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UCLA Faculty Association Newsletter

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Fall 2007

Troubled UC Faculty Salary Strategy

Quick & Dirty Numbers

1. As of Sept. 2007, the *Average* UC full professor salary lags the Comparison 8 by about 12.3%.

2. The *On-Scale* portion of the full professor Salary lags the Comp. 8 *Average* by about 42.3%.

3. UC has formulated a 4-year strategy to increase faculty salaries by 26%.

4. The salary increase beginning Oct. '07 has 2 parts for 2 years: a 2.5% COLA for all faculty; and a 7.5% increase for faculty whose salary is on or near the 06-07 Scale to bring their salaries up to the new 07-08 Scale.

5. UC has not given the amount of the COLAs for the next 2 years, but Off-Scale faculty would still need about 13% per year to approach the Comp 8.

6. On-Scale faculty would still need over 20% per year for 2 years to approach Comp 8.

7. To accomplish the goal of bringing the UC Salary Scale on all UC campuses to Comp 8 *Average Salary* levels in 4 years with a 26% increase is not feasible.

8. To accomplish the goal of providing equitable salary increases for On-Scale and Off-Scale faculty in 4 years is feasible with the right strategy.

9. In Nov. '07, President Dynes proposed salary increases for all UC's 10 chancellors of 13-17% this year and totaling roughly 33% over 4 years to make their salaries competitive with their Comparison Institutions. With similar increases for faculty, similar goals could be achieved.

More Details Below

Interested in how UCB responded to the 07-08 salary increases? ***See p. 5***

Member Get a Member Drive

What Did the UCLA Faculty Association Do For Me in 2006-07?

FALL/WINTER, 2006:

Off- Scale Faculty Salaries

The FA at UCLA published a newsletter on the UC faculty Salary Scales and the growth of Off-Scale supplements. The data showed the aver. salary by Division at rank & step in 2000 and 2005; in particular, Soc. Sci. had higher aver. salaries and higher amounts Off Scale than other L&S Divisions. See www.uclafaculty.org/Newsletters/off-scale.htm .

2.5% COLA for Faculty

The FA sent a letter to the Chairman of the UC Regents, Gerald Parsky, to protest the low COLA of 2.5% offered to faculty when other employees, like senior managers, received more. Under pressure from the FA and other groups, UC released info about base and above-base salaries for senior managers. www.universityofcalifornia.edu/news/compensation/payroll2006-07/welcome.html .

SPRING: Long-Term Care

The Faculty Association issued an e-newsletter on April 22, 2007. CalPERS increased its premiums for long-term care anywhere from 30-43%, and UC faculty in CalPERS LTC had to decide between maintaining or decreasing their level of coverage. The FA analyzed diff. options with real-life examples and offered info about the probability of needing LTC for 3, 5 + years. See www.uclafaculty.org/Newsletters/CalPERS_LTCi.htm.

Are You a Member of the Faculty Association?

Is "member" written on your mailing label? If not, this FA newsletter is being mailed to you courtesy of your colleagues. Please join them and support the UCLA FA.

Members, please help the FA recruit one new member from your dept. Find out more on page 9.

Application to Join the UCLA FA page 10

Background

Over the past 25 years, the UC Salary Scale has often been cited as a model of equity in the academic world. When it was first conceived, the goal was for all faculty at all ranks at all of the campuses of the University of California to be treated alike. Research and scholarly excellence were rewarded with the same salary level whether in the Humanities, Social Sciences, Life Sciences, Physical Sciences, or Business & Engineering: the same level of achievement, the same reward. The Salary Scale had a clear internal timetable for review that allowed faculty to move up the ladder in a systematic and timely manner. This system seemed much fairer than the more typical one-on-one annual "compensation meeting" between the chair or dean and the faculty member to work out next year's salary based on performance over the past year.

UC followed a salary methodology to ensure that its Salary Scale at rank was competitive with institutions from which it recruited faculty and by which its own faculty were recruited. Because of the historic academic achievements of the UC system, the Comparison Institutions included 4 prestigious private universities (Harvard, Yale, Stanford, and MIT) and 4 large public universities that are part of systems like the multi-campus UC system. These include U. of Michigan, Ann Arbor; U of Illinois, Urbana; SUNY, Buffalo; and U. of Virginia. UC defined a specific population of faculty—FTE appointments in the professorial series, including Business & Engineering—to comprise the comparison group. UC then collected salary data each year and compared faculty salaries in these specially defined populations at UC campuses and the Comparison 8 universities to determine the percentage increase UC faculty needed to maintain its *Average Salary* position in the middle between the 4 privates at the top whose faculty had the highest *Average Salaries* and the 4 public institutions at the bottom with the lowest *Average Salaries*.

