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December 22, 2017

**JANET NAPOLITANO, PRESIDENT**  
**UNIVERSITY OF CALIFORNIA**

**Re: Faculty Salaries**

Dear Janet:

I thank you again for meeting with the University Committee on Faculty Welfare (UCFW) on December 8 to discuss faculty salaries. UCFW Chair Rehm and I were both greatly encouraged by your acknowledgment of the UC faculty salary gap and your commitment to restoring UC faculty salary competitiveness.

As you know, the quality of the University of California, and its desirability to young Californians, derives from its ability to recruit and retain the best faculty core, but the salary gap between UC and its comparators has grown for approximately two decades. The salary gap has consequences for faculty recruitment, retention, and educational quality. Empowering the University to recruit and retain the next generation of UC-caliber faculty is essential for educating the next generation of Californians and preparing the state's workforce.

The weight of evidence describing the salary gap continues to grow and widen perspectives for its detrimental effects on recruitment, retention, and diversity.

The *2014 Update of Total Remuneration Study for General Campus Ladder Rank Faculty*, (Appendix A) showed that cash compensation was 12% below market and that total remuneration was 10% below market for UC faculty, indicating that retirement and health benefits fail to offset the salary gap. Since then, the introduction of a new retirement tier has begun to further erode the value of the retirement benefit. Furthermore, retiree health benefits are currently under threat of erosion. It is now many years since the UC benefits package compensated for the salary gap.

A recent internal analysis, *Average Ladder Rank Faculty Salaries – General Campus Comparison 8 and UC*, indicates that the current gap between the UC and the mean of UC's Comparison 8 group of institutions is 8.4%. Fortunately, the gap stabilized and stopped growing in 2013-14, but it remains.

A closely related internal analysis, *Range Adjustments/ Salary Increase Programs – Professorial Ranks University of California System from 1999-2000 to 2016-17*, shows that over this period the UC professoriate received a pay cut of 12.4% in Consumer Price Index (CPI) adjusted real terms. In other words, the range adjustments and across the board increases fell far behind inflation, the CPI.

Another closely related internal analysis, *Chart 2 Professor AY Step 1 Scale Rate 1999-00 Through 2015-17 Actual vs. Increase by CPI vs. Increase by Comp 8 Average*, shows that for this representative position, the UC salary scale gap with the CPI grew from 0 to 14.1%, and with the Comp 8 from 0 to 35%. The scales, the foundation for remuneration and the backbone of the merit review process, have fallen very far behind market.

The recent external 2017 COACHE study, *Collaborative on Academic Careers in Higher Education Faculty Retention and Exit Survey* (Appendix E), found that “Salary” was by far the most common factor that faculty found compelling in accepting an outside offer. Pertinently, the next two most common factors, “Quality of colleagues” and “Departmental or Institutional Reputation”, are tied to faculty salary.

A UCFW-led Council subgroup crafted the attached memorandum *Addressing the Faculty Salary Gap for 2018-19 and Thereafter*; the subgroup included leaders of UCAADE, UCPB and UCAP. Council unanimously endorsed the memorandum at its December 13 meeting. This memorandum requests a concrete action plan to address the salary gap: “Our top priority is to close the salary gap; it is critical that all faculty members receive a raise as part of closing the gap”. It is important to note that through fixing the salary scales by bringing them closer to market will not only contribute towards closing the salary gap, but will give our unequalled merit review system sharper teeth.

In addition to providing all faculty members with a raise and improving equity, Council agrees that a comprehensive faculty salary plan should focus on improving the competitiveness of the published salary scales to ensure they have a relevant connection to the market and can continue to fortify UC’s merit and promotion system. Relatively few UC faculty are paid on scale, and many have off-scale supplements provided by the administration as part of a recruitment or retention action. Council agrees that the comprehensive plan should recognize the complexities associated with off-scale differentials, without necessarily seeking to maintain or eliminate them.

This current memorandum reiterates the May 17, 2017 Council recommendation, (<http://senate.universityofcalifornia.edu/files/reports/JC-JN-faculty-salaries.pdf>), “that a percentage salary increase is uniformly applied across the board as early as in the coming year, and that it is not split.”

