



Office of the Executive Director  
PHONE: (510) 987-9458  
FAX: (510) 763-0309  
E-MAIL: mbertero@ucop.edu

Assembly of the Academic Senate  
Academic Council  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, CA 94607-5200

August 30, 2006

**SYSTEM-WIDE SENATE COMMITTEE CHAIRS**

**DIVISIONAL SENATE CHAIRS**

**RE: System-wide Review of the Universitywide Committee on Academic Personnel (UCAP) “Synopsis of the Present Status of the UC Merit and Promotion System and Principles of and Policy Recommendations for UC Faculty Compensation”**

Dear System-wide Senate Committee and Divisional Senate Chairs:

On behalf of Chair Oakley, the above document is being forwarded for your review and comments. As background information, as a result of discussions throughout the 2005-06 year, including the April 4, 2006, joint Academic Council – Chancellors meeting, UCAP was requested to address the issue of faculty off-scale salaries. At its June 21, 2006 meeting, the Academic Council voted to distribute the UCAP report and recommendations for system-wide Senate review.

The Academic Council would like to finalize its position with respect to the recommendations early in the 06-07 academic year. In order to do so, we would very much appreciate receiving responses by the date listed below:

For **System-wide Senate Committees** please submit responses by: **January 10, 2007**

For **Divisions** please submit responses by: **February 15, 2007**

As a reminder to System-wide Senate Committee Chairs, please note two points regarding the practice the Academic Council has established for general reviews:

1. **Request for comments are sent out to all System-wide Committees. Each committee may decide whether or not to opine.** Please notify the Senate Office either directly by emailing me or through your Committee Analyst, if your committee chooses not to participate in this review.
2. **The Committee response due date is typically set a month before that of Divisions.** This two-stage review allows the Academic Council to conduct both a preliminary and a final discussion of the matter at hand. It also gives the Divisions the benefit of the committees’ considerations for their own deliberations.

Cordially,

A handwritten signature in cursive script, appearing to read "María Bertero-Barceló".

María Bertero-Barceló, Executive Director  
Academic Senate

Encl: [1](#)  
Copy: Academic Council Chair John Oakley  
Divisional Senate Directors  
Academic Senate Committee Analysts



**UNIVERSITY COMMITTEE ON ACADEMIC PERSONNEL (UCAP)**  
**ANTHONY NORMAN, CHAIR**  
[anthony.norman@ucr.edu](mailto:anthony.norman@ucr.edu)

The Academic Council  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, CA 94607-5200  
Phone: (510) 987-9467  
Fax: (510) 763-0309

June 12, 2006

JOHN OAKLEY, CHAIR  
ACADEMIC COUNCIL

**Re: Synopsis of the Present Status of the UC Merit and Promotion System and Principles of  
and Recommendations for Faculty Salary Compensation**

Dear John,

In May, Provost Rory Hume joined the University Committee on Academic Personnel (UCAP) to discuss the UC salary scale system. Provost Hume noted that the Academic Senate academic personnel review and advancement system has been fundamental to the University's excellence and strength, but he cited a growing concern that only a minority of UC faculty are actually being compensated according to the published salary scale system, and the original intent of off-scale salary increments is not being met. Provost Hume asked UCAP to consider how the University's salary scale system could be made more rational and equitable.

UCAP shares the Provost's concern. Clearly, the UC salary scale system is facing a serious crisis. Competitive faculty salaries—in addition to low student fees, graduate support, and research—are vital to the excellence of the University, but faculty salaries have not been a priority for the University or the state. It has been 12 years since UC was at parity with our "Comparison Eight" institutions and several years since the merit and promotion system and salary schedules were coherent. The current situation has also led to the erosion of the student-faculty ratio, which is shortchanging students and impairing UC's educational mission.

UCAP believes strongly that the University must return the salary scale system to a more regulated, rational, and transparent structure, which can be easily explained to faculty, the Regents and the people of California. We feel the political and intellectual power of the Academic Senate is essential to this effort. UCAP has set out to define principles and identify appropriate policy recommendations about the salary scales and faculty compensation, which we include in the attached document for the consideration of Academic Council.

Sincerely,

Anthony Norman  
Chair, UCAP

cc: UCAP  
Executive Director Bertero-Barceló

# Synopsis of the Present Status of the UC Merit and Promotion System and Principles of and Policy Recommendations for UC Faculty Compensation

Prepared by the

**University-wide Committee on Academic Personnel (UCAP)**

Monday June 12, 2006

## Synopsis of Present Status of the UC Merit and Promotion System

A critical factor in the establishment and maintenance of the University of California System as one of the great public universities in the world has been the use of a merit-based faculty compensation plan. The “merit” of an individual faculty member is determined by a faculty driven “peer review” process, which relies on input from departments, deans, and *ad hoc* committees and culminates in a final recommendation prepared by each campus’s Committee on Academic Personnel (CAP) to the Chancellors. The original intention of the UC Merit and Promotion System was to apply on all campuses the same standards of merit (excellence in research and/or creative activity, teaching, service, and, in some instances, professional competence<sup>1</sup>) and the same rewards structured by identical increments of salary increase as defined in the UC Academic Salary Scales schedule<sup>2</sup>.

Historically, the detailed Rank and Step protocol for faculty advancement described in the UC Academic Personnel Manual (APM) has been linked to a general salary schedule, designed to create a level playing field for all member institutions of the UC System. In the era from 1980 to the mid 1990s, the salary schedule(s) were regularly updated by adjustment of faculty salaries in relation to our “Comparison Eight” institutions<sup>3</sup> The objective was to ensure that UC faculty salaries remained competitive so that the University would be able to attract preeminent scholars and retain those that received offers from other institutions. The usual “advance” that a faculty member received conformed to the Salary Schedule Step for the candidate’s Rank. It was even possible in “exceptional circumstances”, (APM 620) to award the candidate an “off-scale” salary increase that was approximately 3% – 7% above the base Rank and Step.

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<sup>1</sup> Some of the UC medical schools have ‘professional competence’ as an additional standard of merit for all faculty that is evaluated at the time of their merit or advancement.

<sup>2</sup> The University of California Academic Salary Scales for 2005 – 2006 are available on-line at the UC Office of the President ‘s web site; see the following URL: <http://www.ucop.edu/acadadv/acadpers/tab0506/tabcont.html>

<sup>3</sup> The ‘Comparison Eight’ Institutions for UC Faculty Salary Comparisons in 2005 were as follows: [Public Institutions = Universities of Illinois, Michigan, Virginia and SUNY Buffalo; Private Institutions = Harvard, MIT, Stanford, and Yale]. This information is taken from the following WEB site <http://www.aim.ucla.edu/data/campus/general/comparisoneight.html>

Beginning in the mid 1990s, the use of off scale salaries began to increase in frequency, and since 2001, has accelerated sharply. There is at the present time a campus-by-campus difference in policies regulating whether the “off-scale” salary returns to “on-step” or whether it remains permanently off-scale. By September of 2005, 63% of the University of California general campus faculty in the Professorial Series faculty on our ten campuses received an off-scale salary<sup>4</sup>. Notable is the fact that the newest UC campus, Merced, has hired 87% of its faculty with an off-scale salary. For all ten campuses, the average dollar amount of a faculty member’s off-scale increment is \$11,100; this increment ranges across campuses from a low of \$6,630 to a high of \$21,600. When faculty paid off-scale salaries are categorized by discipline, it is apparent that there is an even more pervasive disruption to equitable application of the University of California Academic Salary Scales to approved merit advancements. Thus for example, the average dollar increment of off-scale salary for the Arts & Humanities, Business Management, Engineering and Computer Sciences, Law, Life Sciences, Physical Sciences and Social Sciences is, respectively<sup>5</sup>, \$8,756, \$51,229, \$9,564, \$18,464, \$11,164, \$11,592 and \$17,475. Not surprisingly, there is a similar application of generous off-scale salary increments for new faculty hires in the Professorial Series across all ranks of General Campus Faculty; 82% of all new hires in 2004-2005 received an off-scale salary.