Theoretically, the UC Salary Scale was then increased by that percentage—called a range adjustment or COLA. If this happened consistently, then the actual *Average Salaries* would be close to the *Scale Salaries*. All the salary data from the UC campuses was lumped together by rank and step to determine a weighted *Average Salary* at all ranks. With a single Salary Scale for all UC campuses, this averaging of salary by rank across UC campuses was considered fair as it ensured that all UC faculty received the same salary increase at rank and step. This information was published annually in Sacramento by CPEC (California Postsecondary Education Commission) so that legislators and the public could see the *Average Salaries* and the salary methodology followed by UC and CSU.

This system worked more or less until about 1991, and then began a 3 year period of no range increases at all, followed by several years of minimal increases that did not make up for the earlier years of loss. The *Salary Scale* no longer reflected the *Salary Averages*. In the last ten years, the UC Salary Scale rose 22.9% through a series of range adjustments, but the Comp 8 institutions received salary increases almost double that amount—44.6% on average. Looking at a broader population, the AAUP average salaries of faculty at all the public and private universities in the country, faculty received salary increases over this decade of about 36%. Even the California CPI rose 32.8%, leaving UC's 22.9% as the lowest level increase among all the salary indicators. Faculty would have been better off over ten years if UC had just awarded them a COLA in the amount of the CA CPI every year, and the state would have saved the very high cost of following the CPEC methodology and then ignoring the COLA it generated.

Even though all faculty received a smaller COLA than the salary methodology called for, or in some years no COLA at all, the *Average Salaries* at UC still increased each year because campuses added Off-Scale increments to the COLA. Systemwide, the all-ranks lag in *Average Salaries* is 14% www.cpec.ca.gov/completereports/2007reports/07-15.pdf , but the lag in UC *Scale Salaries* to the Comp 8 is closer to 42.3%. These figures would vary by campus, with UCLA and Berkeley having lower lag percentages to the Comp 8 salaries and the other campuses higher because they do not have the Off-Scale resources that UCLA and Berkeley have used to keep their *Average Salaries* competitive.

Use of Off-Scale increments to achieve market *Salary Averages* helped some faculty, but not others. Many were unhappy with the shift away from a more uniform Salary Scale that historically had protected them from the favoritism of chairs or the shifting popularity of fields and disciplines. Some faculty concentrated in less popular disciplines and those with family and childcare responsibilities typically do not seek outside offers in order to increase their salaries; therefore, their salaries are closer to Scale. On-Scale faculty who had moved up the Salary Ladder because of their academic, teaching and service accomplishments found that their salary was far lower than faculty below them in rank and step who had received outside offers and Off-Scale increments. Furthermore, On-Scale faculty had not received adequate annual range adjustments even to keep up with the cost of inflation in California. The only source of salary increase for them was to move up the Salary Scale or lag further and further behind.

The Current Plan

How to address lagging *Salary Averages* and inequitable On-Scale salaries was the problem UC faced in structuring its faculty salary increase in Oct. 2007. President Dynes' letter to faculty dated Sept. 25, 2007 states that 2007-08 is the first year of a four-year plan designed "to raise faculty salaries to market competitiveness." This year 5.8 % of the UC budget is devoted to faculty salary increases, of which 2.5% will go to general range adjustments for all faculty; 1.8% for merits; and the remaining 1.5% for market adjustment to increase the Salary Scale by about 7.5%. According to Dynes, this market augmentation is designed to "raise salaries for faculty whose salary matches or is close to the rank and step level they have achieved through our merit system of advancements." If UC's Compact with the state holds, this same strategy will be followed next year, at which point the UC Salary Scale will supposedly be restored to market competitiveness, and then UC will follow 2 years of a COLA for all faculty to bring salaries to a competitive level for all.

Table 1 illustrates the way the 2006-07 Salary Scale was increased by a sliding % to 2007-8 levels. It will not be clear how this increase will affect UC *Average Salaries* until the Dec. payroll data or even later, but the FA assumes that it will not affect *Average Salaries* by much because most faculty in Fall 2007 systemwide are Off Scale—about 75%-- and will not receive any market adjustment. The salary increases did not show up on Nov. payroll stubs, not even the 2.5% general COLA, no doubt due to the complexity of the market formula—separate calculations for each campus and for each faculty member. In some cases, it will be easy: no one in the UCLA Political Science Dept. will get any part of the 7.5% Scale increase, for example. That goes for nearly all Social Science departments and in many other divisions and departments at UCLA and Berkeley. The UCLA FA has requested salary data from OP for these two campuses to see how the increases were allocated, affected the Salary *Averages*, and changed Off-Scale percentages. We do not expect the data until Spring 2008 given the troubles of timely implementation and even costing the full salary increase.