We expect that closing the approximately 8.4% gap will be a multi-year process. The Senate is prepared to follow up with specific recommendations for distributing salary increases and detailed actions concerning the distribution of the raise to the salary scales, across-the-board increases, and equity.

Thank you again for making faculty salary competitiveness an institutional priority. Please do not hesitate to contact me if you have additional questions.

Sincerely,



Shane N. White, Chair  
Academic Council

Encl.

Cc: Senate Executive Directors



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)  
Roberta Rehm, Chair  
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November 27, 2017

**SHANE WHITE, CHAIR  
ACADEMIC COUNCIL**

**RE: Addressing the Faculty Salary Gap for 2018-19 and thereafter**

Dear Shane,

The University Committee on Faculty Welfare (UCFW) continues to discuss strategies to close the faculty salary gap. As you know, the recent practice of awarding up to 3% across the board has not closed the gap and has barely kept up with inflation. Given ongoing cuts to benefits for active employees and retirees (diminishing total remuneration), providing competitive cash compensation is increasingly urgent. For the 2018 budget, we encourage you to strongly advocate that UCOP begin to address the salary gap in a more meaningful way. For example, you could advocate for a “down payment” on the salary gap of 5%, instead of the up-to-3% mandated in the last few years, which should be awarded to all faculty in the coming year.

For the past several years, campuses have had wide latitude in how the up-to-3% salary increase was awarded; many faculty members have received only a portion of that increase. Therefore, we ask that all faculty receive a 5% raise in the coming year and other increases as we strive to close the salary gap.

From The May 17, 2017 memorandum to you, (<http://senate.universityofcalifornia.edu/files/reports/JC-JN-faculty-salaries.pdf>), we repeat the request: “that a percentage salary increase is uniformly applied across the board as early as in the coming year, and that it is not split in order to be targeted. The proposed increase could be applied entirely to total salaries or entirely to base salaries. In the former case, the increase could be 3%, while in the latter case it would be more than 3% applied solely on base salaries in order to close the comparator salary gap and begin to fix the scales.”.

UCFW, in concert with our sister committees on Planning and Budget, Affirmative Action, Diversity and Equity, and Academic Personnel, has identified the following principles to guide development of an actionable plan, which we will send you over the winter, to close the entire salary gap:

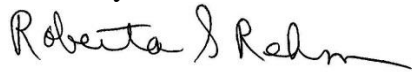
1. Our top priority is to close the salary gap; it is critical that all faculty members receive a raise as part of closing the gap;
2. Assuring equity and fairness, correcting remaining inequities, and preventing any systematic discrimination is critical;

3. Any discussion of salary increases necessarily touches on the inherent difficulties presented by the extant differences among faculty in salary components, such as off-scale supplements approved by the administration;
4. Raising the scales as part of the process of closing the gap may fix them in part, but it is not likely, nor necessarily desirable, that all off-scale salary components be recaptured; and

Going forward with a comprehensive plan to address the salary gap, our next steps are to decide on the amount of the salary increase that we would recommend, the time frame to close the gap, and any specific recommendations for how the salary increases should be distributed among restoring the scales, across-the-board increases, and equity issues. We will continue to work closely with our Senate colleagues, as well as engage the Office of the President, throughout our deliberations.

Your support and guidance are appreciated.

