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May 22, 2007

**ROBERT C. DYNES**  
**PRESIDENT**

**Re: Resolution of the Academic Senate Calling for Rejection of the Senior Leadership Compensation Group (SLCG) Salary Structure That Differentiates Grades by Campus**

Dear Bob,

At its May 9, 2007 meeting, the Assembly of the Academic Senate adopted, by an overwhelming majority, the following resolution to be submitted for your consideration and for presentation to The Regents:

***Resolution***

The Academic Senate of the University of California calls on the Office of the President and The Regents to reject the differentiation by campus for the Senior Leadership Compensation Group. It also calls on The Regents to avoid adopting policies that will lead to stratification of UC campuses by tiers and weakening of the University of California as a whole.

Pursuant to the policy adopted by The Regents in November, 2005,<sup>1</sup> the University of California engaged the services of an outside consulting group, Mercer Human Resource Consulting (Mercer) to develop a salary structure that slotted Senior Leadership Compensation Group (SLCG) positions<sup>2</sup> into grades with salary ranges.<sup>3</sup> The Mercer salary recommendations for job slotting were adopted by The Regents on recommendation of the President in interim actions taken in January, March, and July of 2006.<sup>4</sup>

<sup>1</sup> RE-61, September 22, 2005.

<sup>2</sup> The Senior Leadership Compensation Group includes Executive Vice Chancellors, Provosts, and Deans at all UC campuses.

<sup>3</sup> Mercer and the Office of the President developed the grades and ranges using market data from surveys of base salary and total cash compensation paid by other employers, "internal equity" and reporting relationships. (Minutes of Regents Compensation Committee, July 20, 2006).

<sup>4</sup> Regents Item 3C, July 20, 2006.

Although the Senate agrees with the objective in developing the new salary structure—namely to increase transparency and accountability to The Regents<sup>5</sup>—the Senate strongly objects to the interim job slotting and salary scales that were adopted, because they result in creating different salary scales for the same jobs on the various campuses. This result directly contradicts the position of the Academic Senate that the University of California is an integrated system in which each campus can aspire to the same high standards of excellence.

The new salary structure will thwart these aspirations by capping the salaries that can be paid at some campuses at lower levels than others, regardless of the challenges facing the campus or the qualifications or experience of the person sought to fill the position. This approach will stratify the University of California into different tiers of campuses and limit the potential for growth and development of campuses slotted into lower salary grades. The Academic Senate is also concerned that adoption of salary scales differentiated by campus for SLCG may lead to proposals to differentiate faculty salary scales by campus, which would have similar deleterious effects on the University of California and should be strongly resisted.

The Faculty are fundamentally invested in maintaining UC's excellence at all levels, and the complexities involved in senior management job slotting were well-acknowledged in the Academic Senate's discussion of this matter. We believe, however, that those complexities can be satisfactorily addressed by instituting a senior management compensation system with common salary ranges among all campuses for each job title within the SLCG, and setting those ranges wide enough to accommodate individual differences, allow for successful recruitment of the best managers, and encourage growth. The previous system of remuneration allowed the University of California to become the premier public university system in the world. Each campus competes for faculty and administrators with universities across the nation and the globe, and campuses have been able to offer administrative salaries that reflect specific and strategic goals. Stratification of salaries by campus does nothing to provide transparency and accountability in compensation practices and will significantly interfere with UC's goal of maintaining an integrated system in which each campus may aspire to attaining the highest standards.

On behalf of the Assembly, I hereby deliver this Resolution of the Assembly to you for presentation to The Regents.

Sincerely,



John B. Oakley, Chair  
Academic Senate

Copy: Academic Assembly  
María Bertero-Barceló, Senate Executive Director

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<sup>5</sup> Basing job grades on current market salaries paid by competitive employers, as Mercer did, results in stratification of campuses based on their current prestige as well as the size and complexity of the jobs involved. Capping salaries on the basis of current prestige, size, and complexity will prevent hiring people at higher levels to address the challenges involved in developing campuses to higher levels of excellence.