding from the State. In addition, CAP suggests that the new Taskforce on Professional School Salaries (recommendation #2) also address salaries of Economics faculty to provide consistent treatment across the UC campuses and in comparison to Economics faculty at other research universities.

**Council on Faculty Welfare, Diversity and Academic Freedom (CFW)**

Overall, UC needs parity with the "Comparison 8" universities. It has been estimated that UC is 15% below these peer institutions' compensation. Even if based on the President's plan a 3% annual increase for the next five years is accomplished, since those peer universities are also increasing their faculty salaries by more than 3%, we will not be able to match their salary scale. So the measures proposed by the task force appear to be too small to accomplish the final goal of having competitive faculty compensation.

There is an argument that, because of these recommendations, the salary for everyone at a specific rank and step will be pushed up due to the off-scale salaries (of some) and since these off-scale salaries reflect the market rate, everyone's salaries will reach the market rate. But, as a counter argument, only those who find their own market value by soliciting an offer from outside get the off-scale salary, and based on the task force recommendation, this is averaged over a large population within the same rank and step. Thus the net increase in salary for everyone does not reflect the actual market value. Unless a large percentage of faculty solicit

offers and demand off-scale salaries, current proposal is an extremely slow path towards market compensation.

Members were concerned that despite increases in salaries, take-home pay may decrease as UC employees are expected to pay more into the UC Retirement Plan and for their share of health insurance costs. There is also a concern that while an effort is being made to improve faculty salary, there is also a parallel push for reducing the health and retirement benefits. We urge that a sincere effort be made to improve the total compensation that includes salary, health, and retirement benefits.

In spite of these concerns, the CFW members agree that the proposed recommendations are the steps in the right direction. Comments on individual recommendations are below.

**Recommendation #1:** Maintain funding for merit actions based on existing merit and CAP review processes, such that faculty who advance to a new rank and/or step receive a new salary at least equal to the average of campus colleagues at the same rank and step.

- The UCI scale has been used at UCI for over five years. It has increased faculty salaries at a faster rate than the UC salary scale. Since Recommendation #1 proposes a similar plan for the other UC campuses, and CFW members agreed that it has been successful in increasing the competitiveness of UCI faculty salaries, CFW strongly supports this recommendation.

**Recommendation #2:** Appoint a follow-on task force to assess particular issues facing UC professional schools.

- No comments or objections were voiced about appointing a follow-on task force to assess issues relevant only to professional schools.

**Recommendation #3:** Contingent on funding, resume regular scale adjustments such that individual faculty salaries reach at least the median of University faculty at the same rank and step.

- This recommendation is a step in the right direction, but it is contingent on the availability of State funds for salary.
- It will leave the salaries of those at the median and below unaffected by the salaries of those at the top. If instead of “median”, if again “average” is used, it will be more useful.
- Since UCI salaries are above median, we believe that UCI may not be affected by this recommendation.

### **Council on Planning and Budget (CPB)**

CPB strongly endorsed the taskforce’s three recommendations. CPB agreed with both the principal observations of the taskforce regarding lagging faculty salaries and the general intent to eliminate the difference in faculty salaries between UC and the 8 comparison institutions.

CPB made the following additional recommendations, which it believes would strengthen the taskforce’s recommendations:

1. We recommend that salary discussions should focus on real, inflation-adjusted values; this approach will focus the discussion on the fact that salaries are being eroded in constant dollars. By our calculations, the “comparison-8” benchmark in real terms has been increasing at 1% per year. Hence much of the shortfall against this benchmark has been a result of lack of salary adjustment for inflation.
2. The taskforce split on their recommendation about the priority that should be given to salary scale adjustment, basically on whether or not it should be contingent on “availability of state funds for salary”. CPB unanimously recommends that salary scale adjustments should, even without additional state funds, compensate for cost-of-living increases and bring each Division’s general campus faculty salary scale at each rank and step to the median among Divisions of their average salary. CPB also recommends additional increases to close the gap with the comparison-8 benchmark. The majority of CPB recommends making this a high budget priority, consistent with past Academic Senate recommendations.
3. With respect to the taskforce’s recommendation for a “step 2” scale reformulation, CPB unanimously supports the goal of closing the gap with the comparison-8 benchmark and sees the proposed step 2 as a feasible method to do so. CPB recommends that step 2 be revised so that it results in revisions to salary scales instead of continued widespread use of off-scale salaries. The majority of CPB would prefer a single UC salary scale that incorporates these adjustments, while a minority would accept campus-dependent salary scales.
4. The taskforce recommends iteratively adjusting salary scales to the system median at each rank and step for at least 3 years, and potentially for an additional 2 years pending a review of years 1-3. The majority of CPB recommends that the process be reevaluated, and potentially stopped, when the gap with the comparison-8 benchmark has been closed.

The Irvine Division appreciates the opportunity to comment.



Craig Martens, Senate Chair

C: Martha Kendall Winnacker, Executive Director, Academic Senate

April 19, 2012

Robert Anderson  
Chair, Academic Council

**Re: Faculty Salaries Taskforce Report**

Dear Bob,

The UCLA Academic Senate has completed its review of the Faculty Salaries Taskforce Report. The report was reviewed by the Faculty Welfare Committee, the Council on Planning and Budget, the Committee on Diversity and Equal Opportunity, and the Faculty Executive Committees of the College, the School of Engineering and Applied Science, and the Graduate School of Education & Information Studies. All other FECs and Senate Committees were welcome to opine at their discretion. Professor Thomas Rice also submitted an independent assessment of the proposal. All responses are attached. The Executive Board, which speaks for the division on such matters, reviewed the report and synthesized an assessment based on all responses, as well as an independent discussion. The Academic Senate at UCLA stands strongly opposed to the recommendations of the report.

Our Division believes that, given the extraordinary depth of our budget crisis, we cannot and should not reify faculty salaries as the single most pressing budgetary issue for the system at this time. The University of California has long benefited by allowing maximum flexibility for each campus to respond to its local needs. Such a Systemwide approach, as outlined in the report, would inevitably hamstring the ability of campuses to set their own priorities. We believe that it is important to allow campuses the flexibility to invest in new faculty hires and temporary teaching funds, possibly at the expense of salary increases for existing faculty under some circumstances. The Task Force Report would deprive campuses of this necessary flexibility.

Moreover, and chief among our concerns, is that in the current financial climate, the plan simply is not feasible. Even the most optimistic state funding scenarios for the UC for the coming year rely on the qualification of a ballot measure for the November election which must then be approved by the voters. Without the approval of the ballot measure, the UC faces an additional \$200,000,000 budget cut. It is clear to us that the funds for the proposal very likely do not exist, and its implementation would negatively impact an already stressed budget.

Although we are not in support of this report's recommendations, we do support a call for each Chancellor to address inequities that arise at a given campus. We also are concerned that productive members of the faculty who do not seek external offers suffer, in essence, a "loyalty penalty"—a lower wage than peers who did receive an external offer and whose salaries were adjusted as part of a retention package. We therefore ask the Council to call on Chancellors to ensure that "loyalty penalties" should be addressed at the campus.

Thank you for the opportunity to review and opine on this important matter. Please do not hesitate to contact me should you have any questions.

Sincerely,



Andrew Leuchter  
Chair, UCLA Academic Senate

Cc: Martha Winnacker, Executive Director, Academic Senate  
Jaime Balboa, Chief Administrative Officer, UCLA Academic Senate



# UCLA *Academic Senate*

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April 11, 2012

To: Andrew Leuchter  
Academic Senate, Chair

From: Joel Aberbach  
Faculty Welfare Committee, Chair

Re: Faculty Salaries Task Force Report

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The University Faculty Welfare Committee discussed the Senate-Administration Task-force report at its March 9 meeting in Oakland. Advocates of the report defended it as a proposal that would reward loyalty to UC, restore the integrity of the step system, and give faculty a greater say (though I'm not sure how) in setting salaries. Opponents were particularly concerned about the "unfunded" mandate aspects of the proposal and, in the case of Berkeley in particular, there was talk of a joint Senate-Administration document that would request an exemption for the Berkeley campus. (We later received a copy of the letter. I refer to it below.)

The UCLA Faculty Welfare Committee discussed the report on March 13. I think it fair to say that there was little enthusiasm for the task-force proposals.

One concern expressed was that recruitment would suffer, with people originally brought in off-scale pushed back over time towards whatever scale is established. The unintended consequence might well be even greater incentive for faculty to seek outside offers than exists now.

A second concern was the cost of the proposals. It was felt that the major expenditures required might stress faculty salary budgets, directing funds inefficiently and leaving inadequate funds for necessary recruitment and retention expenditures.

A related concern (in an email from a committee member) focused on the disciplinary differences found in the market for faculty members.

Like the Berkeley letter, this member stressed the discipline-relative compensation -- rather than average at each rank and step, the focus of the task-force report -- that is a reality in the world of faculty compensation.

The Berkeley letter also stressed factors unique to that campus. A goal of the task-force proposals is to bring salary scale adjustments in line with the median system-wide

average at each rank and step. That may be a laudable goal, but the fact is that campuses differ in many ways, including local cost of living and recruitment and retention expenses. Uniformity in a system as diverse as UC is probably not a particularly efficient or effective way to operate. And it might especially damage UCLA, which has put significant resources into faculty salary. (See Figure 5 on page 9 of the task-force report. UCLA's mean off-scale increment is quite a bit higher than the campus in second place.)

In brief, the task-force proposals do not seem particularly well-suited to a campus like ours. We all want salaries to go up and to meet or exceed the markets within which we operate, but we question whether the proposals in the document under review are the best way to proceed.