Sincerely,



Roberta Rehm, UCFW Chair

Copy: UCFW  
Hilary Baxter, Executive Director, Academic Senate

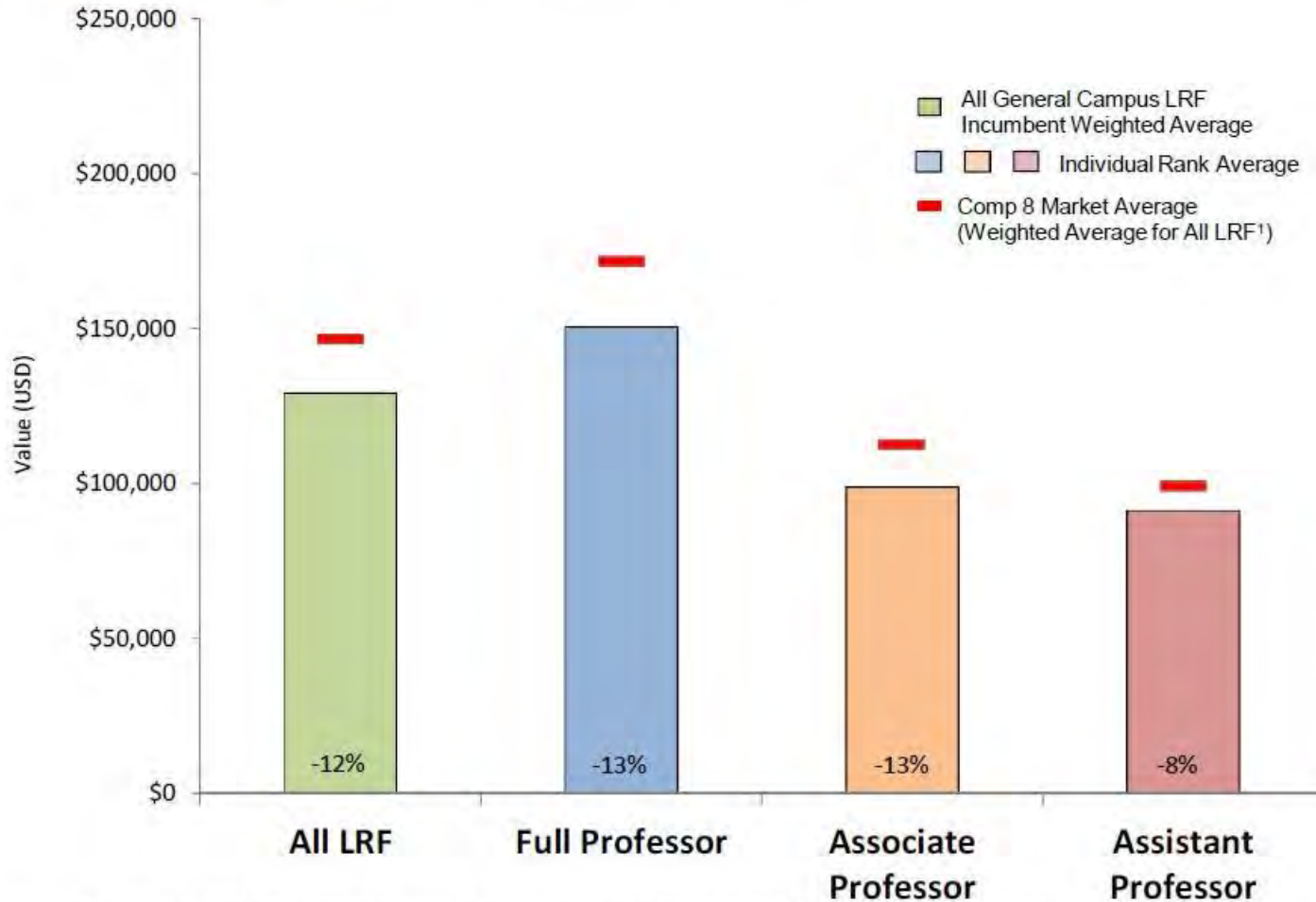
Appendices:

- A. 2014 Update of Total Remuneration Study for General Campus Ladder Rank Faculty, slides 17 & 22, found at <http://compensation.universityofcalifornia.edu/total-remuneration-ladder-rank-faculty-2014.pdf>
- B. Average Ladder Rank Faculty Salaries – General Campus Comparison 8 and UC.
- C. Range Adjustments/ Salary Increase Programs – Professorial Ranks University of California System from 1999-2000 to 2016-17.
- D. Chart 2 Professor AY Step 1 Scale Rate 1999-00 Through 2015-17 Actual vs. Increase by CPI vs. Increase by Comp 8 Average.
- E. Collaborative on Academic Careers in Higher Education Faculty Retention and Exit Survey: Compelling factors (1) to remain at institution and (2) to accept external offer, page 10.

