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Assembly of the Academic Senate, Academic Council
University of California
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

April 27, 2006

ROBERT DYNES
PRESIDENT

Re: Additional Recommendations on Senior Management Pay

Dear President Dynes,

The proposed new system of senior management compensation was first disclosed to Senate committees in January of this year. In February, the University Committee on Planning and Budget, University Committee on Faculty Welfare, Academic Council, and Academic Assembly had their first opportunities to discuss the proposed new system. The recommendations that these Senate bodies made at that time have already been forwarded to you.

In this letter, I report additional recommendations, which have emerged from further discussions of senior management compensation on the Academic Council and other Senate committees during the months of March and April.

The Council sees a number of problems in the currently proposed arrangement for mapping job titles like “Chancellor” and “Dean” onto pay grades, with people occupying the same positions on different campuses being in different pay grades.

When the Council and other Senate committees first discussed the proposed system of senior management slotting in February, many members did not realize that the proposed allocation of job titles to pay grades was based on characteristics of campuses, rather than characteristics of jobholders or jobs. These members assumed that the proposed assignment of specific Chancellors to slots reflected the qualifications and experience of the current occupants of these positions, and would change as positions are vacated and re-filled. Only at later meetings were all members made aware that this is not the case. The intention, we now understand, is that the Chancellors, Provosts, and Deans of selected campuses will always be in lower pay grades than those of other campuses, regardless of the qualifications, experience, or performance of the jobholders, and with no analysis of the complexity or challenge of their jobs. We believe that this is potentially divisive, and could have the *de facto* effect of stratifying the campuses on a permanent basis.

It has been suggested to the Council that the current arrangement for assigning job titles to pay grades reflects rankings of the prestige of college campuses reported in such magazines as U.S. News and World Report. The Council unanimously opposed basing the pay grades of Deans and Chancellors on the perceived prestige of their campuses. Rankings in popular magazines are widely perceived to be imperfect, and developing a more rational system of ranking would

require a major expenditure of resources, would necessarily be very divisive, and in the end would have little or no benefit. Chancellors and Deans should be rewarded on the basis of performance, not the ranking of their campuses or schools at the time they are hired.

Given that the pay grades themselves are very broad, the Council recommends that The Regents consider having just one pay grade per job title, but with each title divided into multiple steps. For example, if the position of “Chancellor” were divided into five or six steps, some Chancellors might be hired at Step 1 or 2, others at Step 3 or 4, but all could advance on the basis of their performance. Decisions about which step a Chancellor or Dean is hired at would be based on academic qualifications and administrative experience, and the complexity and challenge of the job. In all cases, advancement to higher steps would depend on performance.

The Academic Council continues to recommend that any comparisons between the compensation of UC senior managers and those at other institutions need to take into account all forms of compensation for which the occupant of a given position is eligible that are not available to regular UC faculty and staff, including the value of sabbatical leave above that which would be available based on the incumbent’s faculty rank and step, severance pay, deferred compensation, housing (excluding housing in University property, such as a Chancellor’s or President’s house), relocation bonuses and moving expenses, and any forms of paid leave. We recognize that it is difficult to obtain such information from other institutions, but failure to base compensation scales on true total compensation (excluding benefits available to all University employees) leaves the system open to continuing abuses and does not achieve the true transparency that the Regents and the Administration have promised. If necessary, the Regents could estimate the average value of such extraordinary compensation and simply inflate the salary scales by that amount.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Oakley".

John Oakley, Chair
Academic Council

Copy: Academic Council
María Bertero-Barceló, Executive Director