Table 1: UC Salary Scale and Lag to the Comparison 8 Average

UCLA Rank & Step	# faculty	UC Scale 2006-7	UC Scale 2007-8	% diff. (incl 2.5% COLA)	UC Aver Salary 2006-07	C-8 Aver Salary 2006-07	UC Scale lag to C-8 2006-07	UC Aver lag to C-8 2006-07
Assist. 1	1	$48,100	$53,200	10.6%				
2	17	$50,900	$56,400	10.8%				
3	60	$53,800	$59,500	10.6%				
4	103	$56,800	$62,900	10.7%				
5		$59,600	$66,000	10.7%				
6		$62,500	$69,200	10.7%				
wtd av	181	$55,203	$61,109		$72,876	$78,896	42.9%	8.3%
Assoc. 1	32	$59,700	$66,100	10.7%				
2	58	$62,600	$69,300	10.7%				
3	120	$66,100	$73,200	10.7%				
4	1	$70,100	$77,700	10.8%				
5	1	$75,600	$83,700	10.7%				
wtd av	212	$64,240	$70,737		$81,696	$93,390	45.4%	14.3%
Full 1	55	$70,200	$77,800	10.8%				
2	84	$75,700	$83,800	10.7%				
3	73	$81,800	$89,900	9.9%				
4	88	$88,700	$96,400	8.7%				
5	138	$96,400	$103,300	7.2%				
6	78	$104,400	$111,800	7.1%				
7	49	$113,500	$121,000	6.6%				
8	64	$122,900	$131,000	6.6%				
9	93	$133,500	$142,000	6.4%				
wtd av	722	$98,734	$106,453		125,096	140,484	42.3%	12.3%
	1115							
Above	118	$166,504	$172,831	3.8%				

Note:

1. The UCLA staffing pattern was used to estimate UC Scale Averages.
2. The actual UCLA Salary Averages would be slightly different because there is more than one scale at step and rank.

UC's current plan to increase faculty salaries by 26% over 4 years stems from a larger plan adopted by the Regents in Nov. 2005 (RE 61). They voted to rebalance total remuneration at UC over a ten year period from 2006-07 to 2015-16 because the Regents recognized that health care costs would increase and retirement benefits decrease when UC employees began contributing to UCRP. Employees would need salary increases to make up the difference. RE 61 was more of a response to statewide criticism of UC executive compensation practices than it was to a carefully crafted plan to help all UC employees receive fairer annual salary increases in the face of rising costs of benefits.

The UC Regents' estimate of 26% increase for faculty salaries for 4 years would go some distance to restore UC *Average Salaries* to a competitive level if it were applied across the board, but it would not be nearly enough to bring both *Scale Salaries* and *Average Salaries* to competitive levels: *Salary Averages* and *Scale Salaries* are two distinctly different concepts. In addition, *Salary Averages* vary considerably by campus. It would take more funds to increase UCR's *Salary Averages* to the Comp 8 level than UCLA's because UCR's *Average Salaries* are much lower than those at UCLA. Also, UCLA already has allocated substantial funds for Off Scale to make faculty salaries more competitive, while UCR has allocated far less. For example, in 2006-07, it would take almost nothing to increase UCLA assist. profs to competitive salary levels because they are nearly all Off Scale by considerable amounts, but it would take about $1.34 M to do so at UCR, a campus that has about 40 fewer faculty at this rank than UCLA. President Dynes' catch up plan confuses *Scale Salary* with *Salary Averages*. The UC Salary Scale is too far behind to catch up in 2 years, 4 years, or perhaps ever without almost unlimited funds. The UC *Salary Averages* could be brought to competitive levels with appropriate COLAs of 26 to 33%.

The Regents' plan to rebalance compensation at UC has led to the proposal by President Dynes to propose salary increases for UC chancellors that would range from 13 to 17% effective in the current year. These increases would bring up their *Salary Averages* to those offered at their Comparison Institutions. To put this increase in another perspective, Dynes does not propose first to adjust all UC chancellors to the same salary level and then to apply a uniform COLA for all. There would not be funds available for that kind of adjustment for UC executives or faculty.

Funding

In the first year (2007-08) of the plan to increase faculty salaries, the estimated cost is about $52.7 M in General Funds. Approximately $45.2 M is covered by UC's Compact with the state, which provides 4% per year, as well as student fee increases of approximately 7%, but UC would still need an extra 1 to 1.5% on top of the Compact funding (about $7.5 M) to fully fund the plan for faculty salaries. In the second and third years of the plan, the cost will rise to more than $60 million. Many UC Regents are not sure where these funds will come from, especially if the state budget falls on hard times, which is highly likely with the sub prime crisis statewide and nationwide. In November, 2007 many economists are predicting a state budget shortfall of $10B and a 10% cut in spending for many state agencies.

Many expect that the gap in funding will be closed in part by reconsidering total compensation at UC and by the bookkeeping device of factoring in the generous retirement benefit offered at UC. The state legislature is pushing for UC's salary methodology to include benefits, which they have written into the state 2007-08 Budget Bill for education. In addition, expected employee contributions to UCRP in 2008-9 will also be considered in weighing the overall compensation package. When contributions begin, faculty would need a much higher salary increase to account for the additional retirement expense. The systemwide FWC estimated that faculty would need an additional COLA of 3% of covered compensation up to the Social Security wage base ($97,500 in 2007), and 6% above the base will be needed to offset redirection of the DC plan contribution into UCRP. The proposal to include benefits in the calculation of faculty salary increases at UC highlights the importance to faculty of any changes to the UC salary methodology in Sacramento.