# Study Findings

## Cash Compensation – Market versus UC

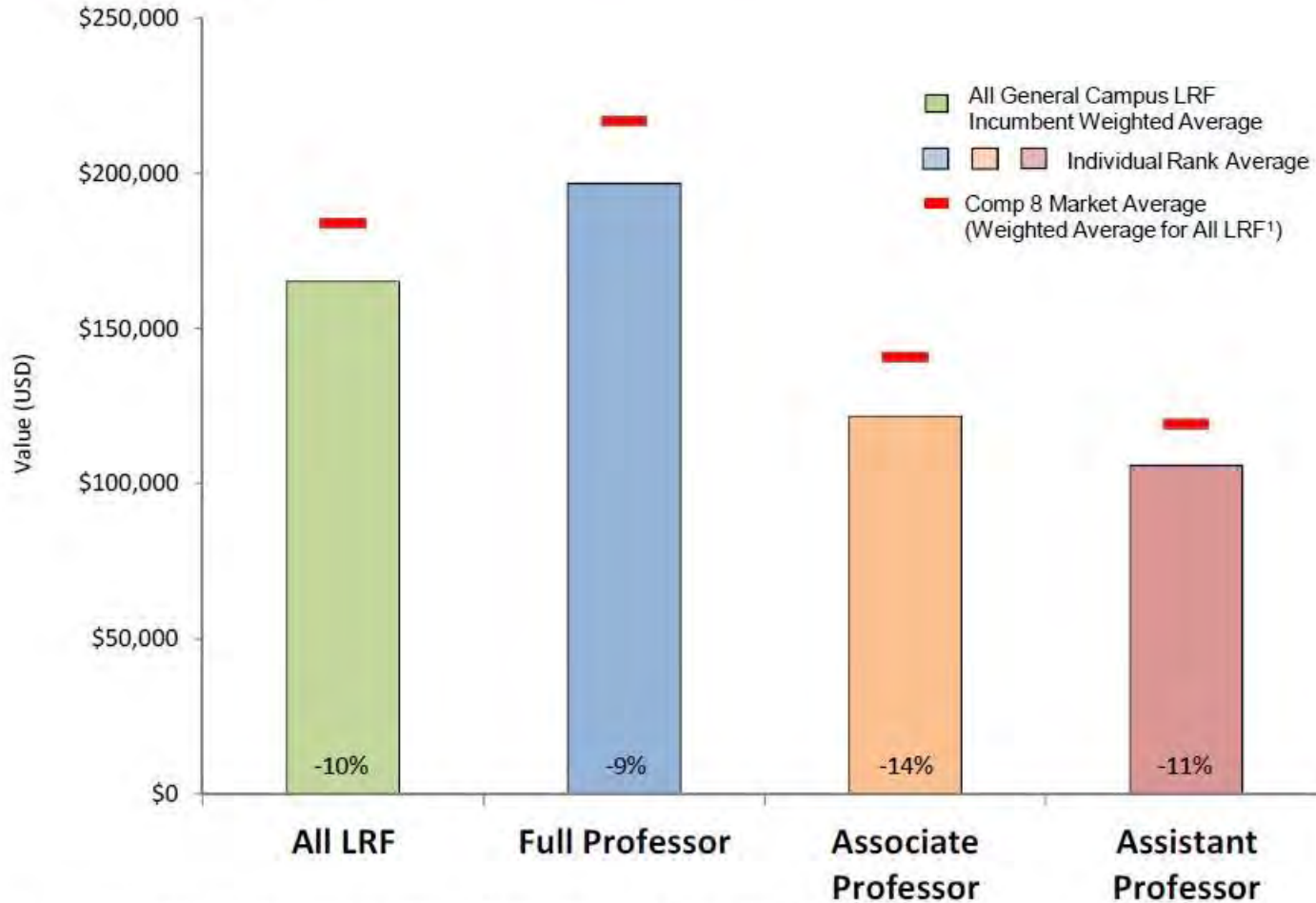
(Data effective October 1, 2013)