Another troubling development involves a steady movement away from use of the standard UC Academic Faculty Salary Scales schedules. At least two campuses have begun using a completely different mode to determine salaries. UC Berkeley has started to institute a number of programs to address the failure of the salary structure to reflect market reality in its competition for faculty at six comparison private peer institutions.<sup>6</sup> Thus far there is an active program to respond to competitive offers, a means of off-scale increments for faculty identified at being at high risk for departure, and promotion increments of \$6000 awarded to assistant professors upon receiving tenure and associate professors promoted to full Professor. UC Irvine uses a “shadow scale”, in which every academic-year faculty member<sup>7</sup> proposed for a merit increase also receives an off-scale increment, calculated as the median for all faculty at that level at Irvine. One anomalous outcome is that UC Irvine is beginning to see faculty on the academic year (9-month) scale paid a higher income than faculty on the fiscal year (12-month) scale. Another unintended negative consequence is that the high cost of subsidizing the widespread awarding of off-scale merit advancements has led campuses to use 19900 funds intended for unfilled FTE positions. At UC-Berkeley, the cost of restoring all salaries to a competitive level has been estimated at \$33 million per year<sup>8</sup>. The use of FTE

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<sup>4</sup> All salary data related to ‘off scale’ and ‘above scale’ cited in this document was provided in a series of 12 Charts that were made available to UCAP at its meeting of May 16, 2006 by AVP for Academic Advancement Ellen Switkes; the data are for the academic year 2004-2005. These charts are available in PDF format as Appendix A to this UCAP report.

<sup>5</sup> The ‘off-scale’ salary data by discipline are taken from Chart #6, Appendix A.

<sup>6</sup> UC-Berkeley’s putative comparative institutions currently are Harvard, Yale, MIT, Princeton, Stanford, and Caltech.

<sup>7</sup> At UC-Irvine, medical school faculty who are awarded a merit increase do not presently receive an automatic off-scale increment.

<sup>8</sup> UC Berkeley Faculty Compensation Working Group Report, September 26, 2005 see the following URL <http://evcp.chance.berkeley.edu/documents/Reports/documents/FacultyCompWkgGrpFinalReport092605.pdf>

funds to defray these salary increases has contributed to a student-faculty ratio that is rising above the norms expected for UC campuses. Such strategies are stop gap measures that cannot be maintained into the future.

The driving force behind the disturbing sequence of events summarized above is the fact that UC salaries have fallen significantly behind the Comparison Eight. It has been 12 years since UC was at parity with our Comparison Eight universities. As of June 2006, average UC salaries were at least 10% behind the average of the Comparison Eight, and that gap, without further adjustments other than the merits, is expected to increase to 12% in 2006-07<sup>9</sup>.

The University-wide Committee on Academic Personnel (UCAP) believes competitive faculty salaries and a rational, equitable and coherent merit and promotion system are essential to the excellence of the University. But the salary schedules no longer work effectively for the merit and promotion process currently in use at UC. The University must return the salary scale system to a more regulated, rational, and transparent structure, which can easily be explained to the Regents and the citizens of California. The Academic Senate must work pro-actively to define principles and make policy recommendations to the University about how to change the salary scales into a more rational and equitable system.

UCAP has articulated the following Principles of UC-Faculty Salary Compensation and Policy Recommendations to be forwarded to the President of the University of California.

### **Principles OF UC-Faculty Salary Compensation**

1. The UC system must set as its highest priority restoration of a competitive faculty compensation plan that is used by all ten campuses. *A common compensation system is essential to sustaining the excellence and high esteem of the University of California System as a whole.*
2. The rank and step system with faculty oversight must be fair, defensible and transparent. *The present system has been compromised as a consequence of the system's inability to adjust salaries to either our Comparison Eight averages or to market-based salaries by discipline.*
3. The salary schedule for the Merit and Promotion process should be subdivided into stipends by discipline area. *The UC system has long recognized that medicine, law, business and engineering require separate salary scales. It is a reality that market driven forces in other disciplines of academia have now resulted in a hierarchical set of 'values' for faculty salaries<sup>10</sup>. It is likely that the same set of "Comparison Institutions" will not be appropriate benchmarks for all disciplines.*

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<sup>9</sup> Under the compact there will be a 4 - 5% increase available for faculty salaries (for 2006-07), but some of this will go to fund merits and equity adjustments. Thus there will probably be about a 2% net increase in faculty salaries, so UC may be about 12% behind the Comparison Eight average.

<sup>10</sup> See Chart #6 of the 12 Charts provided as an Appendix to this report; also see footnote 4.

4. Maintenance of faculty salaries, by discipline, at 'market values' must be a top priority of the President and the Board of Regents in their annual negotiations with the Governor and State Legislature. *The University should engage the Legislature in a dialogue about faculty salaries, and point to the degradation of the student-faculty ratio as part of a concerted effort to maintain faculty salaries as a high funding priority. The absence of persistent attention to maintaining competitive faculty salaries will result in erosion of the UC System's greatness and over time can result in competition between and within departments and campuses.*
5. Off-scale salary increments should be phased out over time as rank and step salaries catch up to market rates through adjustments at regular merit and advancement reviews. *The application of off-scale salaries should be only an occasional rather than regular component of merit increases.*

### **Policy Recommendations**

Attainment of these five Principles undoubtedly will require adoption by the Office of the President and the Board of Regents of Policies for the near term as well as for the long term.

1. A short term Policy should include implementation of a panel of competitive salary schedules that would partition the general faculty into a number of cohorts by disciplines.
2. A long term Policy should include development of contingency plans, in the event that University leaders are not successful in attaining the goals articulated in the above Principles.

The linchpin is stated in Principle #4:

"Maintenance of faculty salaries, by discipline, at 'market values' must annually be a top priority of the President and the Board of Regents in their negotiations with the Governor and State Legislature."

3. If the State of California can not afford, or does not choose to assist the University of California in providing the necessary funds for a merit based salary schedule set at market levels, then the President and the Regents must devise alternative solutions to this vital need. Without such alternatives, the University may need to resort to such options as a tuition increase, privatization and/or disaggregation of the System into separate universities charging different fees and paying differential salaries. UCAP recommends none of these, but identifies them as likely consequences of continued inattention to the University of California's persistent salary lag.

Presented on the following page is a list of steps to facilitate implementation of the Principles and Policies Recommendations presented above.

## Proposed Implementation Steps

- 1) We request that Academic Council endorse the Principles and Policies document (P&P document) as soon as possible.
- 2) We request that after endorsement, Council forward the P&P document to the President with a request that he share it with the Regents.
- 3) We recommend that an *ad hoc* working group, composed of representatives from the appropriate systemwide academic senate committees (including Academic Personnel and Faculty Welfare) and the administration, be formed to comprehensively address solutions to the faculty compensation crisis.
- 4) We recommend that the University of California transmit to the State of California the facts concerning faculty compensation and proposed solutions as soon as possible so that they can be used as input to budget negotiations for the 2007/2008 fiscal year.
- 5) If the State of California does not wish to participate in the solution of the faculty compensation problem, we suggest the University of California evaluate alternative sources of faculty salary funding so as to ensure no erosion in the preeminence of the University.

## APPENDIX A UC Faculty Salary Data for 2004 – 4005

Provided by Assistant Vice President for Academic Advancement, Dr. Ellen Switkes  
Chart #1

### University of California Use of Above & Off-scale Salaries Professorial Series – All Ranks, General Campus Faculty September 2005