Campus Response to Inadequate COLAs

Campuses have reacted differently to inadequate COLAs over the past ten years. UCLA increased the use of Off Scale, and the structure of the Salary Ladder changed on this campus, revealing broken or disused rungs. For example, recruitment and retention activity was often concentrated at certain steps at rank. At UCLA, in L&S, in October 2005, Associate Professor, step 1, had a higher *Average Salary* than Associate steps 2 or 3 that are higher up on the Salary ladder but less important steps for recruitment and retention. Only one faculty member was at step 4, and no one at step 5. Also there were no faculty at Assistant, step 1 or steps 5 or 6 (for more detail, see the UCLA FA newsletter, Fall 2006 at www.uclafaculty.org/Newsletters/off-scale.htm.

On the other hand, Berkeley used all of the steps at rank and even conceived of ½ and ¼ steps to push faculty Up the Scale rather than Off the Scale. Berkeley follows a true Off Scale program according to the APM, which allows a faculty member to move off the scale by increments that are more than the current salary at step but less than $100 below the next step up. In this strict sense, Off Scale reflects academic achievement; it is a way to recognize exceptional performance at step and rank. At Berkeley, when salaries are greater than this Off-Scale increment, the amount over the Scale is called "decoupled," which constitutes a market adjustment not a true academic Off Scale. In July 2006 Berkeley began implementing a $6,000 promotion increase to the "decoupled salary" at that campus for assistant professors promoted to tenure. Others at the rank of associate or even full professor would receive all or some part of this promotion bonus if their salary fell below full professor, Step 6. This initiative did not actually bolster the Salary Scale itself, which remains the same on all campuses, but it marked certain amounts of "decoupled" salary as part of the academic process and not the market or administrative one.

Berkeley's response to the current salary increase shows its independence from UC policy and its commitment to maintain the highest levels of faculty salaries that it can afford. In consultation with the "Budget Committee" on that campus (which is similar to the academic personnel committee on other campuses but has more responsibility to consult with the administration about salary funding issues and priorities), UCB will supplement UC's market adjustments to the Salary Scale in order not to disadvantage faculty who are Off Scale (http://apo.chance.berkeley.edu/2007%20Market%20Adjustment.pdf).

- Off-Scale faculty who are currently between steps will be moved up to the mid-way point on the new Salary Scale.

- Off-Scale faculty whose salaries are currently $100 below the next step will be moved up to the next step on the new Salary Scales.

- Faculty who are at threshold steps (assist. prof. 6, assoc. prof. 5, full prof. 5, and full prof. 9) whose salaries are $100 below the next threshold step will be raised to $100 below the threshold on the new Salary Scale.

- Faculty at Off-Scale full prof. step 9 will receive an additional $2,500 decoupled increment.

- Faculty with decoupled increments will receive the 2.5% COLA on both the Scale portion of their salary and the decoupled increment.

- Faculty in Economics will be moved to the Business & Engineering Salary Scale.

- Above-Scale faculty will receive a salary increase of 3.9%.

At every step, Berkeley Senate and administrators work together to try to maintain the integrity of the Salary Scale, while enhancing salaries of those faculty who move up the Scale and off the Scale with all the resources they can muster. In addition, they use decoupled market increments for recruitment and retention. Their combined efforts result in high morale among faculty and high academic rankings for the campus. UCLA would do well to adopt some of these measures to relieve the increasing pressure on Off Scale to make up for inadequate salary increases. In addition, UCLA could adopt some of Berkeley's policies or devise their own to counteract a UC faculty salary increase strategy that favors campuses with the lowest *Salary Averages*.

UC Irvine began to follow its own median-based Shadow Salary Scale so that On-Scale faculty on that campus who felt that their salary was inequitable given what others were making at the same rank and step could ask for a career review. If their salary falls below the median at rank and step and their academic achievements deserve higher recognition, their salary will be increased to the median. If their academic achievement does not warrant movement to the median, their salary remains the same. The fairness and simplicity of this approach for those who have moved up the Salary Scale and feel salary inequities has much to recommend it to the other campuses as a fair and objective process for addressing current salary inequities.

UC campuses also began to distribute salary increases differently. For example, between 2005-06 and 2006-7, at UCB assistant professor salaries increased by 2.8%, associates 6%, and full professors 4.1%, while UCLA salaries increased in these ranks by 7.5%, 2.8%, and 3.8% respectively (based on AAUP data which defines the faculty population broadly, including more lower paid faculty (headcount) than the generally higher paid CPEC population (FTE)). UC campus decisions on how to allocate resources affect the *Average Salaries* by rank offered at that campus. For example, Berkeley's campus decisions about resources increase the *Salary Averages* of full professors more than assistants because the full professor *Average Salary* is the indicator that matters the most on that campus.