# Study Findings

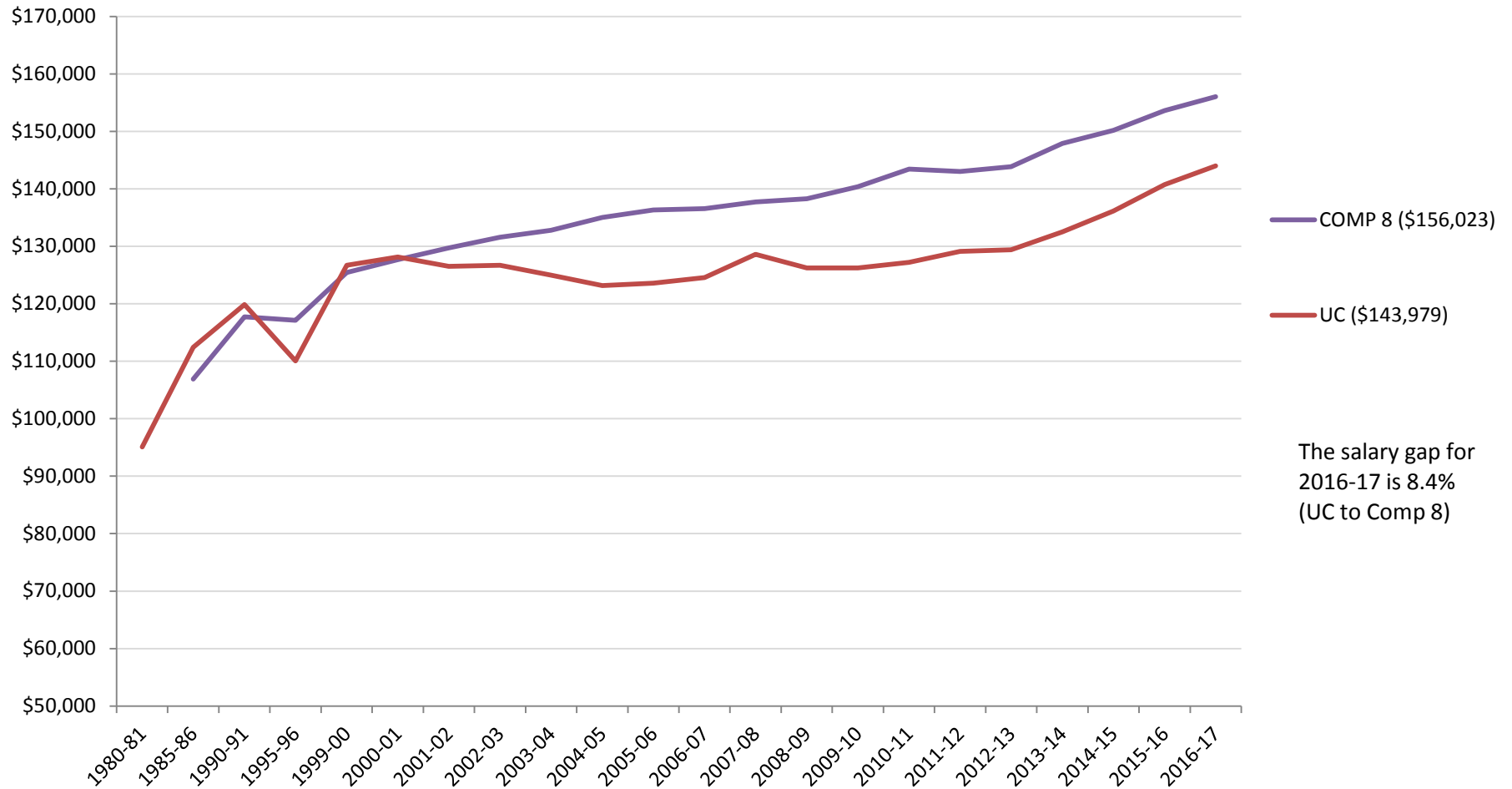
## Total Remuneration – Market versus UC

(Data effective October 1, 2013)



# APPENDIX B

**Average Ladder Rank Faculty Salaries - General Campus  
Comparison 8 and UC  
5-Year intervals to 1999-00, and each year 1999-00 through 2016-17  
(Adjusted for Inflation in 2016 Dollars)**



