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**Exec Letter to Academic Council and EVCPs re Faculty Salaries_December 2020** ......................... 20
February 18, 2021

Mary Gauvain  
Chair, UC Academic Senate

Re: (Systemwide Senate Review) Faculty Salary Scales Task Force Report and Recommendations

Dear Chair Gauvain,

The Divisional Executive Board, councils, and committees appreciate the opportunity to review the proposed revision to (Systemwide Senate Review) Faculty Salary Scales Task Force Report and Recommendations.

Executive Board members support the general and equitable improvement of faculty salaries across the UC system. However, committees felt there are too many unaddressed variables to respond in a definitive manner. The complexities resulting from differing circumstances within and among campuses and schools are not addressed within the recommendations.

Per the attached responses from committees and councils, many members expressed concern about an implicit discontinuation or reduction of off-scale salaries, which they argue is an effective and important tool for recruitment and retention, particularly for underrepresented minority faculty members and in furthering gender equity. It was felt that reductions in off-scale salary components, currently an active proposal at UCLA, should not occur until the scales were to be concomitantly revised.

Sincerely,

Shane White  
Chair, UCLA Academic Senate

Encl.

Cc: Jody Kreiman, Vice Chair/Chair Elect, UCLA Academic Senate  
    Michael Meranze, Immediate Past Chair, UCLA Academic Senate  
    April de Stefano, Executive Director, UCLA Academic Senate  
    Todd Greenspan, UCOP Director of Academic Planning
January 26, 2021

Shane White, Chair
Academic Senate

Re: Systemwide Review: Faculty Salary Scales Task Force Report and Recommendations

Dear Chair White,

At its meeting on December 15, 2020, the Faculty Welfare Committee discussed the Faculty Salary Scales Task Force Report and Recommendations. Committee members offered the following comments.

The committee agrees with the recommendation that the salary scale should be updated to be comparable to other comparator universities analyzed in the report.

The committee strongly disagrees with the recommendation to eliminate the use of off-scale salary based on the following considerations:

1) Cost of living:
The committee notices that there were no representatives on the Faculty Salary Scale Task Force from UCLA and UCSF, both of which are located in areas with higher cost of living compared to some other campuses. Differences in cost of living among campuses are briefly mentioned but are said not part of the report of the task force. However, it is important to note that salaries and cost of living adjustment are not separate; they are intertwined. It is a significant issue for campuses at high cost of living areas, such as LA and Bay Area. The faculty needs to be able to afford to living in the vicinity area of the campus. The report reflects a rejection of this consideration and an underlying desire of equalizing campuses.

The committee believes that cost of living, including housing cost and childcare cost, is an important factor affecting the salaries. There is disparity on living and housing cost among the campuses. Off-scale salaries have been used to equalize cost of living. A transition to a system that tries to minimize the off-scales has to find a way to accommodate the cost of living. If it is considered separately from salary, as the report reflects, additional housing support for the faculty is needed, especially for areas with high cost of housing, such as LA and Bay Area, in order to maintain standards of quality in our faculty.

2) Differences among UC campuses:
The members note that not all UC campuses are in the same situation. Market values are not the same for campuses. The report talks about market values of academics, but under-appreciates the heterogeneity of the faculty across the UC campuses. It is not realistic to think that the salary scales can capture all the differences. Since there is heterogeneity, the campuses will need flexibility of the off-scale system. The current recommendation would reduce the ability of each campus to offer off-scale salaries. The committee members think that the recommendation needs to acknowledge differences among campuses and include considerations for all ten campuses.

3) Faculty recruitment and retention:
The committee notes that UCLA faculty salaries are among the highest across the 10 UC campuses. This creates contention with some other campuses. On the other hand, cost of living in LA is among the highest across the nation, which makes faculty recruitment and retention challenging to UCLA.

The majority of the UCLA faculty is on off-scale salaries. In many cases, off-scale salaries are used to recruit and retain faculty that other institutes try to recruit away or get offers elsewhere. The committee is concerned that the implementation of the recommended salary scales could negatively affect the ability of UCLA to recruit and retain faculty, which is essential to maintain the high-quality teaching and research statue of the campus. Off-scale allows more flexibility with recruiting packages. If off-scales are eliminated, what other approach can be used to recruit and retain faculty? Accelerated promotions, hiring at higher steps, etc. may have to be used, which could create new sets of issues related to equity and fairness.

