

UNIVERSITY OF CALIFORNIA, ACADEMIC SENATE

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*Chair of the Assembly of the Academic Senate
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University of California
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July 13, 2018

**JANET NAPOLITANO, PRESIDENT
UNIVERSITY OF CALIFORNIA**

Re: Faculty Salary Plan Next Steps

Dear Janet:

Thank you again for enacting a three-year plan to close the 8.4% faculty salary gap between UC and the Comparison 8, focused on rebuilding competitive salaries and reinforcing the University's unparalleled merit review system.

Your plan began with a 4% increase to the published UC base salary scales in the 2018-19 academic year. I asked the University Committee on Faculty Welfare (UCFW) to request budget models to help the Senate define options for fully addressing the remaining gap over two years. The Academic Council felt that developing a plan at an early stage, before the 2019-20 budget development cycle is initiated, would help ensure its inclusion in pre-budget projections

UCFW worked with UCPB, UCAP, and UCAADE to prepare a simple model for closing the gap. As you know, the original plan to close the gap over three years would have required 5.6% annual increases, and the new proposal assumes a continuation of that three-year trajectory, with 8.2% increases in both 2019-20 and 2020-21. It is important to note that an 8.2% increase to the scales constitutes a 6.3% increase in total faculty salary spend. The Academic Council unanimously endorsed the plan at its June 27, 2018 meeting.

The main benefits of the plan continue to be its simplicity, its systemwide approach, its emphasis on bringing the published UC salary scales closer to market reality, and the flexibility it provides to address competitiveness in the local context.

We look forward to working with you on this and other budget priorities that are critical to maintaining the excellence of the university. Please do not hesitate to contact me if you have questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shane N. White".

Shane N. White, Chair
Academic Council

Encl.

Cc: Provost Brown
Academic Council
Senate Director Baxter
Senate Executive Directors



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)
Roberta Rehm, Chair
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June 22, 2018

**SHANE WHITE, CHAIR
ACADEMIC COUNCIL**

RE: Faculty Salary Plan Next Steps

Dear Shane,

The University Committee on Faculty Welfare (UCFW) was pleased to learn of President Napolitano's commitment to a multi-year faculty salary plan dedicated to closing the gap between UC's salary scales and the cash compensation provided to our comparators. The first step in this plan is an allocation of 4% of payroll to the scales for 2018-19. After discussion with the chairs of our sister committees on Planning and Budget, Academic Personnel, and Affirmative Action, Diversity, and Equity, our unanimous recommendation for the next two years of the plan is to increase the scales by 8.2% for each of the next two years; because this is only an increase to the scales, it represents only a 6.3% increase in total spending. This proposal, as the enclosed data from UCOP's Office of Academic Personnel illustrate, will close the cash compensation gap. Moreover, a competitive salary scale will allow UC to compete on a *prima facie* basis for new hires and better retain mid-career faculty; considering the external pressure and internal desire to increase diversity in the faculty ranks, revitalizing the faculty salary scales must occur with all due haste. Retaining the integrity for the faculty salary scales, as UCFW has long maintained, is important not only for the academic advancement process, but also bolstering faculty morale and addressing previously considered, but still unresolved, concerns involving compression, inversion, and equity.

Thank you for your continued assistance in this critical area.

Sincerely,

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

Roberta Rehm, UCFW Chair

Copy: UCFW
Hilary Baxter, Executive Director, Academic Senate

Encl.

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

General Campus Ladder-Rank Faculty Only: Excludes Health Sciences

Based on Full Time Equivalent Rates for October 2017 - Ladder and Acting Faculty

4/0 2018-19 Plan, Then

8.2/0 Plan - 3-Year Summary

Summary	2016-17	2017-18	4/0 Plan 2018-19	8.2/0 Plan 2019-20	8.2/0 Plan 2020-21	Effect Over 3 Years
	5-Year Comp 8 Average Increase	3.1%	3.1%	3.1%	3.1%	
5-Year UC All Ranks Avg. Increase	3.5%	3.5%	3.6%	6.8%	6.9%	18.3%
Comp 8 All Ranks Avg.	\$156,023	\$160,860	\$165,846	\$170,988	\$176,288	\$176,288
'CPEC" UC All Ranks Avg. with target increase	\$143,979	\$149,018	\$154,322	\$164,859	\$176,300	\$176,300
UC-Comp 8 Lag (Projected)	-8.4%	-7.9%	-7.5%	-3.7%	0.0%	0.0%

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.