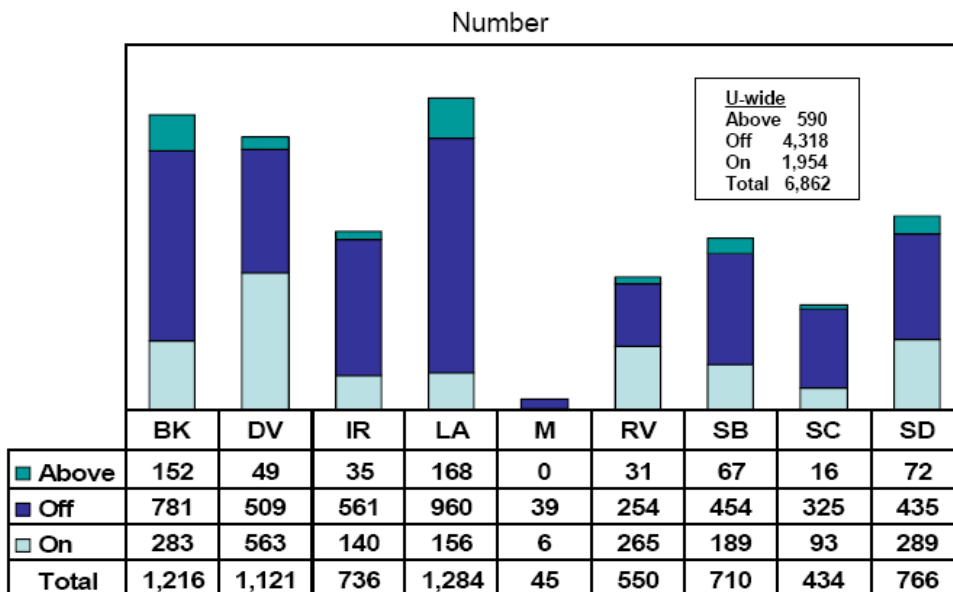
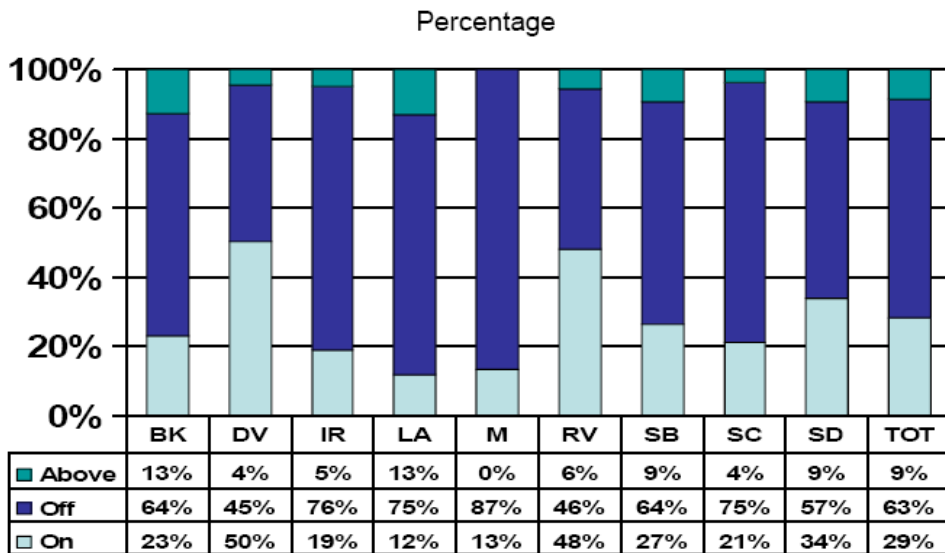
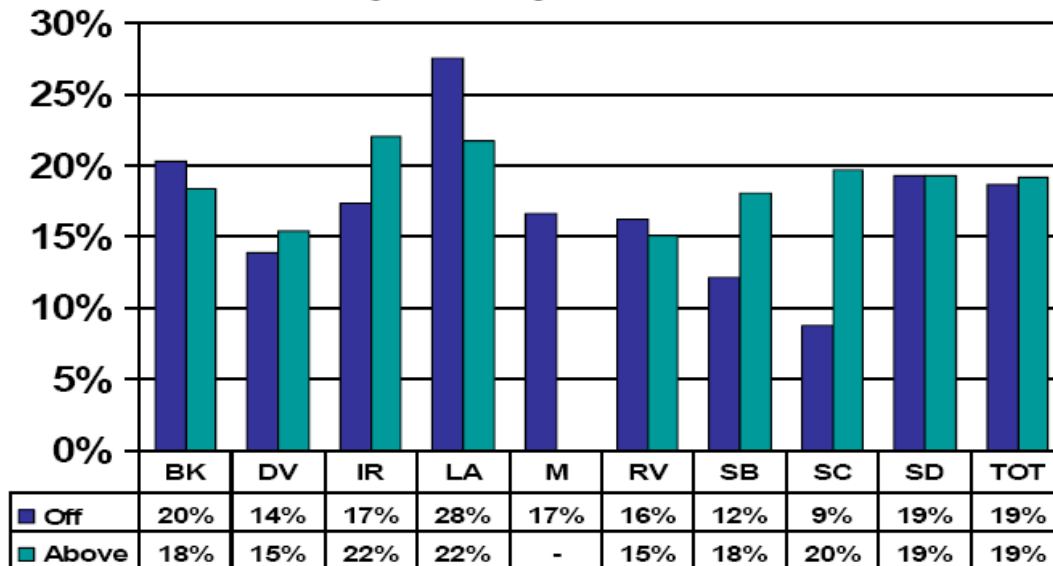




Chart #2

**University of California  
Use of Above & Off-scale Salaries  
Professorial Series – All Ranks, General Campus Faculty  
September 2005**

Average Percentage Off/Above-Scale



Average Dollar Amount Off/Above-Scale

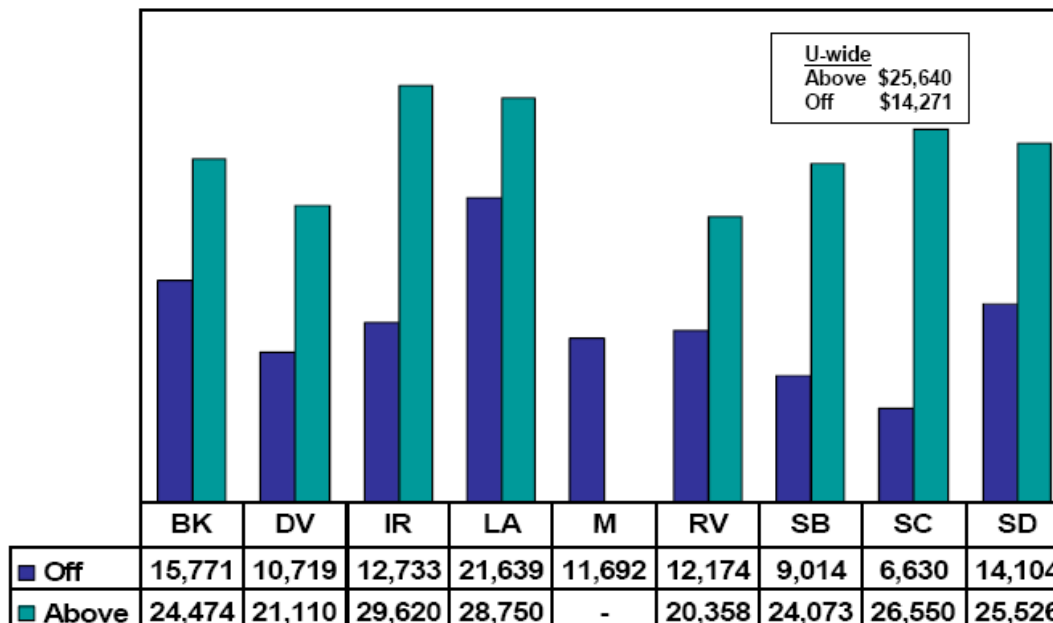


Chart #3

**University of California  
Use of Above & Off-scale Salaries  
Professorial Series – By Rank, General Campus Faculty  
September 2005**