Campus autonomy in allocating salary resources took a further step when individual campuses began making different decisions concerning range adjustments. At some campuses, like UCB, traditionally only the On-Scale portion of the salary is increased by the COLA not the "decoupled salary" or market portion, so that the total salary moves only in proportion to the On-Scale salary. This practice frees up salary funds to make other kinds of salary decisions and adjustments. Other campuses also restrict range adjustments to the On-Scale portion of the salary. This practice also returns more faculty to On-Scale status over time. At UCLA, the COLA is applied to both the On-Scale portion of the salary as well as the Off Scale, thus preserving the Off-Scale differential.

Consultation with the Faculty about the New Salary Increase

Not many faculty at the campus level expected the kind of selective salary increase that was announced in October 2007. Throughout 2006 and 2007, there was controversy among Senate committees about the most equitable way to increase faculty salaries. The systemwide Faculty Welfare Committee (FWC) was the most sympathetic to increasing the Salary Scale to address the inequities of those faculty who had climbed up the ladder but had not been inadequately compensated for their level of achievement. This committee was also sympathetic to the loyal faculty who did not seek outside offers just to raise their salary levels when they had no intention of leaving UC. The FWC was also aware of the problems facing faculty who were less marketable than others, for reasons of ethnicity, gender, or discipline.

The systemwide Committee on Academic Personnel (UCAP) favored a different approach. They sent out a report to all Systemwide Senate Committee & Division Chairs in Aug. 2006, " Synopsis of the Present State of the UC Merit and Promotion System,"(www.universityofcalifornia.edu/senate/underreview/ucap.merit.0806.pdf), which included a recommendation that UC partition the general faculty into a number of cohorts by disciplines in order to maintain market value. They were reacting to the increasing division in *Average Salaries* across disciplines and note in their report: "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, $8,756, $51,229, $9,564, $18,464, $11,164, $11,592, and $17,475." Management & Engineering as well as Law have their own salary scales, but the range of market adjustments across divisions in L&S also argues for separate treatment to avoid overuse of Off Scale supplements.

The UCAP recommendation for salary scales by discipline was not implemented, although it is still under review at the administrative level. As noted above, UCB moved the Economics department to the Business & Engineering Salary Scale for just the reasons UCAP explores in its report.

In Nov. 2006, President Dynes appointed a special committee, "President's Work Group on Faculty Salary Scales," chaired by Rory Hume, Provost and Executive Vice President, Academic and Health Affairs, in the Office of the President, to develop recommendations for increasing faculty salaries to competitive levels, to bring the majority of faculty back On Scale, and to improve the fairness and transparency of the published Salary Scales. In April 2007, Dynes added another charge: to develop a plan for substantial catch-up faculty pay increases to be deployed as soon as possible. To begin to carry out their charges, the committee tried unsuccessfully to change APM 620; they wanted to remove the language indicating that Off-Scale salaries are exceptions to policy. Instead, they wanted a new Salary Scale that included the range between the scales to be considered "On Scale" salaries. Considerable opposition and mixed support at the campus and systemwide level defeated the Work Group's attempt to change the APM and to introduce the concept of Scale as a range between steps.

The President's Work Group devoted the majority of its attention to changing the APM in order to create a new, more flexible Salary Scale. But this plan raised too many questions among faculty without enough time to answer them. And then there was not enough time to consider the implications of increasing the Salary Scale on a selective basis, selective both in terms of salary increases by rank and step and by overall benefit by campus, instead of offering a higher, general COLA to all faculty. Why not, for example, a 4% COLA for all faculty after so many years of neglect?

The rushed plan to raise the Salary Scale about 10% has some serious unintended consequences. It has encouraged faculty near retirement whose salaries are on or near the Salary Scale to "game the system" and postpone retirement for another seven years to increase their pension; after a 4 year salary enhancement period, they would need to remain at UC for 3 years to benefit fully in their retirement income. This consequence raises the costs of UCRP and the likelihood of higher future contributions.

Also, an increase to the Salary Scale benefits the medical school faculty who are all largely On Scale due to a different methodology used to compute Actual versus On Scale salaries. In addition to On-Scale salaries, they receive practice income and bonuses for academic achievement to make up their full salary. They will get the full 2.5% COLA plus the 7.5% market supplement to the Scale for two years. There has been some attempt to limit this consequence according to whether faculty are on a fiscal or academic year Scale, but such a late response would also affect faculty not in the medical schools who are on fiscal year Scales. Another important unintended consequence of raising the *Salary Scale* over the *Average Salaries* is the larger burden it places on those UC campuses attempting to find scarce resources to maintain their competitive position. Most of the 1.5% salary increase will go to UC campuses with the lowest *Average Salaries* and the highest %s of On-Scale faculty in an inadequate attempt to bring *Scale Salaries* to *Average Salaries*.