Cc: Jaime Balboa, Chief Administrative Officer, Academic Senate  
Dottie Ayer, Assistant to Chief Administrative Officer, Academic Senate  
Brandie Henderson, Policy Analyst, Academic Senate

# UCLA *Academic Senate, Council on Planning and Budget*

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April 9, 2012

Professor Andy Leuchter  
Chair, UCLA Academic Senate

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**Re: CPB Statement on Faculty Salaries Task Force Report**

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Dear Professor Leuchter,

The Faculty Salary Task Force proposes a two part increase in salaries for only lower paid ladder faculty: Step 1 would raise all lower paid faculty up to the median salary for their rank and step, regardless of campus or discipline; Step 2 would then make a similar adjustment on each campus, without regard to discipline. Implementing this proposal over two years would cost an estimated 61.5 million dollars. UCLA's Council on Planning and Budget does not support either part of this proposal.

The University of California does need to offer competitive faculty salaries but this proposal would devote all new state support for salaries to just one of a range of legitimate faculty compensation issues facing the University. In fact, by only the very most optimistic scenario\* for increased state support would UC have new state funding for faculty salaries of this magnitude in the next two years. Even if these funds were available, implementing the Task Force proposal would mean devoting ALL available new resources to improving salaries for faculty members with below average salaries, regardless of merit. No new funds would be available for merit increases, retention and recruitment, rising benefit costs, or for non-ladder faculty. Such across the system salary augmentations do not take into account campus variations according to local cost-of-living or campus academic marketplace situations. Nor do they take into account the substantial variations by academic discipline. The proposal treats a few professional fields separately, but for the most part the proposed increases are by rank and step without regard to field. This is another reason why we see this proposal as a crude and largely ineffective tool to meet the University's need to recruit and retain the very best faculty it can. One can argue the fairness of raising salaries for only the lower-paid half of the ladder faculty; we think it is beyond serious dispute that it would be terrible policy in this great but financially vulnerable research university system to ignore the upper half of the faculty.

The majority recommendation of the Task Force is that full implementation of their proposal should be contingent on receiving the requisite new State funds. But the Office of the President imposed a thirty million dollar unfunded salary mandate on all campuses this year; we fear the same thing could happen again. Mandating the full proposal without additional funds would, ironically, devastate the budgets of precisely those campuses struggling most financially, without improving their ability to attract and retain the best faculty. Even mandating just the second recommendation would severely challenge all campuses, obliging them to re-direct funds that could otherwise support the merit peer review system. We are sympathetic to faculty on campuses where salaries have fallen below market levels and we urge the chancellors of

those campuses to devote new resources to compensation in a way that maximizes faculty retention and morale on their campuses. If the "Re-benching" plan currently being drafted is in fact implemented as University policy, then it will provide needy campuses with substantial new state funding over the next six years. In addition, under campus-based budgeting ("Funding Streams") all campuses can raise additional funds in fees, non-resident tuition, and other initiatives. Each campus has its specific needs for compensation and other purposes, and each should be allowed to make its own budget decisions.

The UCLA Council on Planning and Budget supports the University's merit review faculty compensation system, which provides regular opportunities to reward faculty members according to the judgments of their peers. We also recognize that the base salary scales by rank and step have fallen well behind the levels needed to attract and retain a first-rate faculty, which is why so few new hires come in at scale, regardless of campus rank or field. We are not sure what if anything should be done about the scales. But certainly devoting all available new resources to the single goal of raising the scales in order to increase the salaries of lower paid faculty is contrary to the principles underlying merit-driven compensation based on peer reviews. We are also mindful that campuses may have salary inequities associated with gender or years of service, but these issues should be dealt with directly where they exist, not by across-the-board salary increases to everyone below average in salary.

Regards,



David Lopez  
Chair, Council on Planning and Budget

cc: Linda Sarna, Vice Chair, Academic Senate  
Ann Karagozian, Immediate Past Chair, Academic Senate  
Jaime Balboa, Chief Administrative Officer, Academic Senate  
Linda Mohr, Assistant Chief Administrative Officer, Academic Senate  
Members of the Council on Planning and Budget

\*For months, the Office of the President has been in discussion with the Governor's staff about another possible multi-year concord between University and State. The current version includes about 30 million dollars per year for enhancement of faculty compensation. However, these discussions are still at the staff level, not approved by the Governor and not involving the Legislature. ANY such concord would be dependent upon voter approval of the tax initiative the Governor hopes to put on the November ballot.

**UCLA** *Academic Senate*

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April 12, 2012

To: Andrew Leuchter  
Academic Senate, Chair

From: Francisco Ramos-Gomez  
Committee on Diversity and Equal Opportunity, Chair

Re: Faculty Salaries Task Force Report

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The Committee on Diversity and Equal Opportunity reviewed the Faculty Salaries Task Force Report. A Committee supports the report and would like to acknowledge the following already made points (some members of the committee thought the rationale for recommendation (1) was not clear):

1. Maintain funding for merit actions based on existing merit and CAP review processes, to ensure that faculty who advance to a new rank and/or step receive a salary at least equal to the average of campus colleagues at the same rank and step;
2. appoint a follow-up task force to assess particular issues facing professional schools throughout the UC; and
3. contingent on funding, resume regular scale adjustments in order to ensure that individual faculty salaries reach at least the median of University faculty at the same rank and step.


Cc: Jaime Balboa, Chief Administrative Officer, Academic Senate  
Dottie Ayer, Assistant to Chief Administrative Officer, Academic Senate  
Brandie Henderson, Policy Analyst, Academic Senate

# UCLA MEMORANDUM

College Faculty Executive Committee  
A265 Murphy Hall

April 12, 2012

To: Andrew Leuchter, Chair  
Academic Senate

From: Michael Meranze, Chair   
UCLA College Faculty Executive Committee

**Re: College FEC response to Senate-Administration Taskforce on Faculty Salaries**

The FEC would like to thank you for the opportunity to opine on the report of Senate-Administration Taskforce on Faculty Salaries. We discussed the proposal at our March 16, 2012 meeting and on April 6, 2012, a formal vote to endorse the comments of this letter was conducted electronically (11 approve, 1 oppose, 0 abstain).

The Committee recognizes that the taskforce report addresses genuine and significant issues of equity and collegiality. The FEC is convinced that the system of salary scales linked to peer review is a fundamental characteristic of the University of California system and that the widespread, and increasing, use of off-scale salaries (often negotiated in private) threatens to undermine that system. The FEC also recognizes that there are historical inconsistencies in the ways that the salary scales have been applied at different campuses and thinks that these inconsistencies should be overcome in a thoughtful manner.

The FEC, however, cannot endorse the taskforce recommendations:

1. The overwhelming majority of the FEC thinks that the system proposals within the taskforce report are too mechanistic. The report takes away from campuses the ability to provide for Faculty recruitment and retention in a more nuanced fashion. Insisting on a singular focus on salaries without examining the different costs and benefits at different campuses strikes the Committee as a recipe for rigidity. To evaluate effectively the different salary regimes would entail an examination of relative cost of living, the different strategies campuses have employed historically (e.g. have they provided affordable housing or not, research and teaching support, etc) and would have an unpredictable effect on different campuses. All of these issues make the Committee skeptical about the wisdom of mandating a particular strategy of normalizing salaries rather than the gradual raising of salaries through range adjustments.
2. The FEC is not convinced that the question of Faculty salaries is the most pressing issue at this point in time. Leaving aside the larger politics of the issue, faculty working conditions and morale are affected by issues beyond the simple fact of salary. Of great concern to the FEC is the decline in numbers of Senate faculty and departmental staff. Whereas we do not think that faculty salaries are driving these declines (the sources originate elsewhere) we

also do not consider that raising faculty salaries should take priority over these other needs whether or not increasing state funds are forthcoming.

3. We were also struck by the lack of clarity in the notion of “state funds.” At a point in time when non-resident tuition may lead to a reduction in state funding for the University and when the state auditor has classified student tuition as a source of public funding we are unclear exactly what is meant here by state funds, what its relationship to the new funding streams model is, and how this ambiguity might affect different campuses. Given this lack of clarity it is extremely difficult to support the notion that new “state” funds should be directed towards the proposals of the taskforce report.
4. The FEC was more split on the recommendations internal to each campus. While we acknowledge the realities of multiple markets within campuses, not all members were persuaded that the demands of different markets necessarily needed to be met. Just as faculty remain skeptical about the transfer of a market based CEO model to Senior Administrative salaries, not all members think that because some disciplines and departments are able to classify their markets in extra-academic terms that accepting these proffers is necessary for Campus success. Moreover, the FEC agrees with the taskforce that a systematic effort must be undertaken on campuses to overcome the so-called “loyalty penalty” as well as the other inequities that have worked to increase inequality within faculty ranks. But again, we favor campus-based solutions to these Campus issues.

For these reasons the Committee cannot support the taskforce recommendations. But in recognition of the reality of the problems that they are seeking to address we suggest the following minimum steps be taken:

1. Each Campus Administration should be enjoined to prepare concrete plans for addressing the “loyalty penalty” as well as other inequities (e.g. gender, race, or ethnicities). Campuses should also undertake a review and reconsideration of the cross-campus structures of differential pay practices in order to see if they are in fact justifiable in the present situation of the University. These plans and reports should be transparent and open to review. It is not sufficient for Campus administrations to assure Faculty (and staff for that matter) that they are working to alleviate problems. There should be some level of open accountability.
2. Campuses should institute regularized reviews (or include a review alongside a normal merit review at regular intervals) for individuals who may suffer from the “loyalty penalty.” These reviews should be done at regular intervals to ensure that a “loyalty” cycle is not restarted periodically. We also recognize that these reviews should be holistic, so that if individuals have received benefits in lieu of salary these may be taken into consideration.
3. UCOP should provide the funding necessary to take the steps to rectify the loyalty penalty on an individual basis. Each campus will, of course, face different challenges in this regard and therefore will need to negotiate with the President’s office to fund their individual strategies. But these strategies should not compel campuses to reduce faculty nor should it increase inequalities within or between campuses.
4. UCOP and the Senate should begin a process that would enable the return to meaningful salary range adjustments and the reduction of a reliance on off-scale salaries when it is reasonable to do so.