On the other hand, the members recognize that eliminating off-scales could promote transparency and equity and eliminate loyalty penalty. People who like to stay at UCLA and don't seek other offers usually don't get extra off-scale salaries. The committee recommends establishing a career equity review mechanism at each campus to ensure equity and transparency in compensation.

4) Funding resource:
Members raised several questions. 1) Would the new salary scale be campus-wide adjustment? 2) Where does the fund come from to adjust campus and discipline differences? 3) Is this self-funded or from 19900 funds? Adjusted scales are linked to the retirement system, which is not addressed in this report. Current off-scales are generally from 19900 funds. If these will be built into scales, then it could be neutral in terms of contributions to retirement system.

If you have any questions, please contact us via the Faculty Welfare Committee’s interim analyst, Elizabeth Feller, at efeller@senate.ucla.edu.

Sincerely,

Huiying Li, Chair
Faculty Welfare Committee

cc: Jody Kreiman, Vice Chair/Chair Elect, Academic Senate
Michael Meranze, Immediate Past Chair, Academic Senate
April de Stefano, Executive Director, Academic Senate
Elizabeth Feller, Interim Analyst, Faculty Welfare Committee
Members of the Faculty Welfare Committee
February 8, 2021

Shane White, Chair
Academic Senate

Re: Systemwide Item for Review: Faculty Salary Scales Task Force Report and Recommendations

Dear Chair White,

At its meeting on January 25, 2021, the Council on Planning and Budget (CPB) had an opportunity to review and discuss the Faculty Salary Scales Task Force Report and Recommendations.

Members offered the following comments:

The report implies that UC is a homogenous institution, when in reality it is composed of very different campuses, located in distinct areas, populated by very different faculties facing dramatically different living costs. This is a cause of inevitable tension. Members appreciated that the report acknowledged the variance in housing costs across campuses, but worried that the limited solutions proposed were vague and likely impractical.

Members stated that our campus is lagging behind compared to our counterparts outside the UC system. Changing the scale would not fix that problem. Several faculty criticized what they considered to be an under-appreciation of the variation in salaries across fields. The scales system recognizes those differences to a degree by establishing several scales, but a those several scales are clearly not sufficient to accommodate the contemporary variation in market competitiveness across the many fields. Members specifically questioned how professional schools such as Medicine and Law are expected to remain competitive without competitive salaries. Members stressed that disciplines are unique and not easily comparable in terms of salaries.

Changing the off-scale compensation does not eliminate concerns about bias. Administrators would still make decisions—which could be seen as arbitrary and biased—whether conscious or unconscious. The single largest benefit of having scales is having predictability. This proposal would only work if the points in section III (“Findings”) are addressed. As a campus, we would need to see detailed data and not only averages. How this will play out at UCLA? What would this mean at a campus and at a systemwide level? Would it have an effect on recruitment and retention? This is ultimately hard to interpret and assess without UCLA-specific data.
Members noted that the task force did not include UCLA representatives. There may also be equity differences that may be difficult to explore and could be masking a challenge that we are facing as an organization and university. Members suggested simulating for diverse populations.

Because the report indicated than nearly all faculty salaries in the UC system are already off-scale, the main benefit of the scale is no longer to set salaries, but rather to offer a predictable sense of the rate at which salaries will increase if faculty perform well. The proposal to revise these scales (along with a proposal by UCLA Vice Chancellor of Academic Personnel to systematically reduce off-scale salary percentages) threaten to undermine this predictability to the detriment of faculty welfare.

If you have any questions for us, please do not hesitate to contact me at groeling@comm.ucla.edu or via the Council’s analyst, Elizabeth Feller, at efeller@senate.ucla.edu.

Sincerely,

Tim Groeling, Chair
Council on Planning and Budget

cc: Jody Kreiman, Vice Chair/Chair-Elect, Academic Senate
    Michael Meranze, Immediate Past Chair, Academic Senate
    April de Stefano, Executive Director, Academic Senate
    Elizabeth Feller, Principal Policy Analyst, Council on Planning and Budget
    Members of the Council on Planning and Budget
February 2, 2021

To: Shane White, Chair
    Academic Senate

From: Andrea Kasko, Chair
    Graduate Council

Re: Systemwide Senate Review: Faculty Salary Scales Task Force Report and Recommendations

At the Graduate Council meeting on January 15, 2021, the Faculty Salary Scales Task Force Report and Recommendations was presented as an information item. Although the Graduate Council was not required to opine on this issue, members offered the following observations for your consideration:

Members agreed that while faculty salary scales should be based on transparent mechanisms that lead to equitable outcomes, members noted that salary disparities and lack of competitive salaries will negatively impact the UC’s ability to recruit the best faculty, especially at a time when the UC is committed to increasing faculty of color (Latino/a, African American, Asian/Pacific Islanders); diverse faculty certain to be sought after by top private and public research universities. As well, this will impact graduate education and the research enterprise.