A different approach might have been a blend of strategies to benefit both Off-Scale faculty wishing to maintain competitive *Average Salaries* and the On-Scale faculty who have moved up the Salary Scale and feel undercompensated. A Median Salary Scale approach that would allow salary reviews for faculty On-Scale has much to recommend it. The median salary at rank and step would be calculated including Off-Scale supplements. A faculty member who feels that his or her salary is low compared to that of his or her peers at the same step and rank could ask for a Median Scale Salary Review. If academic merit and achievement level are the same, then the salary of the faculty member would be raised to the median. The Median Salary Scale Review could be conducted by the campus academic personnel committees (CAP); the department chair or dean could calculate the median salary at rank and step. UCLA introduced a merit equity review (MER) in 2005 to ensure that faculty are at the appropriate rank and step according to their level of achievement, but the Median Salary Scale Review outlined above would seek out discrepancies in salary at rank and step.

Will Increasing the Salary Scale Reduce the Use of Off Scale?

It will at some campuses, but probably not at UCLA and Berkeley, because these campuses will receive salary increases of only 2.5% when their Comparison Institutions receive closer to 4%. UCLA and UCB would need roughly 1.5% increase in their salary provided by Off-Scale supplements just to stay even. In the fall of 2007 over 75% of the faculty at UC are Off Scale and about 9% Above Scale. Put another way, about 16% are now On Scale. However, these percentages change when looking at the role individual campuses play in affecting the systemwide averages. Using September 2005 data, Table 2 shows that about 63.3% of the faculty systemwide were Off Scale, about the same as UCB at 64%, but UCLA with 75% Off Scale pulled up the systemwide average. In 2005 UCI had a high of 76% Off Scale, and UCD and UCR showed lows of 45% and 46%, respectively.

Table 2: Professorial Series, All Ranks, Off, On, and Above Scale, September 2005

	#	% Off	% On	% Above	Aver Amt Off
UCB	1216	64.0%	23.0%	13.0%	$15,771
UCLA	1284	75.0%	12.0%	13.0%	$21,639
UCB + UCLA	2,500	70.0%	18.0%	12.8%	$18,785
other UC campuses	4,317	59.0%	36.0%	6.3%	$11,157
UC Systemwide	6,817	63.3%	28.7%	8.7%	$14,271

UCLA and UCB also pulled up the average amount Off Scale, which varied from $18,785 at UCLA+UCB to an average of $11,157 for the other UC campuses combined. The Above-Scale %'s show the greatest difference between groups: about 13% of the faculty at UCLA and UCB were Above Scale, while about 6.3% were Above Scale at the other UC campuses. The percentage of faculty Above Scale is a high indicator of academic ranking by campus. In general, the UC systemwide averages are adjusted by the higher averages of UCLA+UCB and the generally lower averages of the other UC campuses. This breakdown of percentages and amounts On and Off Scale suggest that UCLA will be suffer the most from the current salary increase strategy because the fewest faculty will receive market increases on this campus. The other UC campuses will benefit the most from the current salary increase strategy because they have the highest % On Scale. UCB stands out as a campus that will benefit from any UC faculty salary increase strategy because it has learned to work the system to benefit that campus.

Should UC campus rankings affect salary increases?

Legislators in Sacramento are urging change in the UC salary methodology in part because of an increasing awareness that the UC campuses have vastly different academic rankings. The 2007-08 Governor's Budget includes language to require CPEC (California Postsecondary Education Committee) to recommend a new methodology for assessing the adequacy of UC's faculty compensation that would compare total faculty compensation at UC with a wider set of public and private Comparison Institutions. CPEC as well as the state legislature have become aware of the problems with UC's current salary methodology, particularly with the problem of UC's attempt to create a single set of *Salary Averages* for all UC campuses. CPEC notes that UCB ranks #21 and UCLA #25 in the 2007 *US News*

& World Report, but other UC campuses do not rank as high, for example, UCR ranks #96 and UCSC #79 (http://www.lao.ca.gov/analysis_2007/education/ed_19_6420_anl07.aspx) .

The legislature increasingly believes that to lump all UC campuses together and compare UC averages to comparison figures that include elite private institutions is not the best use of state resources. Only a few UC campuses could compete with those private Comparison Universities, and to include all UC campuses elevates the salary increase calculated by the CPEC methodology and therefore provides more legislative incentive not to raise all UC salaries by that figure. In order to address this variation in UC campuses, CPEC proposes to widen the concept of compensation to include salary as well as other kinds of health and retirement benefits like housing and mortgage assistance and broaden the number of public comparison institutions. Instead of publishing the data provided to them by UC, CPEC will now go into the business of widespread data collection to formulate a new salary methodology for UC and CSU.

Table 3 lists all 8 UC campuses (excluding UCSF because of its high percentage of medical faculty and Merced because it is too new) and all 8 of UC's Comparison Universities by *Average Salary* for full professors. First, one might note that UC chooses a single campus from each of the 4 large public universities in its Comparison 4 publics, for example, University of Michigan—Ann Arbor--and does not calculate an all-ranks average of all the campuses in the public university system. Second, we expect the 4 Comparison Privates to skyrocket to the top, which they do. But looking at full professor salary rankings and finding 3 UC campuses at the bottom of the list, well below even SUNY, Buffalo, (#118 *USN&WR* ranking) and 5 UC campuses below U of Illinois, Urbana, defies expectation. These UC campuses may have over 60% of faculty Off Scale now, but those Off-Scale increments do not translate into competitive *Average Salaries* especially at the full professor level. In October 2007 the *US News & World Report* lists UC Berkeley as the highest ranked public university in the country at #21, but UC Riverside is #96. Most universities turn to the *US News & World Report* rankings because the data is current, even though the methodology favors private colleges and universities. The National Research Council offers a more thorough and preferred ranking system, but it has not been updated for several years.