We appreciate the consultative process and are available should you wish to discuss the concerns raised in this letter. In the meantime, you are welcome to contact me at [meranze@history.ucla.edu](mailto:meranze@history.ucla.edu) with questions. Kyle Stewart McJunkin, Academic Administrator, is also available to assist you and he can be reached at (310) 825-3223 or [kmcjunkin@college.ucla.edu](mailto:kmcjunkin@college.ucla.edu).

cc: Jaime Balboa, Chief Administrative Officer, Academic Senate  
Lucy Blackmar, Assistant Vice Provost, Undergraduate Education Initiatives



**From:** Laub, Alan

**Sent:** Thursday, April 12, 2012 4:43 PM

**To:** Balboa, Jaime; Leuchter, Andrew F.

**Subject:** Comment on Faculty Salaries Taskforce Report (Feb. 2012)

Dear Jaime and Andrew,

I have only a few short comments on the Senate-Administration Taskforce on Faculty Salaries Report.

While I applaud the efforts of the Taskforce to address this important issue, the report seems to suffer too many undefined or vague terms to be of maximal value. If this is an attempt to address cost-of-living, after several years of 0% increases, why not keep it simple and propose an across-the-board increase of x% for cost-of-living? Why cloud the matter by restricting it to "meritorious faculty"? That raises too many other issues. In a related vein, the terms "average salary" and "median salary" are far too vague to be useful. I could raise dozens of obvious questions about their definitions. Finally, the report also seeks methods to effect a return to onscale salaries, or at least to reduce the rampant use of offscale increments. I applaud this, but such an attempt needs a much deeper study. And, sadly, this issue probably needs a much more positive fiscal climate than that which currently exists.

Cheers,  
Alan

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Graduate School of Education & Information Studies  
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(310) 794-5431

April 9, 2012

Andrew Leuchter  
Chair, UCLA Academic Senate

Dear Andrew,

I write on behalf of the Faculty Executive Committee of the Graduate School of Education & Information Studies in response to the recommendations made in the UC Salary Task Force Report of February, 2012. Please forward this memo to any and all relevant parties, including Academic Council Chair Bob Anderson and Executive Director Martha Winnaker.

We appreciate the significant work put into the report by the task force and agree that UC salaries require improvement for the many reasons discussed in the report. We recognize the high percentage of off-scale salaries among the faculty is a problem that should be addressed in any solution to salary issues, and we agree that even in the current budget climate the University should do everything in its power to improve salaries and develop salary scales more closely aligned with actual practice.

The Salary Task Force offers three recommendations. Recommendation 1 is that upon advancement to a new rank and/or step faculty move, at minimum, to the average salary of those faculty on their campus that the same rank and step. Recommendation 2 is that UCOP should convene a special task force to review issues pertaining to professional schools. Recommendation 3 is that regular salary scale adjustments be restarted, with each scale being set to the median salary at each rank/step across the UC system.

Our consideration of the Task Force report raised a number of questions and issues not adequately addressed in the report. Consequently, we cannot support these recommendations. Our concerns are focused mostly on the first and third recommendations.

First, while the use of off-scale salaries is thoroughly documented in the report and is used as the primary rationale for recommendation 3, it is not clear that the proposed policy will affect off-scale use, nor does the report itself provide any analysis to make the case that off-scale use would decrease under these proposals. Further, the recommendations do not provide any real mechanism for returning to scale, in that there are no mechanisms for directly decreasing the use of off-scale adjustments. The report assumes off-scale adjustments in dollar amounts, but not percentages, while when we look at equity concerns as they relate to off-scale use we look

percentage off-scale. This is not accounted for in the analysis or recommendations of the Task Force report.

Second, recommendation 1 appears to be intended to address inequities in salary between disciplines and campuses. The fact that some faculty earn more than others has not been shown in this analysis to be inherently inequitable, however, especially in light of Recommendation 2 which seems to accept a basic inequity between professional schools and the general campus. It is not clear from the report where inequities lie nor how the proposed policies will address them. Third, the task force report does not address why this plan is the best one to address the problems related to salaries, recruitment, and retention. What other plans were considered and why were they rejected? Why not return to range adjustments as we did in the past? What other strategies are there for increasing salary scales that do not cost so much money? Given that the report presents very little analysis of how these policies would actually reduce off-scale use or reduce perceived salary inequities, the lack of alternatives is a serious limitation.

Finally, and perhaps most importantly, where is the money for these policies going to come from? If there are not state funds, what should be the priority of this policy? We need an analysis of the cost trade-offs of treating faculty salary as a priority over staff cuts, hiring, and other costs vital to our mission. For example, there should be more discussion of UCRP costs in this proposed policy. It seems like this policy would extend or accelerate early retirement and other strategies currently being used to cut costs, not necessarily to the university's advantage.

In sum, we cannot endorse the policy proposals contained in the Task Force report without further analysis of the issues raised above. Of course we all would like our own and our colleagues' salaries to improve, both now and for the long term. We fully agree that improved salaries are key to recruiting and retaining the best faculty for the University. We urge a deeper analysis of the ramifications of this proposed policy, and the consideration of possible alternatives to these recommendations. At the very least, we would like to see a more compelling argument to justify these proposals, with specific mechanisms to show they will address the issues they claim to address.

Sincerely,

A handwritten signature in black ink that reads "William A. Sandoval". The signature is written in a cursive, flowing style.

William A. Sandoval, Ph.D.

Associate Professor, Psychological Studies in Education

2011-12 Faculty Chair, Graduate School of Education & Information Studies



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To: Robert Anderson, Chair, Academic Senate  
From: Tom Rice, Professor, UCLA School of Public Health  
Subject: Comments on Senate-Administration Taskforce on Faculty Salaries  
Date: April 9, 2012  
cc: Provost Lawrence Pitts, Members of the Taskforce

I am writing to provide my comments on the Taskforce recommendations on long-term faculty salaries. I believe that this proposal is severely flawed; will result in both a misallocation and waste of tens of millions of dollars; and will fail in one of its chief goals: to make the U.C. faculty salaries competitive.

The proposal ignores that fact that the national market for faculty is based on disciplines. Moreover, it further ignores that the faculty at the 10 campuses may also be in different submarkets as a result of their training, experience, and productivity. Finally, it will lead to a spiraling of faculty salaries that completely ignores other campus priorities.

With respect to the first point, having a common pay scale for faculty in different job markets does not consider the realities of academic employment. Suppose there are three departments, and at a particular average rank and step, the average salaries are:

Mathematics: \$120,000  
Sociology: 100,000  
Music: 80,000

By setting the salary scale at the median, it means that the music professor will get a \$20,000 raise in spite of the fact that there is no objective evidence that he or she is underpaid. Rather than (for lack of a better word) overpaying the music professor, the monies should instead be used for other campus priorities – including meeting retention offers for our most sought-after faculty.

The same logic applies to having a common scale across campuses. We had that before and market forces did not allow it to persist. It is a mistake to return to such a failed system. What do we gain by fooling ourselves that a typical faculty member in, say, the English department at Berkeley – ranked no. 1 in the United States by U.S. News – is of the exact same quality as one from many of the other campuses. If one assumes that, we have the same problem as just noted: the non-Berkeley faculty member would be paid more than his or her market value, and the Berkeley faculty member, ultimately less, since aggregate resources are limited.

The spiraling of salaries also needs to be addressed. Mathematically, when you bring everyone from the bottom half up to the median, you raise the median and over time you raise salaries inexorably in steps that gradually approach the highest current salary, for no other reason than purported equity. But is it really equitable to pay the exact amount for a faculty member who is at the top of his or her game and therefore actively sought by other top-notch universities compared to one who is doing a moderately good job? That is not equitable by my standard, but more importantly, it focuses resources on those who are not at risk of being recruited elsewhere. It is naïve to think that we can have the massive salary redistribution being called for in the proposal and still have sufficient monies to do everything we can do recruit and retain the best faculty.

In short, the proposal is an example of wrong-headed notions of equity gone amok, leading to a wasteful, massive reallocation of resources that will greatly hinder U.C. from having the best faculty it can afford, while at the same time taking away resources from other critical needs. It also rewards the average at the expense of excellence. While I do believe that more resources must be put into faculty salaries, the current system – where each campus chooses its own priorities – is far more effective than what is being proposed. The Taskforce proposal has the potential to badly damage the quality of our system.

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OFFICE OF THE ACADEMIC SENATE  
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April 16, 2012

## ACADEMIC COUNCIL CHAIR ROBERT ANDERSON

### RE: REPORT of the FACULTY SALARIES TASK FORCE

The Senate-Administration Report on Faculty Salaries was sent for review to the Committee on Academic Personnel (CAP), the Committee on Academic Planning and Resource Allocation (CAPRA), and Committee on Faculty Welfare (FW). All three committees responded (see attached memos), and there was a lively conversation in the Divisional Council on the proposal.

The three committees, as well as the Divisional Council, were broadly supportive of the Task Force Report. We think that raising the scales will make an important contribution to recruitment and retention, and will also be good for public relations. Some concerns were expressed, however.