Although the recommendations in the report do not directly address cost of living and housing costs, members agreed that housing remains a critical issue that needs to be addressed.

Thank you for the opportunity to comment. If you have any questions, please do not hesitate to contact me via the Graduate Council analyst, Estrella Arciba, at earciba@senate.ucla.edu.
UNIVERSITY OF CALIFORNIA

Academic Planning Council

Task Force on Faculty Salary Scales
Report and Recommendations

October 7, 2020

I. Introduction
The Task Force on Faculty Salary Scales is a subcommittee of the University of California Academic Planning Council. The Task Force recommends that UC move to more transparent and equitable faculty compensation salary scales that reflect market rates, that are adjusted annually, and that eventually eliminate or substantially reduce the need for off-scale compensation.

UC faculty salaries significantly lag those of its comparator institutions. In October 2018, the last date for which data are available, general campus faculty salaries (on-scale and off-scale) lagged comparable salaries at the Comparison-8 institutions by 7.5%. The last time UC salaries were on par with Comparison-8 institutions was in 2000; the largest gap between UC and Comparison-8 institutions was in 2010-11, at 12.8%. This disparity must be addressed if UC is to maintain its quality and stature.

1 Harvard University; Massachusetts Institute of Technology; Stanford University; Yale University; State University of New York at Buffalo; University of Illinois at Urbana-Champaign; University of Michigan; University of Virginia.
The COVID-19 pandemic and its consequences have thrown the University of California into crisis, along with higher education systems across the country and around the world. Current circumstances make it more important than ever to examine the principles and operation of the UC faculty salary system. Despite unknown future impacts on funding for faculty salaries, the Task Force strongly recommends that UC take the long view of stabilizing the salary scales system. This will be crucial to UC’s competitive position among its academic peers during and after recovery from the current crisis. This is not the first, and will not be the last, period of financial crisis that the University of California has lived through. We urge UC leadership to seize the opportunity this crisis presents to establish a long-term plan that will progressively implement salary scales that are transparent, competitive, and equitable at all levels, that are adjusted annually, and that progressively decrease off-scale increments. When this crisis recedes and state budgets recover, it will be essential to have a plan in place that will prevent UC from losing its preeminent position among academic research institutions.

II. Background and issues

The University of California is the world’s premier public research university due to the excellence of its faculty, the research they conduct, the caliber of graduate students they attract, and the quality of instruction they offer. In order to attract and hire first-class faculty, UC must offer compensation at a level calibrated to a highly competitive market. This was noted in a 1997 white paper prepared by UC for the California Citizens' Commission on Higher Education, and still holds true today:

“A key priority for the University is maintaining faculty salaries that are competitive with comparable institutions. In addition, salary levels must be sufficient to provide flexibility to attract and retain the most gifted scholars and teachers. Resources dedicated to faculty support must be adequate to provide a productive working environment for faculty and students who are pursuing both research goals and excellence in teaching. Provision of adequate support includes the need for capital investment in laboratories and classrooms to support teaching and research. To the extent that programmatic resources are inadequate to meet all of the University's funding needs, maintenance of faculty salaries and support has to be a paramount concern. Other functions and programs can be restored when resources rebound. However, if the faculty base on which the University is built declines, it may never be rebuilt.”