The salary gap for 2016-17 is 8.4% (UC to Comp 8)

Sources: UC Corporate Personnel System (CPS) October snapshot files and data from Comp 8 institutions

Notes: Includes general campus tenured and tenure-track faculty base salaries  
Excludes all Health Sciences disciplines and Law  
UC and Comp 8 averages weighted per CPEC methodology  
Inflation-adjusted using CPI-U (annual average, seasonally adjusted)



APPENDIX C

Table 1

Range Adjustments/Salary Increase Programs -Professorial Ranks  
University of California System  
From 1999-2000 to 2016-17

Professor AY Step 1 Scale Rate  
Comparison to California CPI and Comp 8 Average Salary Increases

Year	% Adjustment to Ladder Rank Faculty Salaries	Effective Date	Salary Scale Rate, Professor AY Step 1	Scale Rate adjusted by California CPI (October 2016 Dollars)	Year Over Year CPI Change	1999-00 Scale Rate, Increased by CPI	Increase by Comp 8 Average Increase Each Year Since 1999
1999-00	Cumulative 2.9% parity/range adjustment	10/1/1999	\$65,400	\$99,074		\$65,400	\$65,400
2000-01	Cumulative 3% parity/range adjustment	10/1/2000	\$67,200	\$97,725	4.2%	\$68,128	\$68,807
2001-02	0.5% range adjustment	10/1/2001	\$67,500	\$95,103	3.2%	\$70,318	\$71,868
2002-03	0%		\$67,500	\$92,821	2.5%	\$72,048	\$74,060
2003-04	0%		\$67,500	\$91,120	1.9%	\$73,392	\$76,453
2004-05	0%		\$67,500	\$87,899	3.7%	\$76,082	\$79,824
2005-06	2% general range adjustment	10/1/2005	\$68,800	\$85,655	4.6%	\$79,579	\$83,294
2006-07	2% general range adjustment	10/1/2006	\$70,200	\$85,458	2.3%	\$81,385	\$86,124
2007-08	2.5% COLA plus additional market adjustment, which ranged from 4% to	10/1/2007	\$77,800	\$91,614	3.4%	\$84,136	\$89,351
2008-09	0%		\$77,800	\$88,535	3.5%	\$87,061	\$93,154
2009-10	0%		\$77,800	\$88,746	-0.2%	\$86,855	\$94,242
2010-11	0%		\$77,800	\$88,082	0.8%	\$87,509	\$97,903
2011-12	3% merit-based salary program	10/1/2011	\$80,100	\$88,140	2.9%	\$90,037	\$100,677
2012-13	0%		\$80,100	\$85,505	3.1%	\$92,812	\$103,363
2013-14	2% across-the-board increase	7/1/2013	\$81,700	\$86,819	0.5%	\$93,233	\$107,819
2014-15	3% range adjustment	7/1/2014	\$84,200	\$87,723	2.0%	\$95,096	\$111,248
2015-16	1.5% across-the-board increase plus additional 1.5% discretionary program	7/1/2015	* \$85,500	\$87,739	1.5%	\$96,546	\$113,940
2016-17	1.5% scale adjustment plus additional 1.5% discretionary program	7/1/2016	* \$86,800	\$86,800	2.6%	\$99,074	\$117,191
<b>Total % change</b>			<b>32.7%</b>	<b>-12.4%</b>		<b>51.5%</b>	<b>79.2%</b>
Lag, Scale Rate to Adjusted rate						-14.1%	-35.0%

\* Published scale rate: reflects a 1.5% general scale adjustment

**Chart 2**  
**Professor AY Step 1 Scale Rate**  
**1999-00 Through 2016-17**  
**Actual vs. Increase by CPI vs. Increase by Comp 8 Average**

- Salary Scale Rate, Professor AY Step 1
- 1999-00 Scale Rate, Increased by CPI
- Increase by Comp 8 Average Increase Each Year Since 1999