1. It is important that both Step 1 and Step 2 be implemented; otherwise it is likely that many faculty will see limited benefit.
2. In the context of the campus budget, state funds to help support this are vital.
3. All committees shared the view of the Task Force that off scales were important tools for retention and recruitment.
4. Faculty Welfare reminded us of the importance of total compensation, and was concerned that the salary adjustments proposed by the Task Force might still lead faculty to experience a decrease in their take-home pay as a result of the increasing contributions for UCRP.

In short, while we are broadly supportive of the task force report, the importance of state funding means that there are concerns about equity should the report be only partially implemented.

Sincerely,

A handwritten signature in cursive script that reads "Susan Amussen".

Susan Amussen  
Chair

cc: Divisional Council

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ACADEMIC SENATE, MERCED DIVISION  
COMMITTEE ON ACADEMIC PERSONNEL (CAP)  
JAN WALLANDER, CHAIR  
jwallander@ucmerced.edu

UNIVERSITY OF CALIFORNIA, MERCED  
5200 NORTH LAKE ROAD  
MERCED, CA 95344  
(209) 228-7930; fax (209) 228-7955

**Date: March 23, 2012**

**To: Susan Amussen, Chair, Division Council (DivCo)**

**From: Jan Wallander, Chair, Committee on Academic Personnel (CAP)**

**Re: Report of the Faculty Salaries Task Force**

CAP discussed the report of the joint Senate-Administration Faculty Salaries Task Force on 16 Mar. 2012. Members voiced general support for the recommendations from this Task Force regarding (1) commitment to the value of regular merit and CAP reviews; (2) when faculty advance to a new rank and/or step they move, at a minimum, to the average salary of their campus colleagues at the new rank and step; (3) a return to regular scale adjustments; and (4) that faculty salaries should be, at a minimum, at the median of University faculty at the same rank and step.

As was discussed by the Task Force, CAP members voiced concern that, if there is inadequate state funding, how these goals will be achieved and the reduced flexibility that campuses will experience if mandated to achieve these goals. This may result in the reduction, even removal, of programs. For example, on the Irvine campus monies from vacated faculty positions have been directed elsewhere on the campus, likely including the augmentation of faculty salaries. At least one program has been eliminated as a consequence. Nevertheless, CAP members with experience with the implementation of some of these recommendations at UC Irvine indicated that the result has been improved morale on the whole.

cc: CAP  
Senate Office

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OFFICE OF THE ACADEMIC SENATE  
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MERCED, CA 95311  
209) 228-7930; fax (209) 228-7955

**Date:** March 31, 2012

**To:** Susan Amussen, Chair, Division Council (DivCo)

**From:** Nella Van Dyke, Chair, Committee on Academic Planning and Resource Allocation (CAPRA)

**Re:** Report of the Faculty Salaries Task Force

---

CAPRA agrees with the overall goals and recommendations of the task force, the primary being that faculty salaries must remain competitive and that the University should maintain its commitment to merit raises. The committee also supports an increase in base salaries and is generally amenable to the task force's recommended process for doing so. CAPRA suggests that in some cases, e.g., to reward excellence or to retain faculty, the Merced administration should avoid reducing faculty members' off-scale salaries when the bases are adjusted.

cc: DivCo  
CAPRA



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FACULTY WELFARE COMMITTEE  
SEAN MALLOY, CHAIR  
[smalloy@ucmerced.edu](mailto:smalloy@ucmerced.edu)

UNIVERSITY OF CALIFORNIA, MERCED  
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March 23, 2012

**TO: ACADEMIC SENATE CHAIR SUSAN AMUSSEN**

**FROM: FACULTY WELFARE COMMITTEE**

**RE: FACULTY SALARIES TASK FORCE REPORT**

---

Faculty Welfare welcomes the attempt by the joint Senate-Administrative Faculty Salaries Task Force to address the persistent problem of lagging and uncompetitive salaries for UC faculty. The multi-step process outlined in this report is not as simple or transparent as a simple salary-scale adjustment to bring UC faculty back to something approaching market rates, but we acknowledge the challenge of dealing with the complicated system of on- and off-scale salaries across the nine general campuses of the system. However, while we support the Task Force's efforts to find a practical method for bolstering faculty pay, we urge that the focus on salaries not detract from the importance of benefits as part our total remuneration.

The relatively modest salary increase that most UC faculty would experience under the program outlined in this report are likely to be almost completely offset by rising employee contributions to UCRP combined with likely increases in health care costs and normal inflation within the next several years. If dramatic action is not taken to shore up both faculty salaries *and* secure our benefits package then we are almost certain to see our total remuneration continue to fall even further behind that of our nearest comparators. Any solution that aims to ensure the continuing excellence of the University of California *must* address the issue of competitive total remuneration. The Faculty Salaries Task Force Report is a welcome first step, but we urge continuing attention to the issue of both salaries and benefits as part of an overall package that ensure our ability to attract (and retain) the best and brightest to the UC system.

Sincerely,

Sean Malloy, Chair  
Anna V. Song, SSHA, Faculty Welfare Vice Chair  
Lilian Davila, ENG  
Marcos Garcia-Ojeda, SNS



CHAIR, ACADEMIC SENATE  
RIVERSIDE DIVISION  
UNIVERSITY OFFICE BUILDING, RM 225

MARY GAUVAIN  
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SENATE@UCR.EDU

April 19, 2012

Robert Anderson  
Professor of Economics and Mathematics  
UC Systemwide Academic Senate  
1111 Franklin Street, 12th Floor  
Oakland, CA 94607

Dear Bob,

Five standing Senate committees on our campus, Academic Personnel, Faculty Welfare, Planning and Budget, Research, and Diversity and Equal Opportunity, as well as the Executive Committees of our Colleges (Humanities, Arts, and Social Sciences; Natural and Agricultural Sciences; Business Administration, Graduate School of Education and Engineering) commented on the Report of Joint Senate-Administration Faculty Salaries Task Force. In addition, the Executive Council of the Division discussed the report. Here I summarize the comments and the individual responses are attached to my letter. The Executive Council discussion reflected these comments.

#### **Committee on Academic Personnel (CAP)**

- CAP endorses the proposed plan, but the committee raises cautions about the need for vigilance and progress in maintaining and strengthening the systemwide salary scale. CAP suggests initiating the plan on individual campuses to address within campus disparities, and then equalizing between campuses as soon as the plan is in place so as to reduce inequality across the system.

#### **Faculty Welfare (FW)**

- FW also endorses the plan and the committee is encouraged that the plan has been successful at UCI. The committee also offers one important caution and I quote, "The administration must be reasonably confident that financial resources will be present to sustain implementation of the policy, lest another blow be struck at faculty morale."

#### **Planning and Budget (P&B)**

- P&B was less enthusiastic and prefers a systemwide revision to the salary scale to make it more competitive with our comparison institutions. Given the current budget climate, such action is unlikely to occur, so P&B sees the plan as a viable alternative. Again, a caution flag was raised, similar to that expressed by CAP, regarding the difficulty of this plan for addressing longstanding salary disparities on the individual campuses and across the system.

#### **Committee on Diversity and Equal Opportunity (CODEO)**

- CODEO requests greater clarity on how this plan will impact the university's commitment to diversity and equal opportunity.

### Committee on Research (COR)

- COR is concerned that the potential effects of the plan have not been fully evaluated and it urges that a more detailed report in this regard be provided. Of particular concern is that (a) the plan will eliminate the use of the Comp8 process and (b) current salary discrepancies across the UC campuses will become the norm. More specifically, the committee asks for more explanation about what is wrong with the current policy of measuring UC faculty salaries relative to the Comp8. The committee comments that the Comp8 policy could be used to meet the same goals that are identified in the proposed plan. The committee was also concerned that the administration, via its negotiations in hiring and retention decisions, would be increasingly in control of the salary scale itself. Although it is unclear if this is a problem, more attention to this matter seems warranted before the policy is adopted. Finally, the committee expresses concern that one consequence of the plan may be increasing salary differences across the campuses, which, as the committee points out, “represents a fundamental shift in University policy.”

### College Executive Committees

- *College of Humanities, Arts, and Social Sciences* has no objections to the plan.
- *College of Natural and Agricultural Sciences* did not review it as a committee; the Chair commented that the plan seems fair but expensive.
- *School of Business Administration* did not comment stating that the report lacked sufficient detail about the plan and contains little discussion of the implications of the plan.
- *College of Engineering* expressed concern that setting salaries based primarily on hiring and retention (step 1) has potential problems, especially at the tenured ranks and the proposal will lead to the establishment of salary differences among the campuses, an outcome that represents a fundamental shift in university wide policies.
- *Graduate School of Education* agreed that it was a good step to take especially the upward adjustment of faculty salary in order to remedy the salary lag.

Sincerely yours,

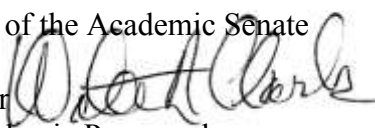
Mary Gauvain  
Professor of Psychology and Chair of the Riverside Division

CC: Martha Kendall Winnacker, Executive Director of the Academic Senate  
Sellyna Ehlers, Director of UCR Academic Senate office

**UC RIVERSIDE** UNIVERSITY OF CALIFORNIA | **Academic Senate**  
**COMMITTEE ON ACADEMIC PERSONNEL**

April 2, 2012

To: Mary Gauvain, Chair  
Riverside Division of the Academic Senate

From: Walter Clark, Chair   
Committee on Academic Personnel

**Re: Report of the Senate-Administration Taskforce on Faculty Salaries**

CAP is concerned about increasing inequality between UC and its peers. Individual contributions to the pension system now diminish take-home pay and make us less competitive with our peers. There is no system-wide scale as a result of disparities between campuses. Retention offers don't reward those who are loyal, and they create salary compression. Some assistants here have higher salaries than associates. Berkeley has its own system and basically ignores the scale. If we lose the scale, we're no longer UC. We do not have deep pockets and large endowments to use in providing generous off-scale salaries.