The current peer-review process and attendant salary scales are a cornerstone of UC’s excellence: they bring uniform and transparent standards to faculty advancement and compensation. Salary increases are based on both systemwide adjustment to the applicable scale, and on individual factors such as merit, promotion, and off-scale compensation. “The knowledge that all faculty in the UC system are evaluated by their peers under a single equitable set of criteria has functioned as a cultural contract for faculty who have served long careers in the University.” Dan Simmons, *The Death of UC Faculty Salary Scales*, April 2006.
Nevertheless, and despite uniform standards and processes, the salary scales system is suffering:

- While the review process is clear, salary scale levels have not been predictable in many years. Rather, every year the Academic Senate has to consult with UCOP Administration on salary levels, which must then compete with other University funding needs.
- The current model is not transparent. There is no clear policy for annual adjustments to the salary scales that reflect market rates and that can be relied on when discussing faculty compensation with the Regents and the State.
- The current model relies heavily on off-scale compensation to cover the gap between on-scale salary and market rates. Such additional compensation likewise lacks transparency because the off-scale amount is discretionary and typically determined by an administrator, such as a dean. In 1999, 50% of General Campus ladder-rank and equivalent (LRE) faculty were paid off-scale, and 6% of total faculty pay was off-scale. In 2019, 99% of General Campus LRE faculty were paid off-scale, and 24% of total faculty pay was off-scale. (Appendix A.)

Clearly the current compensation model is not working. This is an untenable situation for a public institution committed to transparency and fairness, and is in contravention of APM-620 which requires salaries to be “on-scale to the greatest extent feasible.” The subjective and discretionary nature of off-scale salary opens the door to biased allocation of state resources to faculty, and is inimical to a key precept of shared governance: that the best evaluation of faculty merit leading to overall salaries stems from peer review.

III. Findings

The Task Force reviewed numerous past workgroup and task force reports on the UC faculty salary scale system. Among the principal take-aways:

A. Off-scale compensation is pernicious. Off-scale compensation creates multiple problems, including:
   i. UC is not revealing the actual cost of faculty salaries and is therefore inadequately conveying its fiscal needs to the State;
   ii. Off-scale compensation decisions are not subject to faculty review on some campuses and can be swayed by unconscious biases of the administrator making the decision, such as ageism, sexism, or racism; and
   iii. Off-scale compensation is bad for morale -- it is dispiriting and demoralizing when faculty in the same discipline and department, with similar research responsibilities and teaching loads, receive widely disparate compensation.

B. Retention actions break the system. When faculty threaten to leave, they are wooed with off-scale offers that undermine the entire system and embed even greater salary inequity. This results in a “loyalty penalty” for faculty who do not seek outside employment and therefore do not receive retention remuneration.

C. Multi-year salary plan modifications are difficult to maintain. Repairing the faculty salary system requires a multi-year commitment. Past multi-year efforts were sustained for a couple of years at the most and then abandoned, usually due to external economic
forces. The Task Force urges that if a new faculty compensation plan is adopted, it include a planned mechanism to respond to unforeseen external pressures, and be subject to a systemwide commitment to its prioritization in the face of external pressures over the several years it will take to implement.

IV. Principles

The Task Force bases its recommendations on the following principles, which it takes to be fundamental to UC’s mission, stature, and excellence:

A. The University of California’s rank and step system with peer review for advancement is foundational to the excellence of the University.

B. The adherence of all ten UC campuses to a single set of salary scales is a cornerstone of UC quality.

C. The University of California is committed to achieving equity in faculty hiring, advancement, and compensation.

V. Recommendations

A. Transparency, equity, and objectivity – Faculty salary scales should be based on transparent and objective mechanisms that lead to equitable outcomes. An example of such a mechanism is attached in Appendix B, Experimental Models of Market-Based Professorial Salary Scales; background on the model is in Appendix C. The model was designed by UCOP Academic Personnel and Programs (APP) in December 2019, and offers a rational and transparent methodology for calculating market-based salary scales.

B. Annual adjustment - Faculty salary scales should be adjusted annually according to a transparent mechanism that uses readily available measures of market levels.

C. Disciplinary differences – Salary scales should be sensitive to disciplinary differences. The Task Force offers two possible mechanisms for addressing disciplinary differences; it does not recommend one over the other. The models are further discussed below.

1. Comparison-based disciplinary model – Scales are based on compensation rates in similar disciplinary groupings at Comparison-8 institutions.

2. Factor-based disciplinary model – Similar to the Health Sciences Compensation Plan (HSCP), scales have a base minimum (Scale 0) and factor-based scales determined by a multiplier (Scale 1 at 1.10 of Scale 0; Scale 2 at 1.20 of Scale 0 and so on up to 2.25 of Scale 0) (see HSCP scales on Table 5 of current academic salary scales). Disciplinary groupings would be placed on the scale closest to their market-based comparators; annual adjustments would be made to track salaries at the Comparison-8 institutions.