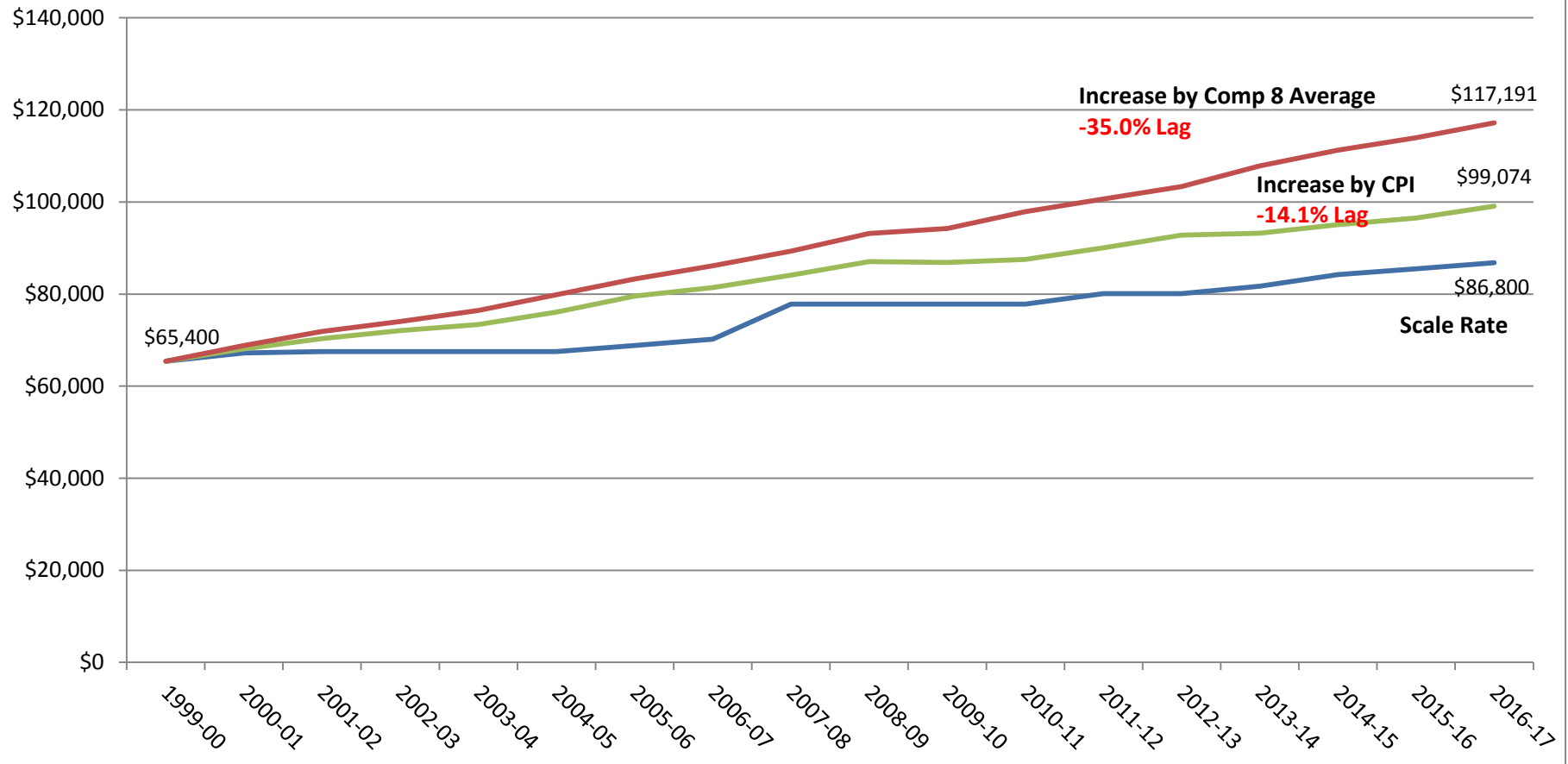
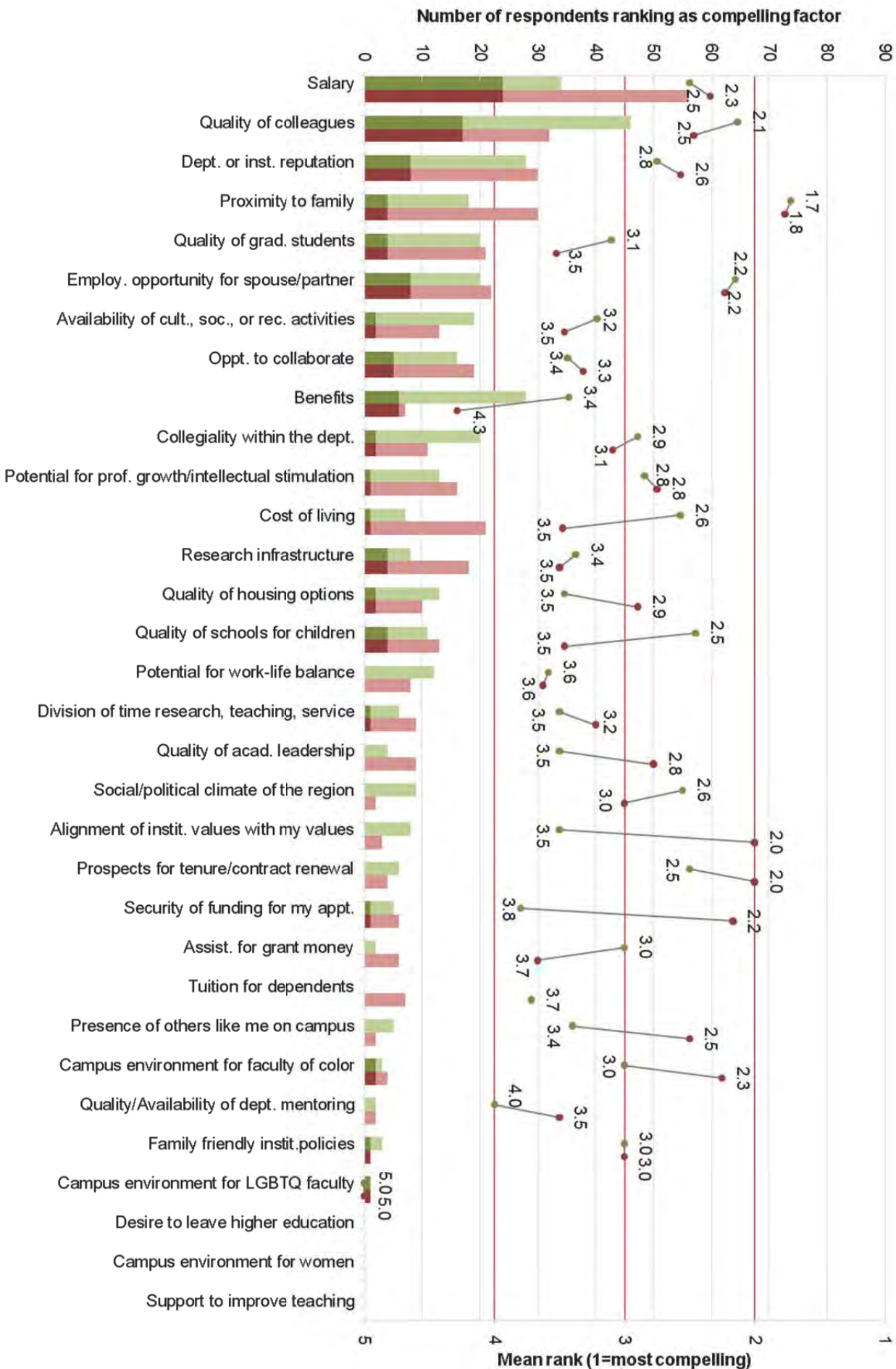


Figure 3.1  
Compelling factors (1) to remain at institution and (2) to accept external offer



**GREEN** = # times ranked as a compelling factor to stay at institution. **RED** = # times ranked as a compelling factor to accept offer. The darker portions of each bar represent respondents who ranked the factor as compelling in both "staying" and "leaving" directions. The dots above the bars show the average ranks of the dimension for "staying" and for "leaving".