CAP endorses the report in that steps should be taken towards this model in order to resolve the problem the way that UC Irvine has. It is good to begin on individual campuses and then to equalize between campuses in succeeding phases. This will help to reduce inequality within the campus and to maintain the step system



April 2, 2012

To: Mary Gauvain, Chair  
Riverside Division of the Academic Senate

From: Irving Hendrick, Chair  
Committee on Faculty Welfare

**Re: Report of the Senate-Administration Taskforce on Faculty Salaries**

Please be advised that the Committee on Faculty Welfare has read and considered the above referenced report on faculty salaries. While much can be said, our report to you is simple and direct: We find the report to be thoughtful, comprehensive, well considered, and worthy of implementation. Indeed, given that we are well beyond the days when a competitive salary scale, combined with a merit based system of accelerated merit increases and promotions, produced an excellent faculty salary policy for the University, the Taskforce's recommendation likely is the best alternative available. Our confidence in this regard is enhanced by the fact that the recommended approach is being implemented successfully on the Irvine campus, albeit with some interruption in past years.

We offer only one caveat to our positive recommendation: The administration must be reasonably confident that financial resources will be present to sustain implementation of the policy, lest another blow be struck at faculty morale.

April 4, 2012

TO: MARY GAUVAIN, CHAIR  
RIVERSIDE DIVISION

FM: UMAR MOHIDEEN, CHAIR  
PLANNING AND BUDGET

**RE: Systemwide review of the report of the joint Senate-Administration  
Task Force on Faculty Salaries**

The committee on Planning and Budget (CPB) discussed the report of the joint Senate Administration Task Force on Salaries. The committee would prefer a systemwide revision to the salary scale to make it competitive with our comparison institutions. However, the committee understands that this might not be possible in the near term due to the current difficult budget and related political climate. So the committee cautiously supports this as providing some measure of limited redress to the imbalances in the salary scale. There is concern that even this partial adjustment will not be uniform given that only a fraction of the faculty are up for merit each year and the scales for different disciplines are vastly different. CPB acknowledges that this by no means solves the problems of disparity, but it is a welcome first step.



April 6, 2012

To: Mary Gauvain, Chair  
Riverside Division

From: Leonard Nunney, Chair  
Committee on Research

Re: REPORT OF THE JOINT SENATE-ADMINISTRATION FACULTY  
SALARIES TASK FORCE

The Committee on Research reviewed the Taskforce report on Long-Term Faculty Salaries. The re-establishment of competitive salaries for UC faculty is clearly essential for attracting and retaining world class researchers.

The Taskforce makes the obvious point that current faculty salaries are inadequate, noting that the Comparative 8 Peer Institutions (Comp8) have salaries that are 12.8% higher. Its goal of increasing overall salary levels in an equitable way is, of course, laudable. The Taskforce proposes that this should be done in two steps: (1) by setting the systemwide salary for each rank/step to the median of the campus averages; and (2) that the salary of faculty getting a regular advancement be set at or above the average of their campus. The justification is that by step (1) the salary scale will take account of hiring and retention actions across the system, and by step (2) faculty can remain on par with their peers at their campus, while allowing the campuses to reflect "local market conditions and resources". However, we are concerned that the potential effects of this approach have not been fully evaluated in the Report and we strongly recommend that more clarity be provided, particularly with respect to the possibility that this approach will lead to a situation where (a) the Comp8 salaries will no longer be used as a reference, and (b) consistent campus salary differences become the norm.

We find that the decision of the Taskforce to recommend against a simple adjustment of scales towards Comp8 level is not well justified in the Report. The Taskforce may have had very good reasons for making this decision but they are not presented. It seems to us critical that the report should include an analysis of what is wrong with continuing the current policy of measuring UC faculty salaries relative to the Comp 8. In this context, we note that, regardless of the scheme recommended, the

available funds are the same regardless of the solution, so no proposal has a fiscal advantage.

The Taskforce suggests that tying the salary scale to ongoing faculty hiring and retention (step 1) will result in a salary scale that more accurately reflects competitive salaries. This may be true, although it is also true that a similar result would be achieved if salary levels were at the Comp8 level. Moreover, step 1 has some potential problems that should be considered. In particular, while this mechanism may work fairly well at the Assistant Professor level (where most of the hires are made), the numbers of hires made at more senior levels is relatively small, and many (perhaps most) retention packages involve changes in the level of appointment rather than just a salary increase. But even at the Assistant Professor level, it appears that the step 1 procedure has the potential to increase the influence of the Administration in setting the salary scale, via their role in recruitment negotiations. This may or may not be a good thing, but it seems important to outline and consider all of the potential consequences of moving away from a simple Comp8-based system (assuming that this is indeed the intent).

In summary we find that, while the Taskforce has made an interesting proposal to correct the current inadequacy of Faculty salaries, it is not clear that it inevitably improves the situation more effectively than a simple increment towards the Comp8 salary levels. The advantages and disadvantages of the new proposal relative to using the Comp8 still need to be clearly delimited. We are concerned that setting salaries based primarily on hiring and retention (step 1) has potential problems, especially at the tenured ranks, and that the proposal will lead (in step 2) to the establishment of salary differences among the campuses, an outcome that represents a fundamental shift in University policy.





April 3, 2012

TO: MARY GAUVAIN, CHAIR  
RIVERSIDE DIVISION

FR: MICHAEL J. OROSCO, CHAIR  
COMMITTEE ON DIVERSITY AND EQUAL OPPORTUNITY

RE: Senate-Administration Faculty Salaries Task Force

The committee met on March 14, 2012 to discuss the report of the joint Senate-Administration Faculty Salaries Task Force. The committee recognizes the task force's recommendations needed to maintain university competitiveness in general faculty compensation. However, at this point it is difficult for the committee to determine how this will impact the university's commitment on diversity and equal opportunity. Further information is needed in understanding how improving faculty salaries impact this construct.

Dear Sellyna:

SoBA EC studied the document but we have hard time understanding the actual proposed detail and implications. Given the state of "ignorance" we have decided not to comment on the document.

All the best,

Rami Zwick  
SoBA Chair of the faculty

I don't have any substantive comments on the report. The proposed actions seem fair, but expensive.

My Executive Committee does not meet until after the deadline, so I was not able to bring this to their attention.

David R. Parker  
Chair of the Faculty, College of Natural and Agricultural Sciences  
Professor, Department of Environmental Sciences  
University of California  
Riverside, CA 92521

voice: 951-827-5126  
fax: 951-827-3993

On 3/8/2012 11:22 AM, Sellyna Ehlers wrote:  
Dear All:

I am sending a revised letter regarding the above report. We want to have a much wider review. Please note that the due date has changed to April 2, 2012.

Thanks.

S

**From:** Sellyna Ehlers  
**Sent:** Friday, March 02, 2012 2:37 PM  
**To:** [@ucr](#); 'Umar Mohideen'; Irven Rocher  
**Cc:** Cynthia Palmer  
**Subject:** Review request--Faculty Salaries Task Force Report--DUE APRIL 19, 2012  
**Importance:** High

Dear All:

Attached, please find a request for systemwide review of the report of the joint Senate-Administration Task Force on Faculty Salaries.

Please submit your response by [April 2](#), 2012.

Thanks.

Sellyna

 Sellyna Ehlers

Executive Director  
Academic Senate

--



ACADEMIC SENATE  
Santa Barbara Division  
1233 Girvetz Hall  
Santa Barbara, CA 93106-3050

senate.reception@senate.ucsb.edu  
(805) 893-2885  
<http://www.senate.ucsb.edu>

Henning Bohn, Chair  
Deborah Karoff, Executive Director

April 18, 2012

Robert Anderson, Chair  
Academic Senate

Re: Faculty Salary Task Force Report

Dear Bob,

Four groups in the Santa Barbara Division reviewed the Faculty Salary Task Force Report: the Committee on Academic Personnel (CAP), the Council on Planning and Budget (CPB), the Council on Faculty Issues and Awards (CFIA), and the Committee on Diversity and Equity (CDE).

As is recognized by all faculty and administrators at UC, the salaries of campus faculty are significantly below the Comparison Eight and this problem will continue to have serious consequences for the entire institution. It is an untenable situation that needs immediate attention. As is evident in the narrative of the Report, of great concern on the part of all reviewing groups is how to fund systematic and sustained salary adjustments. The UCSB Division concurs with the statement made by CPB: "We strongly support any action to begin to improve the faculty salary levels, but insist that this not be done as an unfunded mandate from systemwide to the campuses. Any new action to increase salaries must be based upon new money to the campus via increased state funding, or a combination of increased state funding and tuition increases." The source of ongoing funding for any effort to improve salaries is a critical issue given that our campus has been chronically underfunded, especially compared to other campuses.