*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".

Campus	2017-18 On-Scale Total	2017-18 Off-Scale*	2017-18 Total Base Payroll
UCB	\$166,462,506	\$57,082,390	\$223,544,896
UCD	\$154,609,656	\$36,186,304	\$190,795,959
UCI	\$112,478,941	\$31,029,411	\$143,508,352
UCLA	\$161,512,391	\$82,208,813	\$243,721,204
UCM	\$20,434,722	\$4,983,786	\$25,418,508
UCR	\$83,408,859	\$16,846,741	\$100,255,600
UCSB	\$96,973,700	\$25,862,663	\$122,836,363
UCSC	\$61,047,018	\$14,114,982	\$75,162,000
UCSD	\$113,244,081	\$30,120,943	\$143,365,024
Total	\$970,171,874	\$298,436,032	\$1,268,607,906

Effect over 3 Years: 2018-19 through 2020-21

3-Year Plan, 2018-19 through 2020-21	Onscale Increase	Off-Scale* - Increase	Total Increase, 8.2/0 Plan	Comparison to 3/3 Plan (3% Overall) Increases	Cumulative Base Payroll Increase at 3% per yr.	Difference in Increase	Average. Difference Per Year
	8.2%	0.0%		Cumulative Base Payroll Increase at 3% per yr.			
Campus	Cumulative On-scale Increase	Cumulative Off-Scale Increase					
UCB	\$36,214,411	\$0	\$36,214,411	\$20,728,648	\$15,485,763	\$5,161,921	
UCD	\$33,635,788	\$0	\$33,635,788	\$17,691,937	\$15,943,851	\$5,314,617	
UCI	\$24,470,127	\$0	\$24,470,127	\$13,307,099	\$11,163,028	\$3,721,009	
UCLA	\$35,137,499	\$0	\$35,137,499	\$22,599,536	\$12,537,963	\$4,179,321	
UCM	\$4,445,634	\$0	\$4,445,634	\$2,356,982	\$2,088,652	\$696,217	
UCR	\$18,145,844	\$0	\$18,145,844	\$9,296,401	\$8,849,443	\$2,949,814	
UCSB	\$21,096,916	\$0	\$21,096,916	\$11,390,247	\$9,706,668	\$3,235,556	
UCSC	\$13,280,959	\$0	\$13,280,959	\$6,969,547	\$6,311,413	\$2,103,804	
UCSD	\$24,636,585	\$0	\$24,636,585	\$13,293,809	\$11,342,776	\$3,780,925	
Total	\$211,063,763	\$0	\$211,063,763	\$117,634,205	\$93,429,558	\$31,143,186	

Sources:

UC Corporate Payroll System and Comp 8 Institutions

Notes:

2017-18 payroll is based on Full-Time Annualized salary rates as of October 2017

* Above Scale faculty assumed to have an "On-Scale" rate equal to 11.3% above the Professor Step 9 on-scale rate

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

By Campus

General Campus Ladder-Rank Faculty Only: Excludes Health Sciences

Based on Full Time Equivalent Rates for October 2017 - Ladder and Acting Faculty

4/0 2018-19 Plan, Then

8.2/0 Plan - Year by Year

2018-19 Projection	Off-Scale* - NO					Comparison to 3/3 Plan (3% Overall Increase)	
	Onscale Increased by 4.0%	Mandated increase 0.0%				Total Increase	Difference in Increase
Campus	Projected 2018-19 On-Scale	Projected 18-19 Off-Scale*	Projected 18-19 Base Payroll	Increase	% Increase		
UCB	\$173,121,007	\$57,082,390	\$230,203,396	\$6,658,500	3.0%	\$6,706,347	-\$47,847
UCD	\$160,794,042	\$36,186,304	\$196,980,345	\$6,184,386	3.2%	\$5,723,879	\$460,507
UCI	\$116,978,099	\$31,029,411	\$148,007,510	\$4,499,158	3.1%	\$4,305,251	\$193,907
UCLA	\$167,972,887	\$82,208,813	\$250,181,700	\$6,460,496	2.7%	\$7,311,636	-\$851,140
UCM	\$21,252,111	\$4,983,786	\$26,235,897	\$817,389	3.2%	\$762,555	\$54,834
UCR	\$86,745,213	\$16,846,741	\$103,591,954	\$3,336,354	3.3%	\$3,007,668	\$328,686
UCSB	\$100,852,648	\$25,862,663	\$126,715,311	\$3,878,948	3.2%	\$3,685,091	\$193,857
UCSC	\$63,488,899	\$14,114,982	\$77,603,881	\$2,441,881	3.2%	\$2,254,860	\$187,021
UCSD	\$117,773,844	\$30,120,943	\$147,894,787	\$4,529,763	3.2%	\$4,300,951	\$228,813
Total	\$1,008,978,749	\$298,436,032	\$1,307,414,781	\$38,806,875	3.1%	\$38,058,237	\$748,638