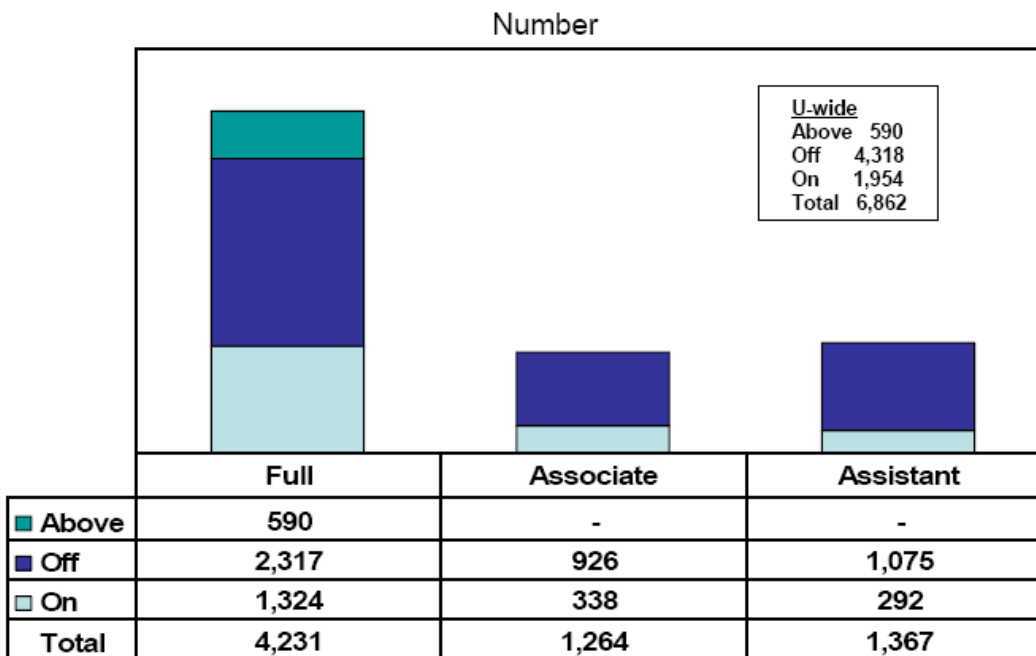
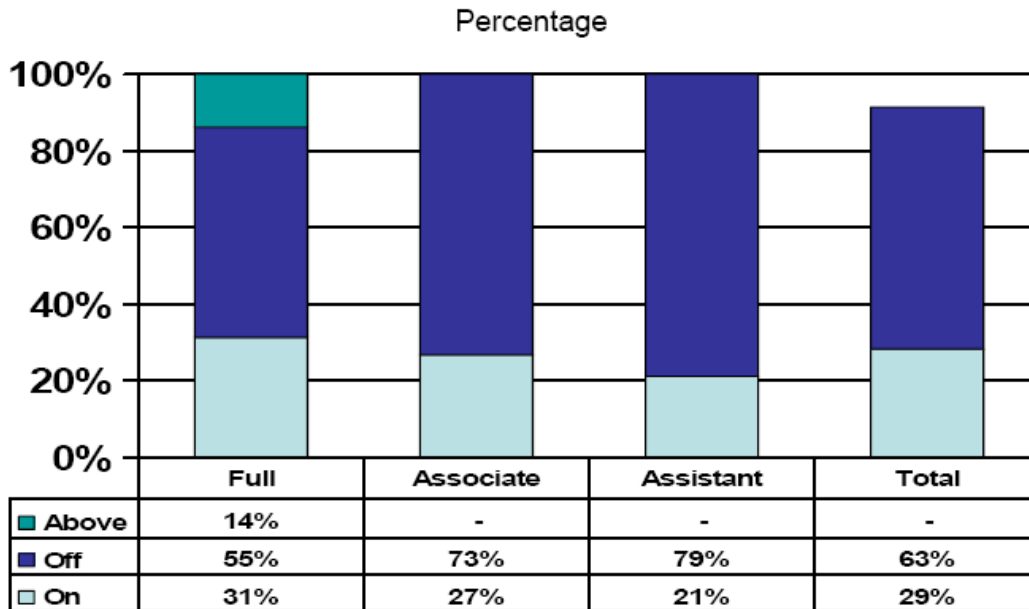
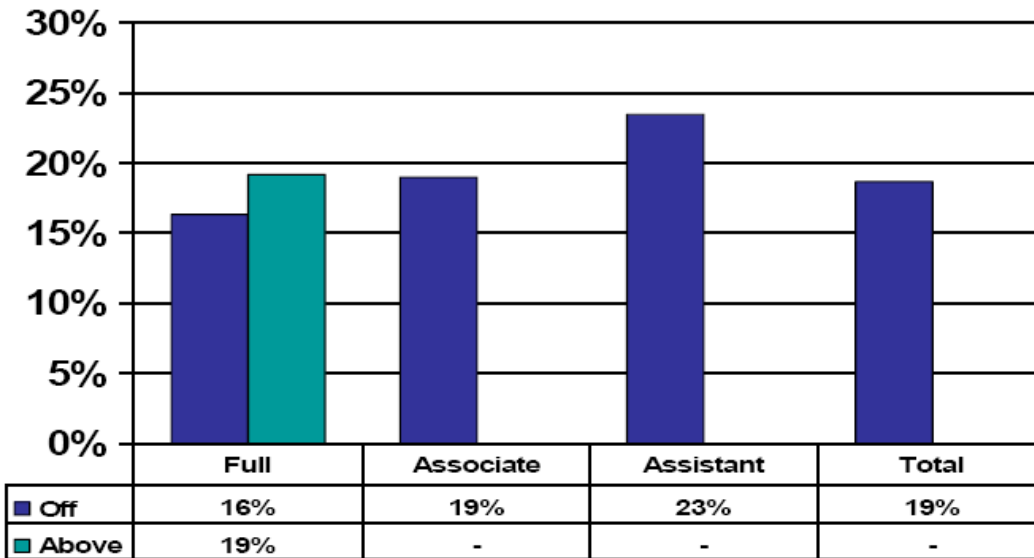


Chart #4

**University of California  
Use of Above & Off-scale Salaries  
Professorial Series – By Rank, General Campus Faculty  
September 2005**

Average Percentage Off/Above-Scale



Average Dollar Amount Off/Above-Scale

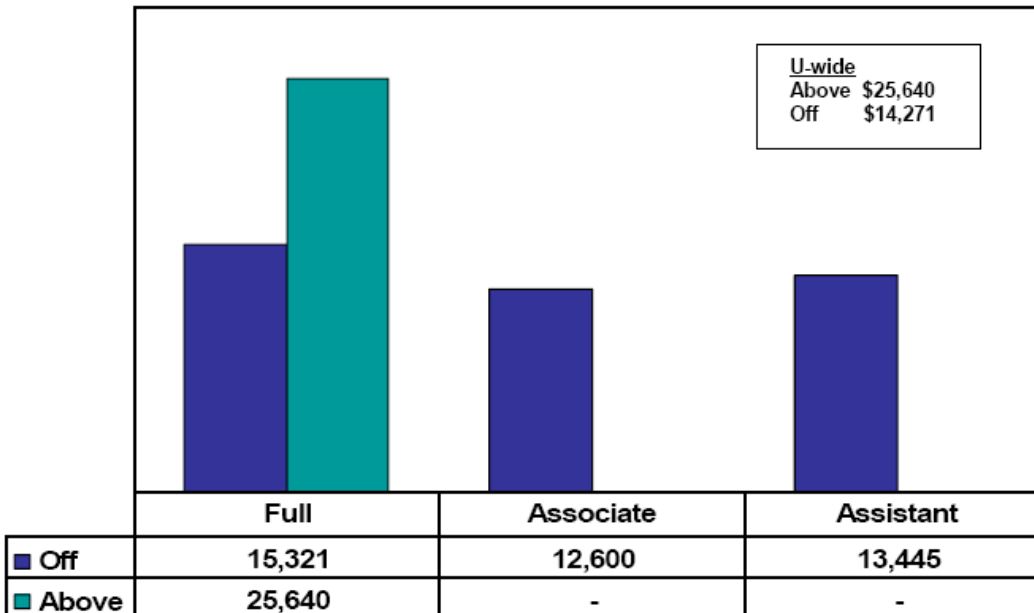


Chart #5

**University of California  
Use of Above & Off-scale Salaries  
Professorial Series – All Ranks, General Campus Faculty  
September 2005**