There are two recommended steps that describe the method of adjusting salaries to more competitive levels and reviewing groups at UCSB have different perspectives on the recommendations. CAP strongly disagrees with the description that the number of faculty with off-scale salaries are the result of "an "ad hoc process" in which campuses have used recruitment and retention actions involving off-scale salary to accommodate market pressures.... UC's academic personnel system works very carefully to match merit to reward, and the majority of our non-routine cases (which make up two-thirds to three-fourths of our cases overall) involve off-scale adjustments **based on distinct accomplishments.**" CAP goes on to say that the "most significant problem with the two-step adjustment proposal, then, is that it undermines the merit reward system upon which UC's personnel process is founded. When a similar salary adjustment was undertaken in 2007, there was wide-spread dissatisfaction among the faculty, especially among those who had undertaken work above and beyond expectations only to find themselves earning the same salary as faculty who had not committed

themselves in the same way to the institution.” CAP suggests that across the board increases for all steps will move faculty closer to the Comparison Eight salaries while preserving the merit based process that is critical to our system.

CAP’s second concern involves the proposal to regularly adjust local (campus) scales based on the averaging of actual salaries at each rank and step (UC Irvine model) on a frequent basis. CAP believes that the Task Force has underestimated the degree of variability that might impact this averaging process, particularly if a group of faculty with high salaries were to separate from a campus in a given year. There may well be a “noteworthy dip in the average” that then might have a negative impact on a larger number of faculty. CAP concludes that “it would be far better to pursue the (more or less) across-the-board increment adjustments that were instituted this academic year.”

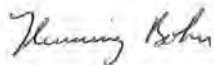
CPB has a different perspective on the two recommended steps which they see as generally positive. CPB says that the proposed plan has the “virtue of moving everyone a bit more rapidly toward market level salaries since the median salary at each rank and step will presumably have some faculty who are at market level salaries to pull up the average.” CPB also notes, however, that EVC’s and administrators will have less discretionary funding available for retentions and other salary adjustments. CFIA asks if the median will be adjusted on a continual basis and if there are any steps (like Associate IV) that would present unusual problems. Nonetheless, CPB believes that the recommendations, though not perfect, “begin the process of moving UC as a whole, and UCSB in particular, toward more competitive faculty salaries for everyone, not just those who have been recently hired or recently retained. We believe that preservation and re-strengthening of the merit and promotion system, which has played such a critical role in establishing the quality of UC, is served in an important way by returning the salary scales to a competitive level.”

Members of the Committee on Diversity and Equity believe the goal of the proposal is to clean up an unwieldy off-scale system while providing the opportunity to restore off-scale salary as the special situation. While generally supportive of the Task Force Report, CDE asks if “the average faculty member could ‘wait strategically’ in order to guarantee receiving the average salary without merit. This may cause an outside perception that the salary process is a “race to the bottom.” CDE members are clear that salary based on merit must continue; most members also suggest the continuation of off-scale salary for very exemplary work on a one-time basis.

The Committee on Diversity and Equity also notes that the proposed plan would likely rectify the imbalance of salaries between fields in the divisions (in Humanities, for example). They believe that female faculty would benefit from the proposed salary plan although they are less certain that the plan would be “of benefit to minority faculty who may already have received significant increases through retention offers.” They suggest that “attention to pay inequities based on gender and race/ethnicity should continue to garner attention from the Office of the President and administration at each campus.”

Thank you for the opportunity to comment.

Sincerely,



Henning Bohn, Chair  
UCSB Division



1156 HIGH STREET  
SANTA CRUZ, CALIFORNIA 95064

Office of the Academic Senate  
SANTA CRUZ DIVISION  
125 CLARK KERR HALL  
(831) 459 - 2086

April 19, 2012

Bob Anderson  
Academic Council

**Re: Senate-Administrative Faculty Salaries Task Force Report**

Dear Bob,

The UC Santa Cruz Division has reviewed and discussed the report of the joint Senate-Administration Faculty Salaries Task Force. Our Committees on Academic Personnel (CAP), Affirmative Action and Diversity (CAAD), Privilege and Tenure (P&T), and Faculty Welfare (CFW), have all responded with varying levels of endorsement and concern regarding the recommendations proposed in the report.

The main thread emerging from all of the responses is a division between, on the one hand, support for the Salary Task Force's recognition of the systemwide need for action on faculty salaries as well as its affirmation of the principle of peer review and, on the other hand, concern that the recommendations erode the principle of the rank and step system for all UC campuses. From this divide emerged the conclusion that our campus supports, with a caveat (below), recommendation #1, conditional on central funding that does not draw on individual campuses' differential ability to absorb the costs of salary increases.

The caveat: in the two-part scale reformulation of the Task Force Report, our campus supports Step 1 only (section 5.1.1). Step 2 lacks a standard system-wide salary plan and effectively locks future merit (and salary) increases to campus-based averages. The Santa Cruz division considers this metric for future merit increases to be extremely problematic, likely to enhance campus differences in salary rather than to close the gap. As such, UCSC would prefer there be a system-wide average salary for rank and step movement that is shared by all campuses.

The principle of maintaining the integrity of the salary scales and the practice of funding increases designed to maintain their comparative advantage must both adhere to the overarching value of the system, of ten campuses/one university.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Gillman".

Susan Gillman, Chair  
Academic Senate  
Santa Cruz Division



OFFICE OF THE ACADEMIC SENATE

9500 GILMAN DRIVE  
LA JOLLA, CALIFORNIA 92093-0002  
TELEPHONE: (858) 534-3640  
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April 11, 2012

Professor Robert Anderson  
Chair, Academic Council  
University of California  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, California 94607-5200

Subject: Report of the Systemwide Joint Senate-Administration Task Force on Faculty Salaries

Dear Bob:

The Senate Council of UCSD discussed the Report of the Systemwide Joint Senate-Administration Task Force on Faculty Salaries on April 2, 2012. The Council strongly supports efforts to raise University of California faculty salaries and to provide continued support for merit actions and for regular scale adjustments. The Council unanimously agrees with the Task Force that funding of faculty salaries should be a priority for the University even in these difficult times. There is also general agreement that the current salary scales are not competitive and that the routine use of off-scale salaries to recruit and retain faculty members undermines the value of the step system. However, the Council is sharply divided on the specific recommendations in the Task Force report. Some members vigorously support all three recommendations in the report, while others, roughly equal in number and passion, have serious reservations about details of Recommendations 1 and 3.

Supporters of the Task Force report argue that the current system of salary scales is not functioning and that the recommendations in the report will be a reasonable and effective approach to improving the system. Implementing Recommendations 1 and 3 would reduce the amount of off-scale salary and target scarce resources available for salary increases to deserving groups. Supporters argue that the salary scale no longer reflects the actual compensation of representative faculty members at a particular rank and step. They are optimistic that the proposed changes would help to restore meaning to the salary scale.

Supporters point to three benefits of the recommendations. First, implementing the recommendations should reduce the range of salaries offered at a particular rank and step, strengthening the connection between a faculty member's academic distinction and compensation. The change would lead to a fairer faculty reward system. Second, targeting scarce resources available for salary increases will make it possible to provide meaningful rewards to deserving faculty. Third, the process of salary adjustment would target especially deserving individuals. In particular, supporters argue that two groups are likely to benefit from the proposed new system: long-serving faculty whose relative compensation has declined due to a long interval of stagnation of the salary scale and, citing the recent report on gender inequities in salary, women. (It was argued that the differences between salaries of men and women with the same qualifications could be traced in large part to gender-related differences

in requests for off-scale increments.) Supporters argue that rewarding these individuals would greatly improve the morale on campus.

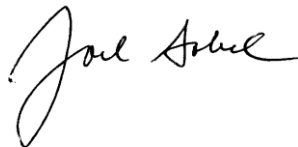
Opponents are concerned that the proposed reformulation (especially Phase 1) would lead to no salary increases for a large fraction of the UCSD faculty and, in particular, would prevent entire departments from participating in range adjustments. Recently appointed assistant and associate professors hired at competitive salaries in certain departments are unlikely to benefit from the proposal in either Phase 1 or Phase 2. These Senate Council members believe that the proposal would exclude many productive faculty members from fully participating in salary adjustment and would worsen the recruitment and retention problems that the campus currently faces. Opponents argue that the proposal is not sufficiently sensitive to differences across campuses and across departments and units within a campus. They support the recommendation of UCSD's Committee on Planning and Budget, which proposed that mean salaries be adjusted by discipline. Opponents of the Task Force's recommendations would prefer more faculty members to have access to salary increases since there have been few cost of living increases in recent years. They are disappointed that the Task Force did not explicitly consider alternatives to its favored methodology or a more diversified approach. Opponents agree with supporters that the University should strive to remove inequities in the salary scheme, but point out that the Task Force report does not provide evidence that its recommendations would achieve this goal.

In response to the opponents' concerns, supporters point out that the plan is flexible enough to permit differences across campuses and allows the use of off-scale salary as well as discipline-specific salary scales. Supporters agree that the implementation might decrease the recruitment and retention rate of top performers, but that this was a price worth paying to achieve more uniform salaries across the campus. However, the Council failed to reach agreement on this last point, as some members believed that no decline in faculty quality is acceptable.

UCSD's CAP has questions about the implementation of the plan. The committee wants to know whether the salary of faculty members who receive "no-change" reviews would be permitted to fall below the scale. CAP also wonders whether it would be possible for the entire salary scale to drift downward if salaries at a certain rank and step warrant a downward shift.

I hope that these comments are useful.

Sincerely,

A handwritten signature in black ink that reads "Joel Sobel". The signature is written in a cursive, flowing style.