D. Off-scale compensation should be the rare exception – A new salary scale system should be structured so as to substantially reduce the need for off-scale compensation. Phase in over time – The new compensation system should be phased in over time (probably beginning with new hires) to soften its budgetary impacts and insure its equitable application.
VI. Discussion

A. Comparison-based disciplinary model
Appendix B, a comparison-based compensation model, applies to new hires, and includes a percentage increase at each step advancement (which factors in years at step) and a salary bump for promotions. The percentage increases make salaries at the middle step of each rank comparable to peer institutions; the scales are adjusted annually based on accepted consumer indices. The advantages of this approach are scales that reflect actual faculty salaries and that restore the importance of peer-review as the primary determination of faculty salary. It also reduces the “loyalty penalty” for long-serving UC faculty, and transfers a significant share of faculty salaries from off-scale to on-scale. It prioritizes equity and transparency, and reduces the need for major retention actions. Although this approach would be costly, off-scale pay for current faculty would be subsumed into on-scale compensation, thereby lowering costs.

B. Factor-based disciplinary model
If UC wants to expand the number of disciplinary-based scales, the factor-based disciplinary model would allow flexibility for both large and small groupings of disciplines, and would move away from scales with explicit disciplinary names. However, the factor-based mechanism would be less transparent and arguably less market-based, and would be a departure from the current set of scales (and disciplinary groups) to which faculty and administration are accustomed.

C. Housing costs
The Task Force’s recommendations should be implemented uniformly across all UC campuses. The campuses vary widely however on issues of cost of living, particularly housing. Campuses are straining to address housing costs through various loan and support programs, and levels of housing support are based on numerous factors. The recommendations in this report do not directly address these issues; however, the Task Force urges UC leadership to develop and augment systemwide resources to assist faculty with living and housing costs, and to ensure equity in the design and application of housing support programs.

VII. Conclusion
The Faculty Salary Scales Task Force offers the above recommendations to Provost Brown and the Academic Planning Council for their consideration. The Task Force urges UCOP and Academic Senate leadership to take the necessary steps to make the faculty salary scales system more transparent and equitable, to institute annual adjustments, and to move faculty compensation away from off-scale pay as much as possible.
VIII. Task Force Membership

- John Gilbert, Task Force Chair and UCAP Chair 2019-20, UC Santa Barbara
- Susan Carlson, Task Force Vice Chair and Vice Provost for Academic Personnel & Programs, UCOP
- Kum-Kum Bhavnani, Academic Council Chair 2019-20, UC Santa Barbara
- Mary Gauvain, Academic Council Vice Chair 2019-20, UC Riverside
- Sean Malloy, UCPB Chair 2019-20, UC Merced
- Jean-Daniel Saphores, UCFW Chair 2019-20, UC Irvine
- Rosemarie Rae, Vice Chancellor for Planning and Budget, UC Berkeley
- Becky Petitt, Vice Chancellor for Equity, Diversity, and Inclusion, UC San Diego
- Philip Kass, Vice Provost for Academic Affairs, UC Davis
- Keith Ellis, Graduate Student, UC Davis

IX. Sources

1. The Death of Faculty Salary Scales, Dan Simmons, April 2006
2. UCAP - Present Status of the UC Merit and Promotion System and Articulation of Some Principles of UC Faculty Compensation, June 2006
4. Senate-Administration Task Force - Recommendations on Faculty Salaries, June 2011
5. Task Force on Faculty Salaries, February 2012
6. Joint Senate-Administration Working Group on Faculty Compensation, March 2015
7. Faculty Retention & Exit Survey Quantitative Report, Harvard University Collaborative on Academic Careers in Higher Education (COACHE), October 2019

X. Appendices

A. General campus faculty percent earnings that are off-scale, July 2020
B. Experimental models of market-based professorial salary scales, Dec. 2019
C. Market based salary scales background, July 2020

Special thanks to Gregory Sykes, Director of Academic Data and Compensation in APP, for his work on the appendices.
### General Campus Faculty