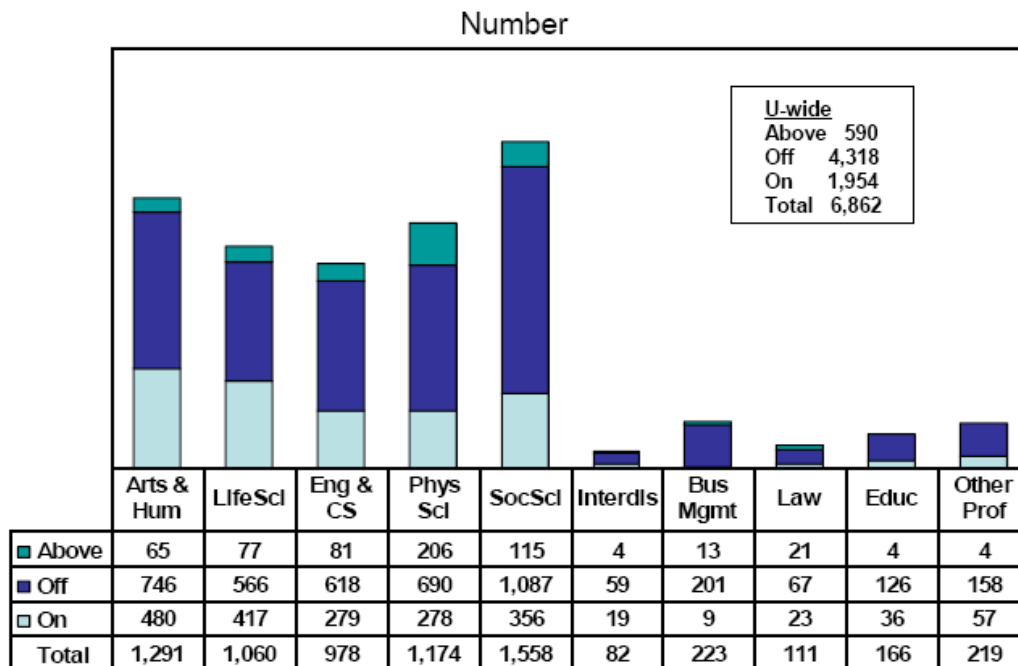
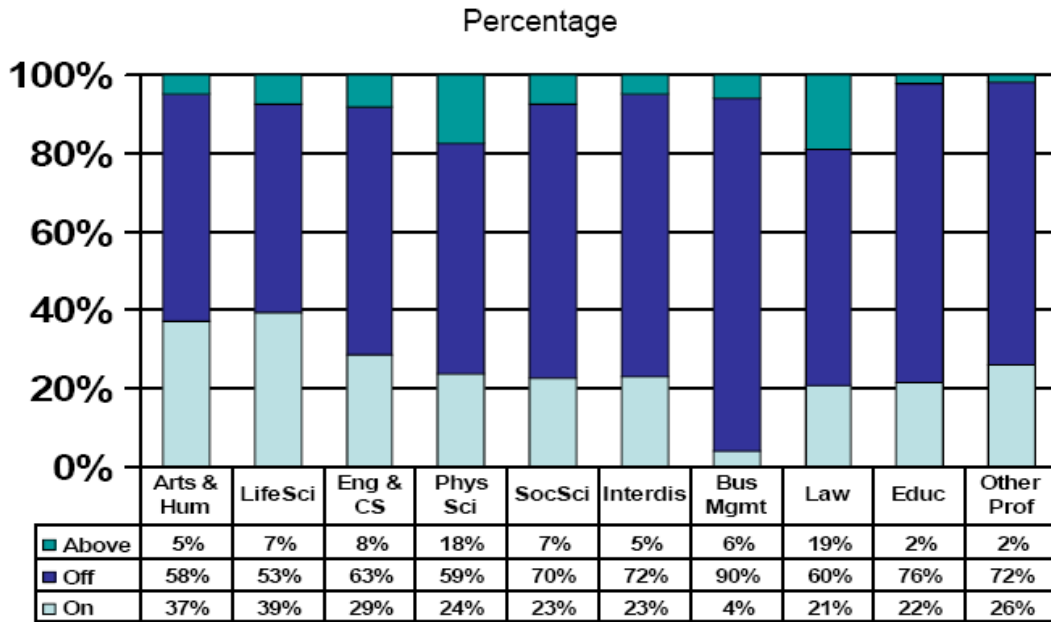
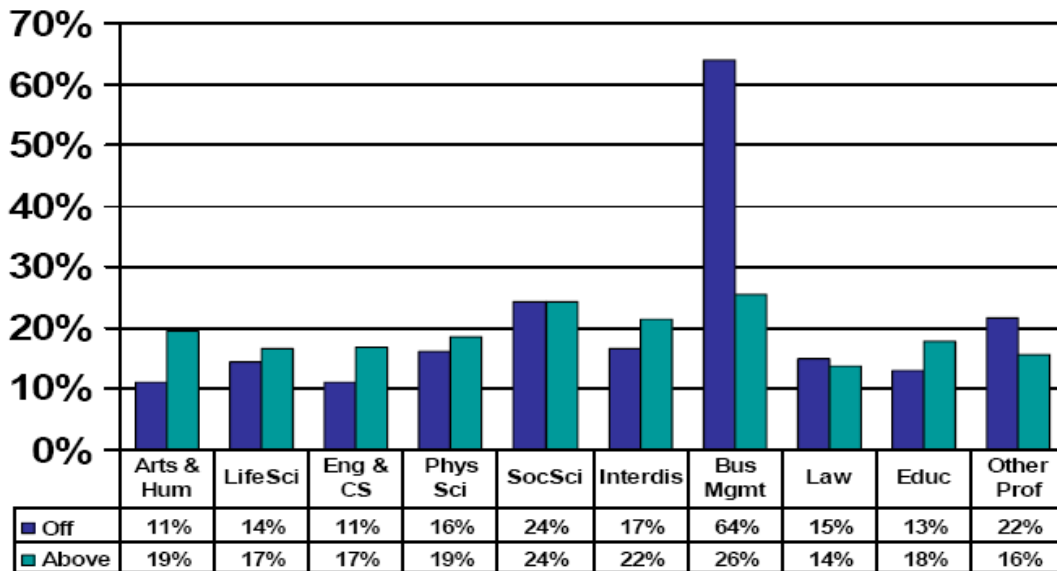


Chart #6

### University of California Use of Above & Off-scale Salaries Professorial Series – All Ranks, General Campus Faculty September 2005

Average Percentage Off/Above-Scale



Average Dollar Amount Off/Above-Scale

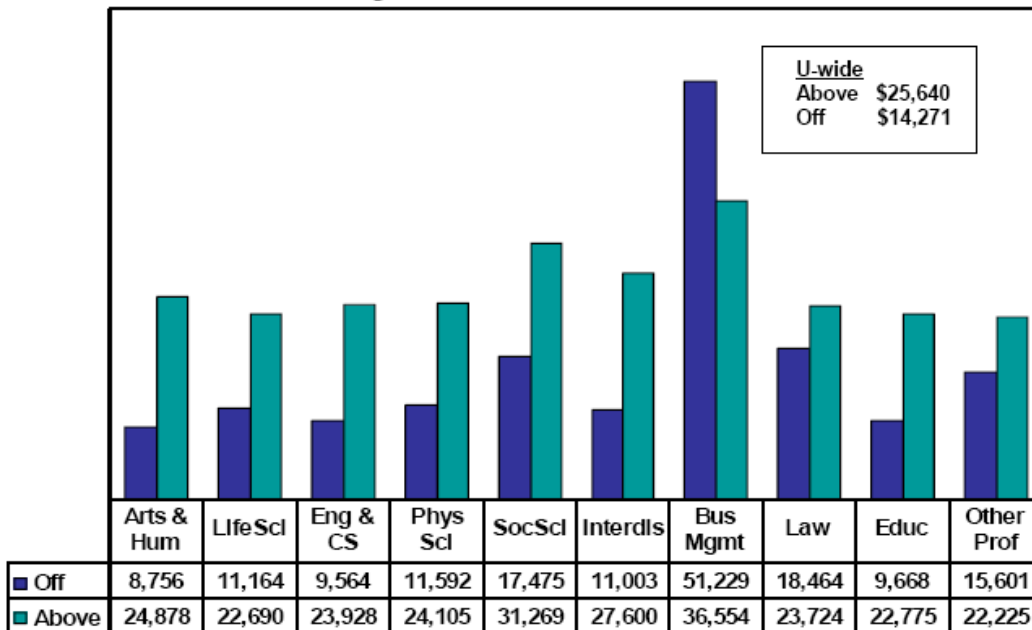


Chart #7  
New Appts

**University of California  
Use of Above & Off-scale Salaries  
Professorial Series – All Ranks, General Campus Faculty  
New Appointments 2004-05**

