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*Chair of the Assembly of the Academic Senate
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University of California
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March 2, 2018

**JANET NAPOLITANO, PRESIDENT
UNIVERSITY OF CALIFORNIA**

Re: Plan to Close the Faculty Salary Gap

Dear Janet:

Thank you for your letter of January 31 that responded to the Academic Council's December 22 [letter](#) to you urging the University to address the gap between UC faculty salaries and salaries at UC's Comparison 8 group of institutions. The Senate was encouraged to learn that you and Chancellors share faculty concerns about the critical issue of salary competitiveness and want to take action to address the gap. I asked the University Committee on Faculty Welfare (UCFW) to consider your request for advice to inform a comprehensive systemwide plan that supports both academic excellence and diversity. UCFW has returned with the attached plan, which the Academic Council unanimously endorsed at its February 28, 2018 meeting.

The main benefits of the plan are its simplicity, its systemwide approach, and the flexibility it provides to address competitiveness in the local context. The plan provides all faculty members with a much needed raise, brings the published UC salary scales closer to market reality, and improves equity across the system. It largely treats the faculty as a single entity, but also gives the Chancellors sufficient flexibility and discretion to address issues of equity, inversion, compression, recruitment and retention, and inequities that may exist at departmental or disciplinary levels. Of course, restoring the scales is a major step towards improving equity in and of itself.

As you are aware, over the past decade, the retirement and health benefits that previously compensated for the lower salaries of UC faculty compared to those of our comparators and competitors became much more expensive to the employee, further eroding both take-home pay, and total remuneration. The impact of this erosion and the persistent salary gap is that faculty security and morale is at risk. Indeed, as described in the recent COACHE Report, salary is the most frequently cited reason by faculty members who leave the University of California for other institutions. All Californians realize that we live in an expensive state; the cost of living is particularly high in most regions that host UC campuses. This challenge, in conjunction with lower salaries, seriously degrades our ability to recruit, and in many cases retain, the stellar faculty body upon which the UC system depends. Therefore, we respectfully request that you highly prioritize addressing this gap.

Please do not hesitate to contact me if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Shane N. White", written over a horizontal line.

Shane N. White, Chair
Academic Council

Encl.

Cc: Academic Council
Senate Director Baxter
Senate Executive Directors



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)
Roberta S. Rehm, Chair
roberta.rehm@ucsf.edu

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February 22, 2018

**SHANE WHITE, CHAIR
ACADEMIC COUNCIL**

RE: Closing the Faculty Salary Gap

Dear Shane,

The University Committee on Faculty Welfare (UCFW) would like to thank President Napolitano for her letter of January 31, 2018, in which she agrees to address meaningfully the faculty salary gap and solicits our assistance in devising a workable systemwide plan. We agree that a systemwide plan is needed, for as you know well, the University of California is a single university with ten divisions comprised of a single faculty who speak through a single Academic Assembly. The systemwide plan we suggest thus attempts to treat the faculty as a single entity as much as possible. The plan we suggest is also realistic and finite.

We recommend, for each of the next three years, adding just 2.3% of payroll more than the recent annual allocations of 3%, increasing the total spend to 5.3% of payroll, or by approximately \$35M per annum, to be achieved by adding 6% of payroll to the scales across the board and adding 3% of payroll to off-scale considerations. We recommend that up to half of the 3% allocated to off-scale considerations be made available for administrative discretion in addressing issues of equity, inversion, compression, recruitment and retention, and inequities that exist at departmental or disciplinary levels. Campuses should be expected to direct the entire 5.3% to faculty salaries.

The incremental annual cost of this 3-year plan, approximately \$35M, is less than the ongoing \$50M annual increments budgeted for Investments in Academic Quality. This plan will close the faculty salary gap in three years (enclosure). Importantly, this approach will also better link our world-leading merit review system to our foundational scales and reality.

Thank you for conveying this recommendation to the President and the Provost.

Sincerely,

A handwritten signature in cursive script that reads "Roberta S. Rehm".

Roberta S. Rehm, UCFW Chair

Encl.