2019-20 Projection	Off-Scale* -					Comparison to 3/3 Plan (3% Overall Increase)	
	Onscale Increased by 8.2%	Increase 0.0%				Total Increase	Difference in Increase
Campus	Projected 2019-20 On-Scale	Projected 19-20 Off-Scale*	Projected 18-19 Base Payroll	Increase	% Increase		
UCB	\$187,316,929	\$57,082,390	\$244,399,319	\$14,195,923	6.2%	\$6,907,537	\$7,288,385
UCD	\$173,979,153	\$36,186,304	\$210,165,457	\$13,185,111	6.7%	\$5,895,595	\$7,289,516
UCI	\$126,570,303	\$31,029,411	\$157,599,714	\$9,592,204	6.5%	\$4,434,408	\$5,157,796
UCLA	\$181,746,664	\$82,208,813	\$263,955,476	\$13,773,777	5.5%	\$7,530,985	\$6,242,792
UCM	\$22,994,784	\$4,983,786	\$27,978,570	\$1,742,673	6.6%	\$785,432	\$957,241
UCR	\$93,858,320	\$16,846,741	\$110,705,062	\$7,113,107	6.9%	\$3,097,898	\$4,015,209
UCSB	\$109,122,566	\$25,862,663	\$134,985,228	\$8,269,917	6.5%	\$3,795,644	\$4,474,274
UCSC	\$68,694,988	\$14,114,982	\$82,809,970	\$5,206,090	6.7%	\$2,322,506	\$2,883,584
UCSD	\$127,431,299	\$30,120,943	\$157,552,242	\$9,657,455	6.5%	\$4,429,979	\$5,227,476
Total	\$1,091,715,006	\$298,436,032	\$1,390,151,038	\$82,736,257	6.3%	\$39,199,984	\$43,536,273

2020-21 Projection	Off-Scale* -					Comparison to 3/3 Plan (3% Overall Increase)	
	Onscale Increased by 8.2%	Increase 0.0%				Total Increase	Difference in Increase
Campus	Projected 2020-21 On-Scale	Projected 20-21 Off-Scale*	Projected 20-21 Base Payroll	Increase	% Increase		
UCB	\$202,676,917	\$57,082,390	\$259,759,307	\$15,359,988	6.3%	\$7,114,763	\$8,245,225
UCD	\$188,245,444	\$36,186,304	\$224,431,747	\$14,266,291	6.8%	\$6,072,463	\$8,193,828
UCI	\$136,949,068	\$31,029,411	\$167,978,479	\$10,378,765	6.6%	\$4,567,440	\$5,811,325
UCLA	\$196,649,890	\$82,208,813	\$278,858,703	\$14,903,226	5.6%	\$7,756,915	\$7,146,312
UCM	\$24,880,356	\$4,983,786	\$29,864,142	\$1,885,572	6.7%	\$808,995	\$1,076,577
UCR	\$101,554,703	\$16,846,741	\$118,401,444	\$7,696,382	7.0%	\$3,190,835	\$4,505,547
UCSB	\$118,070,616	\$25,862,663	\$143,933,279	\$8,948,050	6.6%	\$3,909,513	\$5,038,537
UCSC	\$74,327,977	\$14,114,982	\$88,442,959	\$5,632,989	6.8%	\$2,392,181	\$3,240,808
UCSD	\$137,880,666	\$30,120,943	\$168,001,609	\$10,449,367	6.6%	\$4,562,879	\$5,886,488
Total	\$1,181,235,637	\$298,436,032	\$1,479,671,669	\$89,520,630	6.4%	\$40,375,984	\$49,144,647

Sources:

UC Corporate Payroll System

Notes:

2017-18 payroll is based on Full-Time Annualized salary rates as of October 2017

* Above Scale faculty assumed to have an "On-Scale" rate equal to 11.3% above the Professor Step 9 on-scale rate