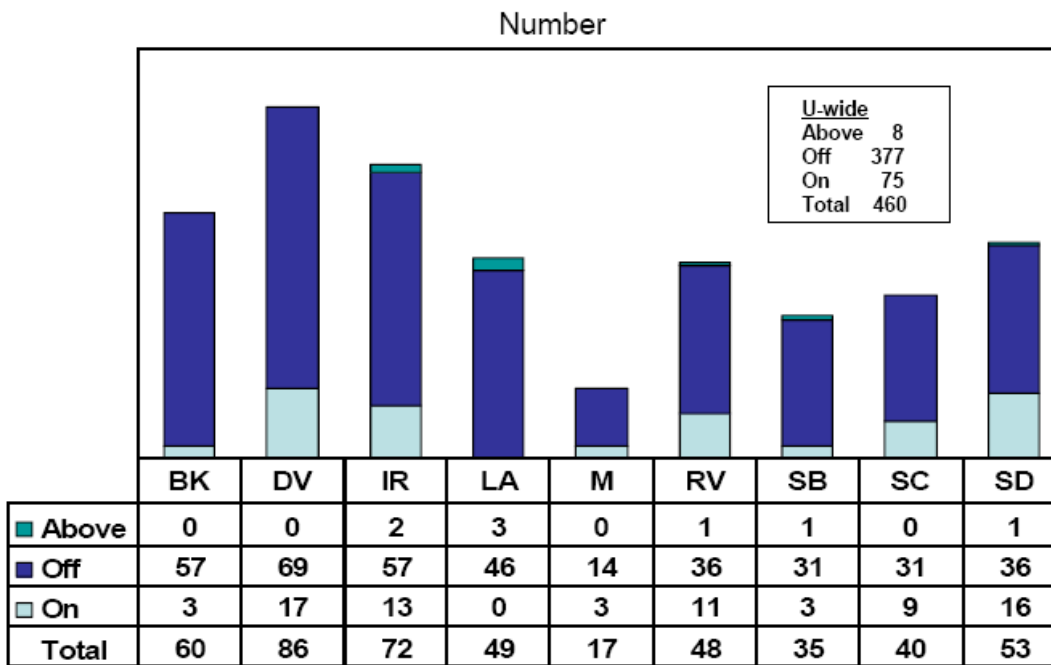
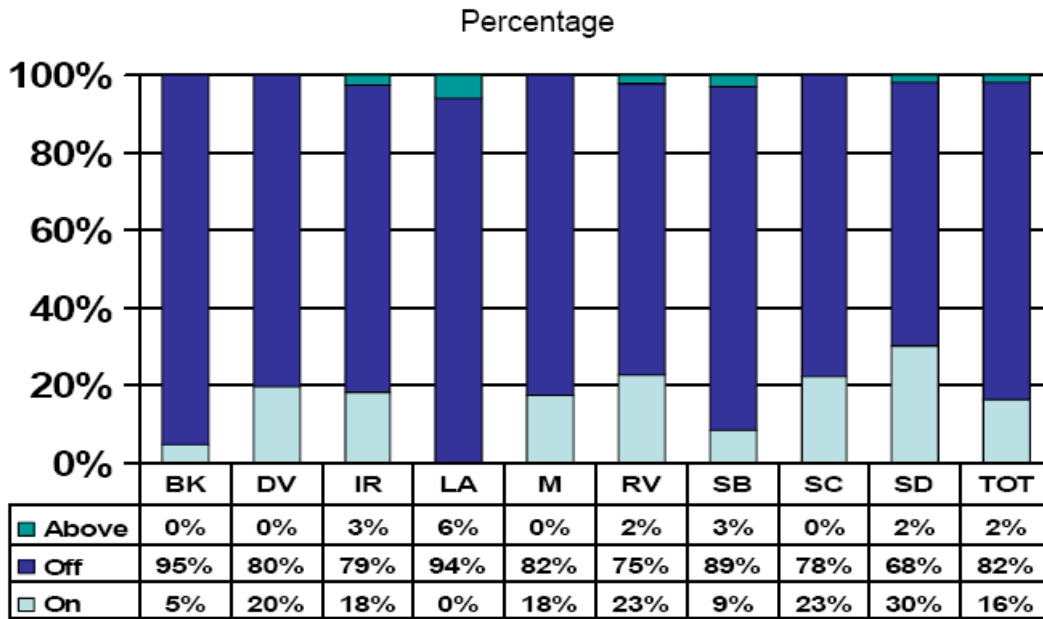
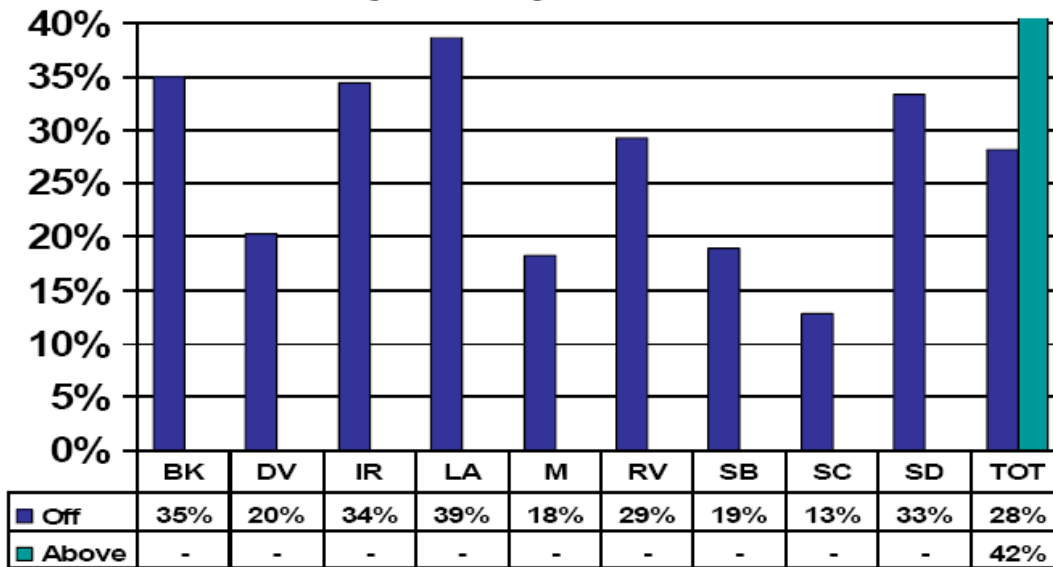


Chart #8  
New Appts

**University of California  
Use of Above & Off-scale Salaries  
Professorial Series – All Ranks, General Campus Faculty  
New Appointments 2004-05**

Average Percentage Off/Above-Scale



Average Dollar Amount Off/Above-Scale

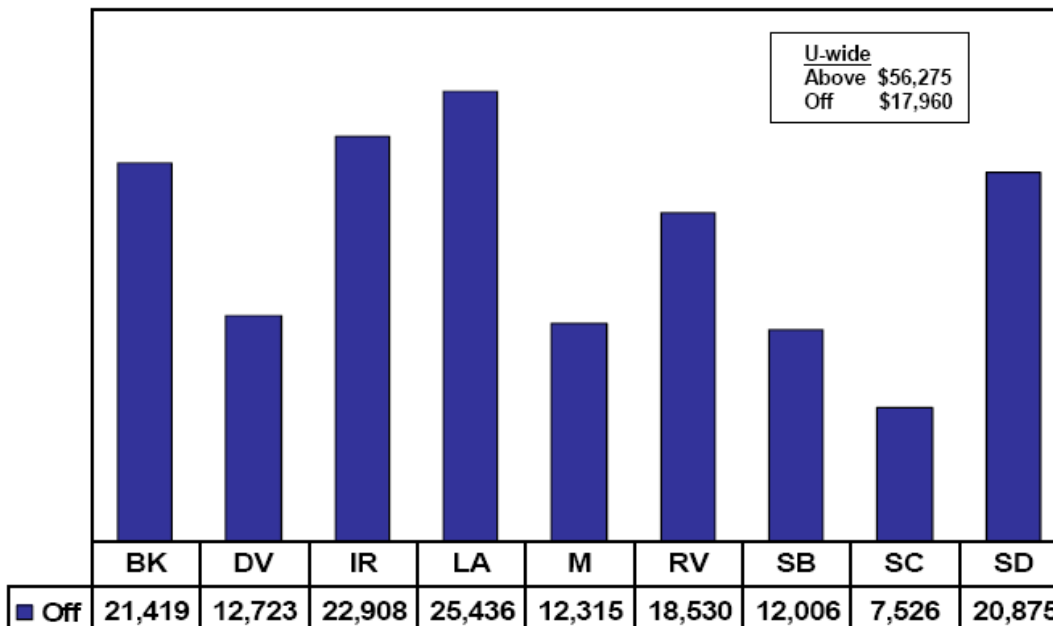


Chart #9  
New Appts

**University of California  
Use of Above & Off-scale Salaries  
Professorial Series – By Rank, General Campus Faculty  
New Appointments 2004-05**