% of Earnings that are offscale

<table>
<thead>
<tr>
<th>Year</th>
<th>OffScale</th>
<th>Total</th>
<th>% of Faculty Offscale</th>
<th>Offscale</th>
<th>All Base Earnings Offscale</th>
<th>% of Base Earnings Offscale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>3,205</td>
<td>6,391</td>
<td>50.1%</td>
<td>$33,433,346</td>
<td>$575,125,267</td>
<td>5.8% *</td>
</tr>
<tr>
<td>2006</td>
<td>6,041</td>
<td>7,431</td>
<td>81.3%</td>
<td>$95,460,944</td>
<td>$795,890,498</td>
<td>12.0% **</td>
</tr>
<tr>
<td>2007</td>
<td>4,818</td>
<td>7,586</td>
<td>63.5%</td>
<td>$80,949,083</td>
<td>$855,471,958</td>
<td>9.5% **</td>
</tr>
<tr>
<td>2012</td>
<td>6,288</td>
<td>7,568</td>
<td>83.1%</td>
<td>$149,161,620</td>
<td>$969,406,940</td>
<td>15.4% **</td>
</tr>
<tr>
<td>2013</td>
<td>6,531</td>
<td>7,626</td>
<td>85.6%</td>
<td>$168,114,293</td>
<td>$1,011,746,913</td>
<td>16.6% **</td>
</tr>
<tr>
<td>2014</td>
<td>6,888</td>
<td>7,743</td>
<td>89.0%</td>
<td>$195,207,119</td>
<td>$1,071,974,201</td>
<td>18.2% **</td>
</tr>
<tr>
<td>2015</td>
<td>7,591</td>
<td>7,889</td>
<td>96.2%</td>
<td>$229,648,451</td>
<td>$1,135,030,522</td>
<td>20.2% **</td>
</tr>
<tr>
<td>2016</td>
<td>7,963</td>
<td>8,160</td>
<td>97.6%</td>
<td>$266,470,820</td>
<td>$1,210,821,959</td>
<td>22.0% **</td>
</tr>
<tr>
<td>2017</td>
<td>8,132</td>
<td>8,271</td>
<td>98.3%</td>
<td>$298,436,032</td>
<td>$1,268,607,906</td>
<td>23.5% **</td>
</tr>
<tr>
<td>2018</td>
<td>8,252</td>
<td>8,376</td>
<td>98.5%</td>
<td>$322,232,618</td>
<td>$1,338,179,617</td>
<td>24.1% **</td>
</tr>
<tr>
<td>2019</td>
<td>8,329</td>
<td>8,441</td>
<td>98.7%</td>
<td>$339,647,853</td>
<td>$1,413,566,853</td>
<td>24.0% **</td>
</tr>
</tbody>
</table>

* For 1999, the future Step 9 was used as the "Above Scale Onscale Rate"

** For all other years, the "Above Scale Onscale Rate" was calculated as Professor Step 9+11.3%

The 11.3% factor is based on the average percentage increase per year at step x 4 years
APPENDIX B

Experimental Models of Market-Based Professorial Salary Scales
Based on Average New Hire Salaries and Comp 8 Averages

CONFIDENTIAL - FOR INTERNAL UC DISCUSSION ONLY

Professorial Series Academic Year Salary Scale (Table 1)
as of July 2018

Note: Comp 8 averages have been adjusted downward by 8.5% to compensate for the inclusion of Business, Economics and Engineering disciplines in the original Comp 8 data.

<table>
<thead>
<tr>
<th>Step</th>
<th>Years at Step</th>
<th>UC Scale, Effective 7/1/2018</th>
<th>Proposed Market Scale</th>
<th>UC avg salary Oct 2018</th>
<th>proposal % diff. from 2018 scale</th>
<th>proposal % diff. from avg</th>
<th>point of reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asst</td>
<td>1</td>
<td>2</td>
<td>62,700</td>
<td>84,200</td>
<td>106,500</td>
<td>34.3%</td>
<td>-20.9%</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2</td>
<td>66,600</td>
<td>89,200</td>
<td>88,400</td>
<td>33.9%</td>
<td>0.9</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2</td>
<td>70,200</td>
<td>94,500</td>
<td>93,500</td>
<td>34.6%</td>
<td>1.1</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>2</td>
<td>74,200</td>
<td>100,200</td>
<td>96,900</td>
<td>35.0%</td>
<td>3.4</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>2</td>
<td>78,000</td>
<td>106,200</td>
<td>100,700</td>
<td>36.2%</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>2</td>
<td>82,100</td>
<td>112,600</td>
<td>105,100</td>
<td>37.1%</td>
<td>7.1</td>
</tr>
<tr>
<td>Assoc</td>
<td>1</td>
<td>2</td>
<td>78,100</td>
<td>110,200</td>
<td>112,100</td>
<td>41.1%</td>
<td>-1.7</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2</td>
<td>82,200</td>
<td>116,800</td>
<td>109,100</td>
<td>42.1%</td>
<td>7.1</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2</td>
<td>86,400</td>
<td>123,800</td>
<td>114,500</td>
<td>43.3%</td>
<td>8.1</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>3</td>
<td>91,600</td>
<td>131,200</td>
<td>115,700</td>
<td>43.2%</td>
<td>13.4</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>3</td>
<td>98,700</td>
<td>143,000</td>
<td>122,700</td>
<td>44.9%</td>
<td>16.5</td>
</tr>
<tr>
<td>Prof</td>
<td>1</td>
<td>3</td>
<td>91,700</td>
<td>136,200</td>
<td>135,200</td>
<td>48.5%</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
<td>98,800</td>
<td>148,500</td>
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2018-19 New Hire Avg Salary