Table 3: UC & Comparison 8 Campus Rankings, Nov. 2006-07

University	Full Prof. Aver. Sal	Ranking full prof. sal	Associate Aver. Sal	Assistant Aver. Sal	US News& World Report Ranking
Harvard	$177,400	1	$100,000	$91,300	2
Stanford	$164,300	2	$114,700	$91,000	4
Yale	$157,600	3	$87,100	$77,900	3
MIT	$145,900	4	$99,700	$89,000	7
UCLA	**$133,212**	5	**$84,224**	**$72,057**	**25**
University of California-Berkeley	$131,265	6	$86,809	$76,166	21
University of Michigan-Ann Arbor	$130,444	7	$86,554	$74,953	25
University of Virginia	$128,000	8	$87,700	$71,100	23
University of California-San Diego	$124,400	9	$78,000	$69,800	38
University of Illinois-Urbana	$120,925	10	$79,546	$71,686	38
UC-Santa Barbara	$119,300	11	$74,100	$67,200	44
University of California-Irvine	$117,700	12	$77,600	$68,500	44
SUNY, Buffalo	$116,600	13	$81,200	$66,600	118
University of California-Davis	$114,000	14	$76,500	$67,900	42
University of California-Santa Cruz	$110,200	15	$73,300	$63,600	79
University of California-Riverside	$109,300	16	$75,500	$65,400	96

source: AAUP annual salary report, 07-08

In recent years, Berkeley has formulated its own Comparison Institutions and calculated its own target salaries by rank. The Berkeley Peer Group includes all 4 of the Comparison 8 private universities, in addition to two more—Princeton and Caltech (ranked #1 and #5 in the *US News & World Report* Ranking cited in Table 3). Berkeley falls at the bottom of its Peer Group, but a calculation of the median salaries of these six private universities provides target salaries at rank for faculty at Berkeley. This kind of campus calculation is easy to perform by consulting the annual AAUP faculty salary data and shows Berkeley's independence from the UC salary methodology and its unique CPEC salary data. Such a strategy that links Berkeley with a Peer Group of elite private universities has also helped this campus raise endowment income to use to further increase faculty salaries.

The Future of the UC Salary Methodology?

Although UC has historically rejected all attempts to stratify the campuses, the current salary methodology and its own past practice of disregarding the COLA that the salary methodology produced have inevitably lead to greater stratification among the campuses. If CPEC keeps the concept of a single UC Salary Scale and compares UC campuses to many private and public multi-campus university systems across the country, the resulting methodology will produce a lower salary increase for UC to stay competitive. In addition, if UC benefits are brought into the calculation, the faculty salary increase will be even lower.

If the University continues to deny the differences in UC campus rankings and in Salary Averages by discipline, it will encourage campuses further to create their own salary strategies as Berkeley and Irvine have done or disregard the concept of methodology and rely more on market supplements to stay competitive as UCLA has done. Also, UC may not be in touch with campus sentiment if they see all UC campuses in exactly the same light. Some may wish to redefine their missions as more closely connected with teaching and graduate education than pursuing a competitive advantage in rankings. It is increasingly clear that not all of the UC campuses are the same nor should they be. The same general salary methodology may work for all of them, but they need not share the same Salary Scale or the same Peer Group.

Faculty should not allow CPEC alone or in consultation with some UC administrators and senate chairs to change UC's salary methodology without widespread campus feedback. The state legislature is aware of the differences among UC campuses and within UC campuses. Accounting for these differences in an equitable manner should be the major goal of any new salary methodology. The UCLA FA has asked for a place at the table to make sure that the faculty interests of a competitive UC campus like UCLA are heard before final decisions are made.

ΔΔ Your Response? Let us hear from you at ucfa@earthlink.net ΔΔ

MEMBER GET A MEMBER DRIVE

What is the FA at UCLA?

The Faculty Association at UCLA is a voluntary membership organization made up of members of the academic Senate and supported entirely by member dues. Founded in 1973, the mission of the UCLA FA is to influence the decisions of the state legislature and UC administration on matters that affect faculty salaries, benefits, and working conditions broadly defined because the state supported academic Senate is barred from such activities.

The dollar value of the benefits and salary increases resulting from the FA's activities over the past 30 years is demonstrably many times the dues that members have paid. The more members we have, the more resources we have to lobby for faculty employment interests on campus, in Oakland, and in Sacramento.

In addition, the FA produces informative newsletters for faculty to use in campus Senate committees and in UC systemwide committees. We send our newsletters to the Regents so that they are aware of issues from the faculty perspective.