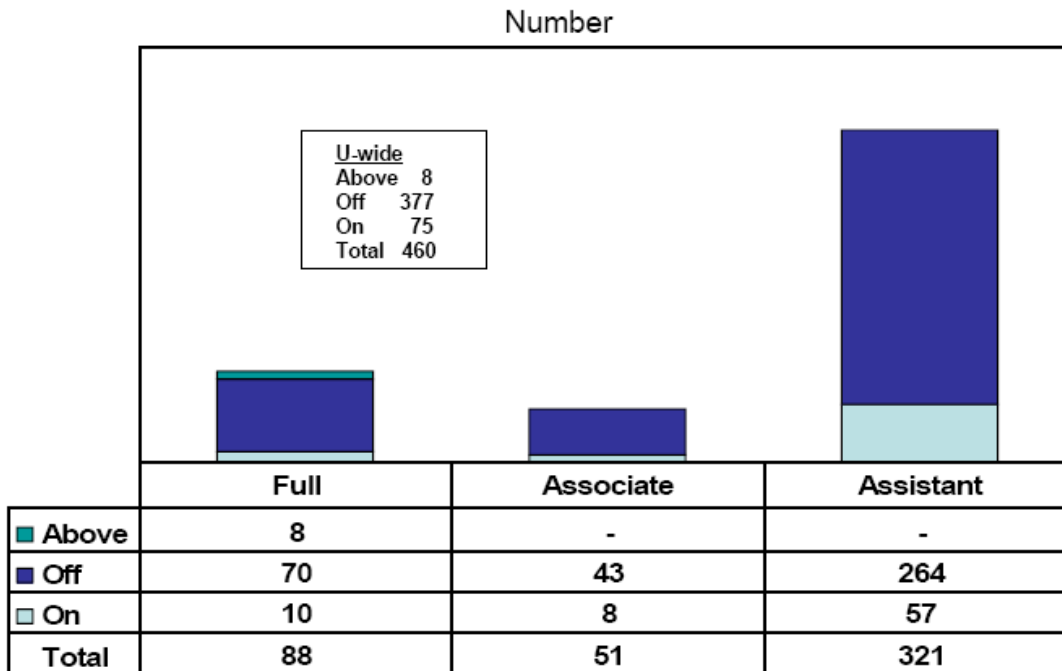
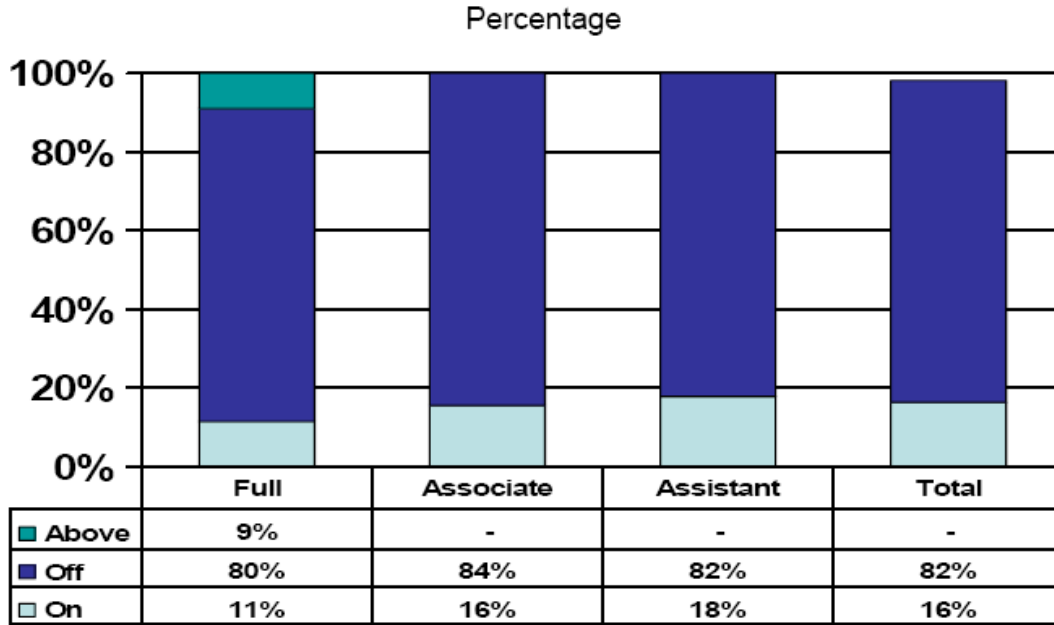
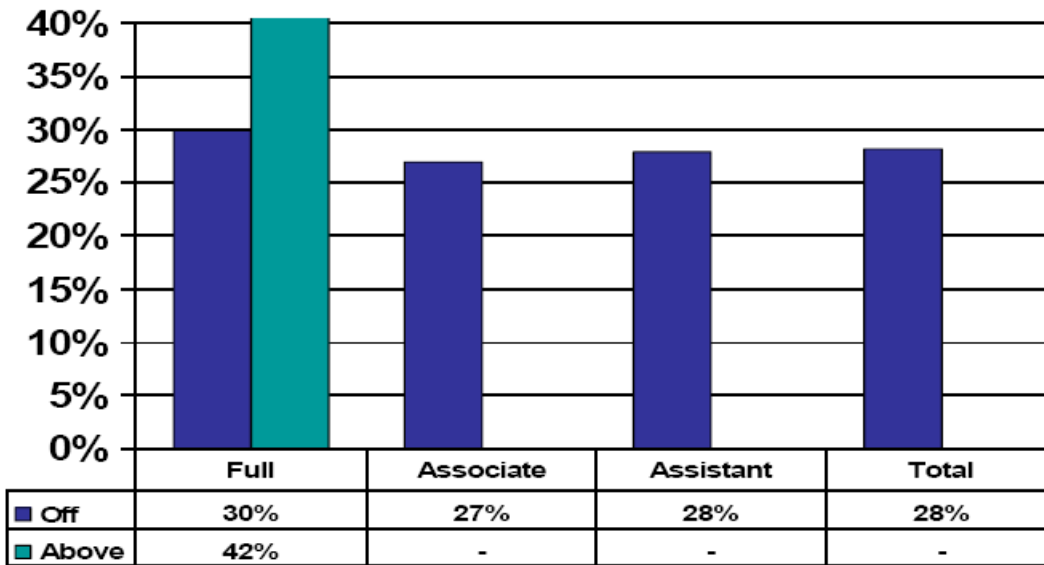




Chart #10  
New Appts

**University of California  
Use of Above & Off-scale Salaries  
Professorial Series – By Rank, General Campus Faculty  
New Appointments 2004-05**