Joel Sobel, Chair  
Academic Senate, San Diego Division

cc: Divisional Vice Chair Masters  
Executive Director Winnacker





UNIVERSITY COMMITTEE ON ACADEMIC PERSONNEL (UCAP)  
Katja Lindenberg, Chair  
klindenberg@ucsd.edu

Assembly of the Academic Senate  
1111 Franklin Street, 12<sup>th</sup> Floor  
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Fax: (510) 763-0309

April 14, 2012

BOB ANDERSON, CHAIR  
ACADEMIC COUNCIL

**RE: FACULTY SALARIES TASK FORCE REPORT**

Dear Bob,

During its March 8<sup>th</sup> meeting, UCAP held an extended discussion of the report of the Faculty Salaries Task Force. While UCAP can not respond with a single voice or a single response or recommendation, it was agreed by the great majority of members that working toward restoring a Systemwide scale that would at the least set competitive minimum salaries at each rank and step would be very desirable, this having been one of the strongest traditions of the UC system. It is clear that those who have been at UC a long time and who have not sought outside offers are often paying a high "loyalty tax." It is also recognized that this "loyalty tax" may disproportionately affect those segments of our faculty that contribute to faculty diversity at a time when we are working assiduously to increase diversity on our campuses.

It is less clear to UCAP members whether the remedies proposed in the Task Force report are the best remedies given the limited resources and the desire to continue to retain and hire the best faculty. Some are concerned about the funding sources for this plan. Others observed that it will not resolve the full salary differences between UC faculty and faculty at the Comparison 8 institutions. Some noted that insofar as this methodology is similar to that instituted by UCI over the past few years, it would be helpful to find out how well (or not) this has worked there.

Some of the campuses pointed out that they, individually, have instituted a variety of local remedies to the problem of the scales without de facto raising the scale itself as UCI has done. This has been accomplished using an array of methods such as half step reviews, greater accelerations than before, and a large proportion of off-scale salaries granted to incoming faculty, to faculty with outside offers, and to faculty who might be imminent targets for outside offers ("pre-emptive retentions") in response to market forces. It is recognized that the off-scale salary methodology disproportionately rewards faculty coming into the system more recently, and that this has, in many cases, led to "salary inversion" (cf. the "loyalty tax"). On the other hand, on some campuses these methods have simply not been used or have not been used extensively (they have not been part of the prevailing culture), and so salaries on these campuses have fallen behind more seriously than on others. It is also noted that admittedly as a result of market forces some fields have suffered disproportionately, but it is felt by many UCAP members that the UC tradition is not based entirely on the market.

One member (UCB) was fully opposed to the recommendations of the Task Force, and after UCAP's meeting submitted an extensive document with comparative calculations showing the outcome of implementing the Task Force recommendations into the indefinite future vs using the current (and much preferred) methodology on that campus. That report is included here in its entirety.

In summary, while it is recognized that this plan will not fix all of the problems related to faculty salaries, that there may be local remedies now in place that work well on individual campuses, and that the funding sources are of continuing concern, it is felt by the large majority of UCAP that a single systemwide salary scale is a desirable goal, and that this set of recommendations may, for the near future, be a good first step toward that goal.

Sincerely,

A handwritten signature in cursive script that reads "Katja Lindenberg". The ink is dark and the signature is fluid and connected.

Katja Lindenberg, Chair  
UCAP



**UNIVERSITY COMMITTEE ON PLANNING AND BUDGET (UCPB)**

**James A. Chalfant, Chair**

[jim@primal.ucdavis.edu](mailto:jim@primal.ucdavis.edu)

Assembly of the Academic Senate

1111 Franklin Street, 12<sup>th</sup> Floor

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April 18, 2012

ROBERT ANDERSON, CHAIR  
ACADEMIC COUNCIL

**RE: Report of the Joint Task Force on Faculty Salaries**

Dear Bob,

The University Committee on Planning and Budget reviewed the report of the Joint Senate-Administration Task Force on Faculty Salaries with great interest, and engaged in a lively, wide-ranging discussion. Although the full committee is unable to support all of the very detailed proposals in the report, UCPB, by a large majority, favors using a portion of any increased State funding to implement “Step 1” of the plan (expressed as Recommendation 3) to help address the unacceptably low base salaries represented by the current UC salary scales. And while UCPB recognizes that “Step 2” has been successfully implemented at UC Irvine, the committee does not advocate a mandate that every campus use the Irvine model.

The Task Force was formed last year to develop options and recommendations for maintaining long-term faculty salary competitiveness based on the assumption that revenue will be available for annual 3% increases. The report proposes a two-step process that would first move the official systemwide scales to the median of the nine general campus averages for each rank and step, and then, when faculty advance to a new rank and/or step, would move them at a minimum, to the average salary of their peers at the new rank and step on that campus.

The committee supports moving the scales to some higher level, and the proposal to use the median of the nine general campus averages seems reasonable. However, it is not obvious that these medians will lead to the optimal profile of base salaries across ranks and steps for meeting UC’s needs. At the same time, the existing scales are so far from market reality that UCPB views this as a second-order concern. If the reform produces any anomalies—increments between pairs of steps that seem too small or too large, for instance—some further adjustments could obviously be applied.

***Plan is Overly Complex***

UCPB recognizes that this proposal is already the result of compromise. The Senate had advocated the use of so-called “market” and “range” adjustments, as in the previous four-year salaries plan. We infer from the complexity of this report that the administration participants continue to oppose

the use of such across-the-board adjustments, presumably out of concern that some faculty member might receive more salary than necessary to keep them at UC. UCPB would be more sympathetic to this view if UC salaries were already competitive, or if the proposal before us allocated a larger salary increase, in the same prescriptive manner. As it stands, UCPB finds this proposal to be far more complex than justified by the charge to allocate 3% of the salaries budget.

### ***Importance of the Scales to the Peer Review System***

UCPB's main justification for supporting raising base salaries is that it helps reverse the decreasing importance of merit reviews in determining overall salary. UCPB members feel very strongly about the importance of preserving UC's system of regular reviews for merit increases and promotions based on peer-review at frequent, regular intervals. Historically, this practice has been a significant means to insure the ongoing high quality of UC faculty. Integral to preserving this system is that salary increases awarded at each step should be large enough to have real meaning; it follows that the base salaries represented by UC's published salary scales must be restored to competitive, realistic levels. It does not follow that all faculty can or will be paid the same amount, at a given rank and step, and UCPB would object to any such interpretation of support for the salary scale system.

### ***Continued Support for Local Solutions***

UCPB acknowledges that differences exist between various disciplines, with faculty in some disciplines commanding higher salaries due to strong external market pressure, and we do not advocate ending the practice of using off-scale salaries to respond, in recruitments and retentions, as needed. This remains an area where local, campus discretion and current practice concerning the Senate's shared governance role in salary-setting cannot be determined at the systemwide level—at least, not based on this report. It may be that examination of practices across campus would provide some insight into certain “best practices” that would benefit the entire system.

Even with the simpler model conceived and approved four years ago consisting solely of range and market adjustments, there were differences of opinion among faculty as to the appropriate mix of the two, so the current range of opinions on UCPB is not surprising. Some UCPB members felt that their campus has already created a means to adjust salaries at the time of merit reviews, and consequently expressed the concern that this plan is overly prescriptive, at least for those campuses. The result is less UCPB support for the proposed Step 2 (advancing faculty at the merit review to the average salary of their campus peers at the new rank and step) than for Step 1.

UCPB agrees that individual circumstances—not only achievement but also the ability to secure outside offers—have played an increasingly important role in determining the average faculty member's salary. This seems to be more a consequence of unrealistically low salary scales than conscious reform. At the same time, the committee does not think the market is so specific to each individual that our system should be replaced by individual salary negotiations dominated by outside offers. This would be unnecessarily expensive, detrimental to morale, and would increase the probability that some faculty actually will leave for what seem like greener pastures. It is also worth noting the commonly stated view that women faculty are less likely to use an outside offer to force an off-scale increase at UC. Faculty who successfully obtain an off-scale increment through an outside offer are not necessarily “more meritorious” than their peers who may be less aggressive, or who may simply not wish to take this route to a salary increase. UCPB also recognizes that addressing possible salary differences by demographic group was not part of the charge to the task force; nonetheless, this is an important aspect for evaluating the report.

We also note that solutions for inadequate salaries are not equally available on all campuses due to different growth patterns and per-student State funding levels. To the extent that some campuses have systems in place for offering pre-emptive salary increases alongside regular step increases, UCPB would oppose anything that interferes with the existing culture on each of those campuses. Any one-size-fits-all salary plan will meet with resistance, and the proposal before us is no exception. Thus, some UCPB members oppose the very precise instructions in the proposal concerning what happens at the time of a merit increase, because they feel that their campuses are better equipped to allocate scarce salary budget than by following the method in use at Irvine.

### ***Scales Represent a Minimum Salary***

UCPB continues to take the view that the market adjustment concept is important—the salary scales represent the *minimum* salary that should be paid at any particular rank-step combination, and the committee favors action to prevent further erosion in the competitiveness of base salaries. While salaries have grown elsewhere, even the moderate inflation of the last two decades along with benefits-cost increases have eroded the purchasing power of UC’s base salaries at each rank and step. UCPB sees no reason why the minimum faculty salary at any rank and step should not at least preserve the value of base salaries. A faculty member at a particular rank and step who meets the same standards that applied 10 and even 20 years ago for that rank and step should also be compensated comparably well.

To illustrate the problem, UC’s base salary for Professor, Step IX, which represents a level of achievement many faculty are not expected to reach, is lower than the *average* salary for full professors at UC’s Comparison 8 Universities, according to the most recent CPEC report on faculty salaries. Similarly, the 1994 base salary for Professor I, \$53,300, translates to a 2012 base salary of \$77,800, an increase of less than 2% per year, much slower than inflation. Hence, statements that our salaries lag by on the order of 12% substantially understate the problem with our base salaries. Given these observations, the committee believes that any salary plan should allocate some amount of funding to the salary scales themselves. Step 1 in the plan will not come close to addressing the true competitive salary lag; but again, that is the plan before us, and the committee is strongly supportive of this aspect of the proposed salary plan because it is a step toward the goal of fixing the scales.