2018 Comp 8 avg*

2018 Comp 8 avg* UC avg, Prof 6-9
Effect of 10% bump at promotion
Assistant IV to Associate I and Associate III to Professor I
Compared to: Assistant IV to Associate III and Associate V to Professor III

![Graph showing salary scales for different positions with 10% bump at promotion](image-url)
Experimental Models of Market-Based Professorial Salary Scales
Based on Average New Hire Salaries and Comp 8 Averages

CONFIDENTIAL - 
FOR INTERNAL UC DISCUSSION ONLY

Professorial Series Academic Year Salary Scale (Table 1) 
as of July 2018

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<th>UC avg salary Oct 2018</th>
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Note:  Comp 8 average has been adjusted downward by 8.5% to compensate for the inclusion of Business, Economics and Engineering disciplines in the original Comp 8 data.
University of California
Proposal to Develop Market-Based Faculty Salary Scales

Background

This document provides background on recent efforts to reconsider the UC faculty salary scales using a market-based approach. The impetus for this project came from discussions in 2018 between Susan Carlson, Vice Provost of Academic Personnel and Programs (APP) and Professor Dan Hare in his role as Faculty Advisor to the President, with Gregory Sykes, Director of Academic Data and Compensation, providing analytical support and developing the model scales.

The discussions in 2018 emphasized preservation of UC’s rank and step-based scale system, which is rooted in the practice of regular peer review for assessing faculty merit and rewarding faculty productivity. However, they also acknowledged that the faculty salary scales in their current form do not reflect market realities due to many years of underfunding of the scales, which has led to the extensive use of off-scales to recruit and retain faculty. This in turn has created a lack of transparency about how faculty salaries are set. Publishing salary scales that do not reflect real compensation conditions can also affect public perception of the University: for example, legislators taking the scales at face value might misunderstand what it costs to recruit and retain UC-quality faculty, potentially contributing to State underfunding. The current effort attempts to re-envision the faculty salary scales in a way that preserves and strengthens peer review and reflects market conditions, resulting in a set of scales that accurately demonstrates the value of UC faculty.

Previous efforts at market-based scales – and some campus-based local faculty salary scales – have tended to start from a premise of basing faculty salary scale rates on the current average or median faculty salary rates per rank and step, either across the UC system or at an individual campus. While this method of assessing market costs for recruiting and retaining faculty makes a certain intuitive sense, the extensive use of off-scale salaries has meant that in some cases the average salary rate for a specific salary step approaches or exceeds the average salary rates of faculty at higher steps (compression). There may also be great variation in the dollar increment between the average salary rates at adjoining steps on the scale.

A too strict adherence to basing a scale on the average salary rates of current incumbents can codify existing inequities like salary compression and the “loyalty penalty” suffered by long-term faculty who have not obtained retention off-scales as a result of seeking outside offers. In addition, faculty are not evenly distributed among the steps of the scale; averaging the salaries at steps with very few incumbents can skew results considerably.

To preserve the core concepts of the UC ladder system and bring the scales into line with market realities, Professor Hare proposed a set of principles based on a combination of a single measure of market tendency and regular incremental progression up the scale. APP developed a model for the Professorial series Academic Year salary scale. Models were also developed for Fiscal Year, Business/Economics/Engineering and Law School titles. As a secondary market comparison, the average salary rates of the Comparison 8 institutions were compared to the resulting scales, and modifications were made to the model accordingly.
The University Committee on Faculty Welfare has consulted with APP staff on sequential draft versions of the market-based scales proposal on several occasions from October 2019 through June 2020. The materials have also been reviewed by the Academic Planning Council.