Average Percentage Off/Above-Scale



Average Dollar Amount Off/Above-Scale

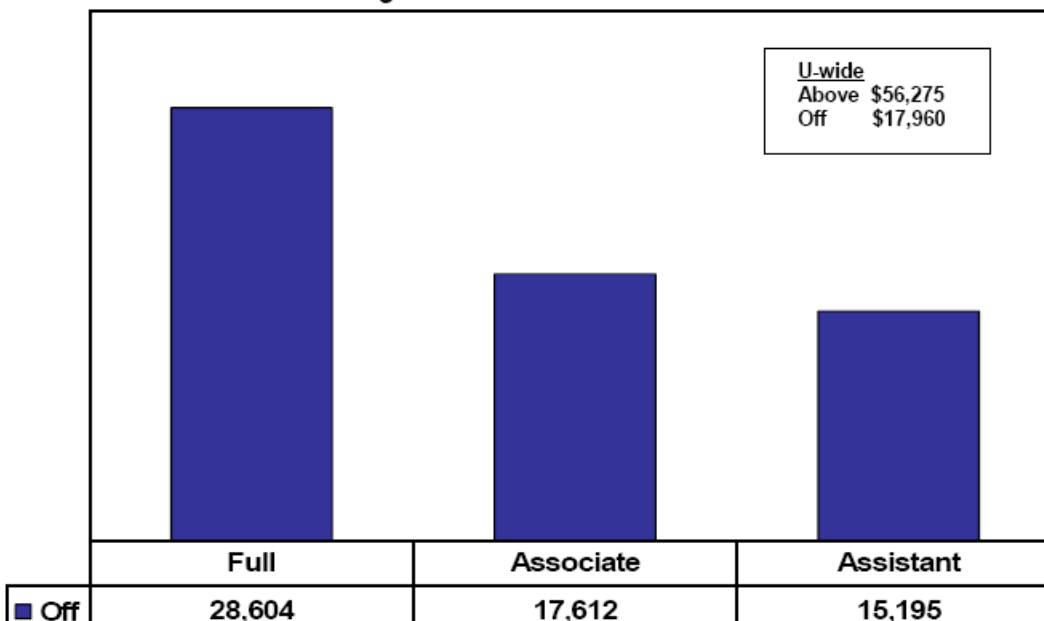


Chart #11  
New Appts

**University of California  
Use of Above & Off-scale Salaries  
Professorial Series – All Ranks, General Campus Faculty  
New Appointments 2004-05**

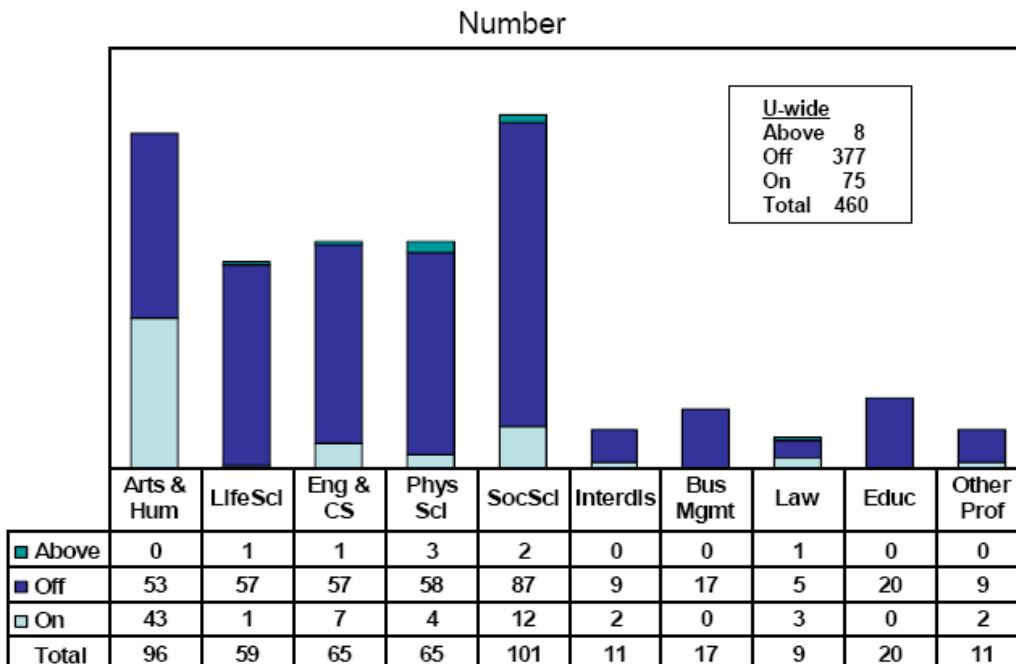
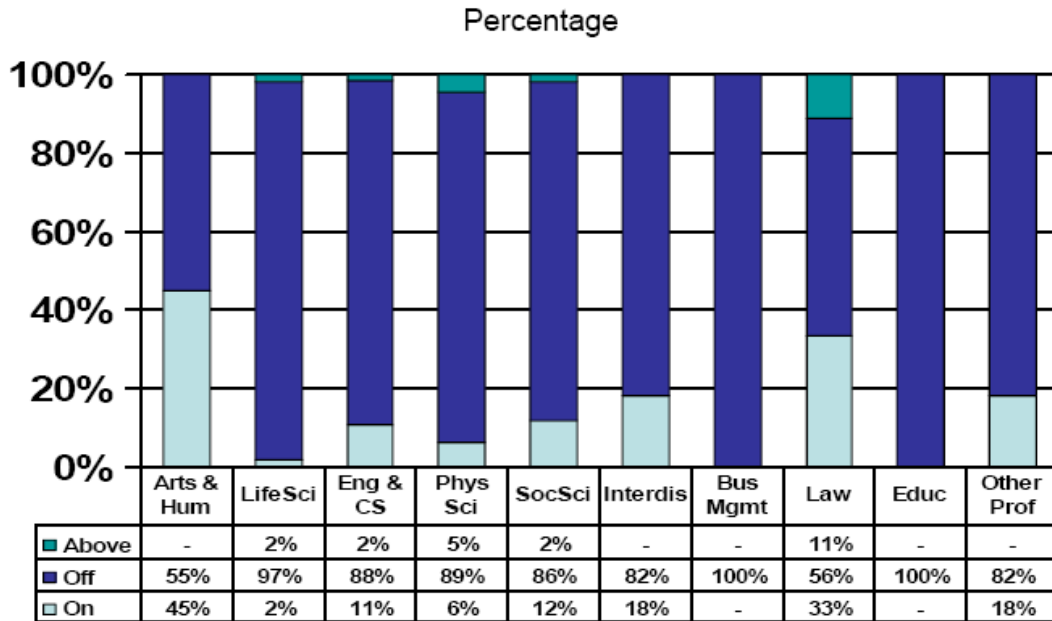
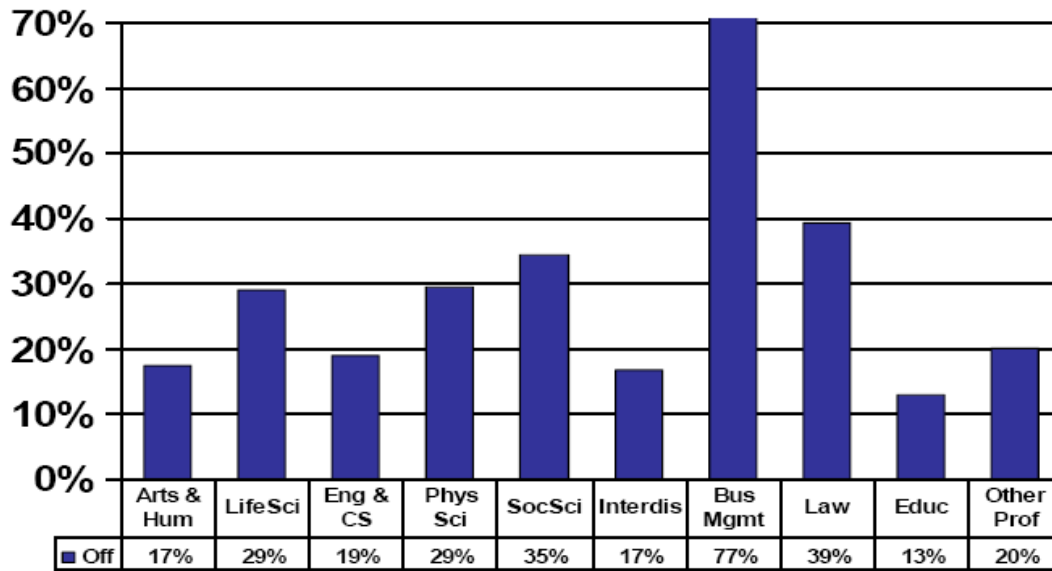


Chart #12  
New Appts

**University of California  
Use of Above & Off-scale Salaries  
Professorial Series – All Ranks, General Campus Faculty  
New Appointments 2004-05**

Average Percentage Off-Scale



Average Dollar Amount Off-Scale