### ***Support for Raising the Scales through “Step 1”***

There is strongest support on UCPB for doing *something*—anything that increases the salaries budget helps to reduce UC’s competitiveness gap. UCPB supports the specific proposal for Step 1 almost as strongly, but support is weaker for all other specific aspects of the plan. It is disappointing to be discussing only a 3% increment when UC lags the market by a far greater percentage, and disappointing to see such a complex plan that acknowledges formally that moving to a particular rank and step has different consequences on different campuses, for so little in return. After years of failing to achieve a systemwide solution, it is hardly surprising that such a solution no longer seems to exist. UC’s major strength remains our status as a single system with a single salary scale that, by default, values all professors equally, regardless of campus or discipline. At the same time, the current system is broken, and it is old news that the common scale is no longer functioning. The published scales are woefully out of alignment with the market. 85% of assistant professors are off scale, sometimes with salaries higher than those paid to more senior faculty in the same department. Professors who wish to be paid fairly are often forced to seek outside offers and if they do not do so, they pay a “loyalty penalty” relative to their younger peers. UC must make the scales resemble the market in which the University operates. At this point, fixing the scales with so little money to spend is really about establishing a more relevant and realistic minimum base salary, and this plan does take small steps to achieve that goal.

The majority of UCPB supports those aspects of the plan that will help move the salary scales upward and restore their relevance. The committee also feels that it is essential to continue to increase the competitiveness of UC's total remuneration. UCPB notes that this review is happening alongside increases in contributions to UCRP and discussions about increasing employee contributions to health-care costs. A reasonable starting point for setting salary scales is to agree that all UC faculty deserve at least off-setting salary increases in this environment. Even then, simply treading water where total remuneration is concerned is a recipe for mediocrity, and one-off retention packages that target individual faculty, while necessary to prevent greater attrition, will ultimately prove futile as attempts to offset an overall downward trend.

### ***Plan will Require New Funding***

All UCPB members agree that the plan will not be viable without new revenue either from the State or from tuition increases, and indeed, the report does make clear that its implementation depends on new money. Several UCPB members are concerned that the plan could become an unfunded mandate without additional State funding, and as such, they declined to support the full set of recommendations without more certainty about the outcome of the budget, noting that there are many other critical needs for these funds. In addition, even with 3% growth in funds set aside for salaries, there are faculty who would allocate the funds to salaries in a different manner than the one proposed.

### ***Impact on HSCP***

Before any plan is implemented, there needs to be careful study of its effects on faculty in the Health Sciences Compensation Plan. If this change would apply to the X and X-prime components of HSCP salaries, it would be important to know the cost, and how that cost would be paid. Would there simply be offsetting reductions in Y and Z? If so, the plan is certainly affordable, but its only effect on HSCP faculty would be to bring about a small increase in UCRP-covered compensation (i.e., X and X-prime). If Y and Z are not anticipated to decrease to offset the increases in X and X-prime, then it is important to know where the funding would come from for HSCP faculty.

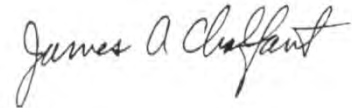
### ***Next Steps***

Committee members have a range of views concerning the best way to reverse UC's declining competitiveness, and differ in their views concerning the feasibility of a common salary scale. Differences by discipline seem to ensure that UC will never return to an environment with neither off-scale nor different salary scales by discipline. Differences in campus resources and campus cultural practices also make it hard to support Step 2, which prescribes how campuses should spend additional salary dollars, beyond increasing base salaries. There was little enthusiasm for creating too many additional separate salary scales by discipline, and recognition that the need for either separate scales or off-scale is reduced as UC's base salaries grow more competitive. However, specific disciplines may be subject to greater market pressure and hence require further study. The committee would prefer a systematic approach to this problem over greater reliance on individual negotiation. UCPB recommends that UCAP consider best practices various campuses have taken in lieu of Step 2 that could be applied to the system as a whole.

In summary, the committee supports Step 1 of the plan, but considers its other details to be overly prescriptive, and not particularly effective in reducing UC's declining competitiveness. The majority that supports the plan emphasizes that it produces some evening out of salaries both within and across campuses, so that those who were not hired or retained recently have less incentive to seek external offers. Step 2 has been successfully implemented at Irvine and would move the University closer to a regularized system for determining salary, as opposed to a system

that gives more discretion to the administration and sets salaries for a portion of the faculty mainly on the basis of hiring and retention cases. Thus, the majority of UCPB supports Step 2, but the committee does not advocate using the Irvine model on every campus.

Sincerely,

A handwritten signature in black ink that reads "James A. Chalfant". The signature is written in a cursive style with a large initial 'J' and 'C'.

James A. Chalfant  
UCPB Chair

cc: UCPB  
Martha Winnacker, Senate Executive Director



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)  
William Parker, Chair  
[william.parker@uci.edu](mailto:william.parker@uci.edu)

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April 20, 2012

**ROBERT ANDERSON, CHAIR  
ACADEMIC COUNCIL**

**RE: Faculty Salary Task Force Recommendations**

Dear Bob,

The University Committee on Faculty Welfare (UCFW) has discussed the issues motivating the Senate-Administration Faculty Salaries Task Force at several meetings last year and again this year, and discussed the final report at two meetings this year. Based on this lengthy and in-depth discussion, the committee was able to reach near unanimity in its support for the final recommendations of the Senate-Administration Faculty Salaries Task Force. Eight of 10 location representatives reported local support for the proposals and endorsed the Task Force recommendations. Two representatives reported that their divisional CFWs were not supportive of the recommendations, but as members of UCFW, they endorsed the principles and values that guided the Task Force discussions found in Section 3.0 of the report.

The UCFW has for several years supported the goal of effective involvement of the Academic Senate in merit reviews and the setting of salaries for all faculty. The UCFW has aggressively supported the concept of competitive total remuneration for all faculty who satisfy the Universities' criteria for meritorious academic performance. The University step system provides 1) an effective mechanism for peer merit review, and 2) if the salary at each step were truly competitive, an effective mechanism for ensuring competitive total remuneration. However, the current priority for addressing recruitment and retention concerns results in productive and "loyal" UC faculty falling behind in compensation while newly hired faculty and those who actively seek outside offers are compensated at near competitive levels.

The UCFW believes the mechanisms proposed in the report for determining a minimum systemwide salary at each step, and then the possibility of higher salaries at any campus, achieves several goals: 1) it strengthens the concept of one university, but does not mandate one salary scale at each campus; 2) it incorporates market forces by including recruitment and retention costs in the determination of a minimum salary for all faculty; 3) it allows flexibility for each campus to respond to local circumstances; and 4) it enhances the role of peer review in setting the salary of individual faculty.

UCFW appreciates the concerns of many faculty regarding the necessity of long-term state funding to realize the proposed salary increases, and their concerns regarding the inadequacy of the envisioned rate of growth to keep pace with rising benefits costs, salary increases at comparator universities, and external inflation. Nonetheless, representatives from the campuses spoke favorably of the efforts of



the task force to reach a near-unanimous consensus on their recommendations and their commitment to maintain the relevance and importance of the step system and peer review in determining the salaries of faculty members.

For the two campuses unable to endorse the entire report, concerns regarding their continued ability to preserve local flexibility for rewarding their outstanding faculty, and to use locally generated funds to address the highest priorities of their campuses, outweighed the systemwide benefits that were perceived by the eight campuses favoring the recommendations.

The UCFW supports with near unanimity the recommended actions contained within the report of the Senate-Administration Faculty Salary Task Force and urges the Academic Council to endorse the report.

Thank you for the opportunity to opine on this important topic.

Sincerely,

A handwritten signature in blue ink that reads "William Parker". The signature is fluid and cursive, with a long horizontal stroke at the end.

William Parker, UCFW Chair

Copy: UCFW  
Martha Winnacker, Executive Director, Academic Senate



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University Committee on Privilege & Tenure  
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April 19, 2012

ACADEMIC COUNCIL CHAIR ROBERT ANDERSON

Dear Bob:

As you invited the Senate's standing committees to do, the University Committee on Privilege & Tenure has reviewed the Report of the Faculty Salaries Task Force. Members of the committee are generally supportive of the proposed salary plan as a step toward restoring the integrity of the rank and step system as a reflection of the CAP merit review. However, UCP&T wishes to stress the importance of developing precise implementation guidelines if the plan is adopted.

UCP&T wishes to draw your attention to the provision of APM 620-18a that governs how range increases should be applied to faculty whose salary includes an off-scale component but also authorizes the appropriate Vice President or Chancellor to prescribe alternatives:

Except as noted below, any academic appointee with an off-scale salary within established salary scales at the time of a general range adjustment will receive the same dollar increase in salary as those of the same title, rank and step on the regular salary scale in question. This rule will be followed unless the Chancellor or the appropriate Vice President gives explicit directions to the contrary.

To avoid any potential for a grievance claim by a faculty member whose off-scale component might shrink in the context of a general range adjustment, the committee urges that the Vice Provost for Academic Personnel prepare explicit and precise directions as envisioned in the APM and carried out in 2007 when the previous Faculty Salary Plan was adopted.

UCP&T appreciates the work that has gone into formulating this report and thanks you for the opportunity to opine.

Sincerely,

David Brundage

Cc: Bob Powell, Vice Chair, Academic Council  
University Committee on Privilege and Tenure  
Martha Winnacker, Executive Director, Academic Senate