**Basic Principles**

1. A market-based scale should eliminate, or at least significantly lessen, the need for off-scales to bring salaries in line with market rates.
2. To function properly as a career ladder, a scale should grant clear and standardized merit increases as a faculty member progresses up the steps, and should appropriately mark the significant milestones of promotion in rank.
3. Once established, a market-based scale should be adjusted annually by an appropriate factor (for example by the California CPI-U as calculated by the US Department of Labor) and compared periodically against external market benchmarks (for example, the Comp 8 average) to allow for appropriate adjustments to maintain its market value.
4. To support equity and maintain the purpose of the peer-review system, if a market-based model is adopted it should be coupled with a plan to absorb faculty off-scale components (i.e., to reduce/eliminate the off-scale component once the scale rate for the faculty member’s rank and step matches or exceeds their previous on-scale + off-scale rate).

**Average Salary of a New Hire as a Market Measure**

The salary that campuses have to pay to recruit new junior faculty was deemed a clear and defensible starting point to measure the current market. As an added benefit, newly hired faculty are a sizeable population, which tends to smooth out variations when calculating an average salary rate.

**Process for Developing the Model Scales**

- The starting point for the model (the first salary rate included in the scale) was the average salary of a newly-hired Asst. Prof. Step 3 on the Academic Year Professorial scale.
- Initially, a 3% increment was applied per year at step.
- However, the resulting salary rates at higher steps of the Professor Series were so much higher than current averages that an alternate scenario was modeled:
  - 2.5% increment per year at step for 2-year steps (5% increment between steps for normative time at step).
  - 2% per year at step for 3-year steps (6% increment between steps for normative time at step).
- The scales reflect a 10% bump at promotion (advancement from Assistant 4 to Associate 1 and Associate 3 to Professor 1).
- Comp 8 averages by rank (adjusted to compensate for Business, Economics and Engineering faculty being on a separate UC scale) were compared to the midpoint of each rank and were found to be close enough to the model scales for the scales to meet a “market-based” criterion.
- The Academic Year Business/Econ/Engineering scale was modeled using the average rate for a new faculty member hired on that scale.
- Fiscal Year scales were modeled by adding 16% to the Academic Year scale models.
- A Professor-Law School series scale was modeled on the basis of the average rate of a newly hired Acting Professor in the Law Schools. There was no external comparator for Law School salaries, which are not included in the Comp 8 data collection.
ACADEMIC COUNCIL
EXECUTIVE VICE CHANCELLORS/PROVOSTS

December 2, 2020

Dear Colleagues:

UC’s peer review, rank-and-step system is not only part of what ensures the academic quality of UC but also what has helped maintain and advance that quality throughout the UC system. However, an important instrument of that system – the faculty salary scales – have fallen under disrepair; What is the future of the faculty salary scales and what should be done about their state? We are pleased to send you a report drafted by the Faculty Salary Scales Task Force, a subcommittee of the Academic Planning Council. We are seeking broad input on the Task Force’s recommendations so we ask that you circulate this letter and the report to relevant leadership at your campus.

The Faculty Salary Scales Task Force was charged with examining the issues surrounding the salary scales, in particular excessive reliance on off-scale pay to achieve competitive compensation. The enclosed report offers recommendations to address the issues, including annual scale adjustments and transparency in compensation decisions. Your assessment of these recommendations would be very helpful in charting next steps regarding the faculty salary scales as a tool to advance the goals and utility of UC’s rank-and-step system.

The recommendations are broad, and any discussion of their utility is necessarily in early stages. Please send us your thoughts on whether and how the recommendations should be further considered.

Input and comments should be sent to Todd Greenspan, UCOP Director of Academic Planning, by March 1, 2021, he can be reached by email at todd.greenspan@ucop.edu. Thank you for spending the time reviewing and commenting on the enclosed report. The University cannot offer the quality education of which it is so rightly proud without addressing these issues.

Sincerely,

Mary Gauvain, Ph.D.
Chair of the Academic Council

Michael T. Brown, Ph.D.
Provost and
Executive Vice President for Academic Affairs

Enclosure
December 2, 2020
Page 2

cc: Academic Planning Council
    Faculty Salary Scales Task Force
    Executive Director Baxter
    Director Greenspan