Copy: UCFW
Hilary Baxter, Executive Director, Academic Senate

FOR PLANNING PURPOSES ONLY

Model Projection to Close the Comp 8 Gap

Potential Effect on On-scale and Off/Above Scale* salaries of Differential Increases

6% to Onscale Dollars/ 3% to Offscale Dollars

October, 2016 Ladder and Acting General Campus Faculty Data aged to Oct. 2017 Projections (Excludes Health Sciences)

% Increase in average UC salaries needed to close gap **5.8%** = Target increase in average salary per year beginning with 2018-19

Summary	2016-17	2017-18	2018-19	2019-20	2020-21
5-Year Comp 8 Average Increase	3.1%	3.1%	3.1%	3.1%	3.1%
5-Year UC All Ranks Avg. Increase	3.5%	3.5%	5.8%	5.8%	5.8%
Comp 8 All Ranks Avg.	\$156,023	\$160,860	\$165,846	\$170,988	\$176,288
"CPEC" UC All Ranks Avg.	\$143,979	\$149,018	\$157,661	\$166,806	\$176,480
UC-Comp 8 Lag (Projected)	-8.4%	-7.9%	-5.2%	-2.5%	0.1%
Avg. UC salary with this model	\$143,979	\$149,018	\$157,672	\$166,852	\$176,592
Lag with this model	-8.4%	-7.9%	-5.2%	-2.5%	0.2%

Additional Consideration: For the past 5 years, the annual increase to UC average salaries has been approximately 0.5% above the overall salary plan percentage (3.5% vs. 3.0%), due to retentions, promotions, new hires, etc.

The model targets an increase in UC average salaries of approximately 5.8% per year to close the Comp 8 gap

The net target increase is therefore 5.8%-0.5% = 5.3% per year; this model is projected to close the gap

	Projected 2017-18 OnScale Total	Projected 17-18 Off/Above Scale*	Projected 17-18 total
2017-18			
Systemwide	\$975,723,310	\$292,975,938	\$1,268,699,249

Off/Above Scale*

Onscale Increase	Increase
6.0%	3.0%

	Projected 2018-19 OnScale	Projected 18-19 Off/Above Scale*	Projected 18-19 Total	% Increase (Target = 5.3%)
2018-19				
Systemwide	\$1,034,266,709	\$301,765,216	\$1,336,031,925	5.3%

Add 1.78% additional budgeted for merits and promotions			
Projected Payroll	Increase in Payroll	Onscale Portion	Off/Above Portion
\$1,359,813,294	\$91,114,045	\$1,052,676,656	\$307,136,637

Off/Above Scale*

Onscale Increase	Increase
6.0%	3.0%

	Projected 2019-20 OnScale	Projected 19-20 Off/Above Scale*	Projected 19-20 Total	% Increase (Target = 5.3%)
2019-20				
Systemwide	\$1,115,837,256	\$316,350,736	\$1,432,187,992	5.3%

Add 1.78% additional budgeted for merits and promotions			
Projected Payroll	Increase in Payroll	Onscale Portion	Off/Above Portion
\$1,457,680,938	\$97,867,645	\$1,135,699,159	\$321,981,780

Off/Above Scale*

Onscale Increase	Increase
6.0%	3.0%

	Projected 2020-21 OnScale	Projected 20-21 Off/Above Scale*	Projected 20-21 Total	% Increase (Target = 5.3%)
2020-21				
Systemwide	\$1,203,841,108	\$331,641,233	\$1,535,482,341	5.3%

Add 1.78% additional budgeted for merits and promotions			
Projected Payroll	Increase in Payroll	Onscale Portion	Off/Above Portion
\$1,562,813,927	\$105,132,989	\$1,225,269,480	\$337,544,447

Cumulative Increase from Model	\$294,114,678
Cumulative Increase from Typical 3% Plan	\$190,766,358
Cumulative Difference between Model and Typical 3% Plan	\$103,348,320
Average Difference Per Year Over 3 Years=	\$34,449,440

*Note: This model assumes that Above Scale faculty have an "On-Scale" rate equal to 11.3% above the Professor Step 9 on-scale rate; any amount above that rate is considered "Off-Scale".