What Issues Will the Faculty Association Follow in 2007-08?

Changing the UC Faculty Salary Methodology

UCRP Returns: The FA is concerned about the level of the UCRP returns. Although 1-year investment returns as of 6/30/07 were higher than the previous 3 years, (18.83% with a benchmark of 18.01%), the UCRP level of return is still lower than the other two large CA public pension funds: CalPERS (19.13% return with a 17.59% benchmark) and CalSTRS (21.0% with a 19.9% benchmark). CalPERS' and CalSTRS' returns exceed their own benchmarks by a significantly greater margin than UCRP exceeds its own benchmark in the past 4 years.

UCLA Endowment Income: The FA will explore the level of endowment income of the different UC campuses and analyze why UCB has had such success recently in raising endowment income, some of which that can be used to enhance faculty salaries.

MEMBERS: Please help the FA recruit one new member from your department.

NON MEMBERS: Please support an indep. assoc. of senate faculty at UCLA that provides a broad perspective on employment issues and advocacy when necessary.

Application to

JOIN THE FACULTY ASSOCIATION AT UCLA

BENEFITS

SALARIES

WORKING CONDITIONS

UC POLICIES

LOBBYING

The Faculty Association at UCLA is a voluntary, dues-supported organization of UCLA Academic Senate members, founded about 30 years ago, with an Executive Board, Bylaws, a dues structure, and a Research Director.
Purposes: The purpose of the FA is to influence the decisions of the University administration and the state legislature that affect faculty salaries, benefits, and working conditions broadly defined
Relation to the Academic Senate: The FA at UCLA supports the Senate in all academic matters. Because it has no state funding the FA at UCLA can and does engage in lobbying and other nonpartisan political activities on behalf of faculty.
Membership: The FA at UCLA membership is open to all faculty eligible for membership in the UCLA Academic Senate.

I wish to join the Faculty Association at UCLA. I agree to pay the following dues (choose one) by payroll deduction and to sign Form U669 below or by personal check. FA dues are tax deductible: either on Schedule A of your income tax to the extent that they and other profession-related and income-producing expenses exceed 2% of your adjusted gross income; or in some instances on Schedule C without the 2% limitation. Please check with your tax consultant.) AAUP members may claim a 20% reduction in FA dues.
______$8.75 per/mo. for Assistant Professors and Acting Professors of Law
______$13.50 per/mo. for Associate Professors
______$18.00 per mo. for Professors
______Lecturers with security of employment, please designate the dues that most nearly approximates your salary range
______$40.00 per year for Emeriti (by check only)
______Recalled Faculty: 50% of the dues for their rank (for example, per year $42.00 for Assistant Professors; $63 for Associates; and $84 for professors (payable by check only)
_______50% discount for Second Member of a Family

Mail Completed Forms to:
FA at UCLA, P.O. Box 33336
Granada Hills, CA 91394

Or Drop in Campus Mail to:
Prof. Ed Condren, UCLA FA Membership Chair
149 Humanities Bldg. 153005, UCLA

Employee Organization Membership Payroll Deduction Authorization UPAY 669 (10/80)
Last Name________________ First Name________Middle Initial____ Dept. Employed at UC______________
Title at UC________________Organization name: *Faculty Association at UCLA* Campus___*UCLA*
Employee ID___________Date_________ Action on this Form to Become Effective on Pay Period Beginning_________
Email Address__________________Monthly Deduction: Dues ___________ Initiation Fees *0* General Assessment *0*

I authorize the Regents of the University of California to withhold monthly or cease withholding from my earnings as an employee, membership dues, initiation fees, and general assessment as indicated above.I understand and agree to the arrangement whereby one total monthly deduction will be made by the University based upon the current rate of dues, initiation fees, and general assessments.

I also understand that changes in the rate of dues, initiation fees and general assessments may be made after notice to that effect is given to the University by the organization to which such authorized deductions are assigned and hereby expressly agree that pursuant to such notice the University may withhold from my earnings amounts either greater than or less than those shown above without obligation to inform me before doing so or to seek additional authorization from me for such withholdings. The University will remit the amount deducted to the official designated by the organization. This authorization shall remain in effect until revoked by me allowing up to 30 days time to change the payroll records in order to make effective this assignment or revocation thereof or until another employee organization becomes my exclusive representative.

It is understood that this authorization shall become void in the event the employee organization's eligibility for payroll deduction terminates for any reason. Upon termination of my employment with the University, this authorization will no longer be in effect. This authorization does not include dues, initiation fees and general assessments to cover any time prior to the payroll period in which the initial deduction is made. Payroll deductions including those legally required and those authorized by an employee are assigned priorities. In the event there are insufficient earnings to cover all required and authorized deductions, it is understood that deductions will be taken in the order assigned by the University and no adjustment will be made in a subsequent pay period for membership dues, initiation fees and general assessments.

Employee Signature________________________________Date______________________

For University Use Only Tran Code_______ Employee ID No________ Date____________ Element No._______ Bal CD___________ Amount________