

Executive Board

Proposal for Modified "Off-Scale" Salary Components

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April 23, 2021

Emily A. Carter
UCLA Executive Vice Chancellor and Provost

Re: Proposal for Modified “Off-Scale” Salary Components

Dear Executive Vice Chancellor and Provost Carter,

At its meeting on April 1, 2021, the Executive Board of the UCLA Academic Senate discussed VCAP Levine’s Proposal for Modified “Off-Scale” Salary Components. In that meeting, members appreciated the responsiveness of VCAP Levine in particular and the administration in general to feedback provided by Senate bodies. Per your letter of March 22, 2021, we understood that the proposal will be delayed for at least one year during which VC Levine will work with a new committee, the Off-Scale Salary Advisory Committee, as well as the appropriate committees of the Academic Senate, to begin to redesign guidelines for determining off-scale components of faculty compensation with the intent of improving equity. In this context, members wanted to provide high-level feedback from their own deliberation on the subject.


In brief, we concluded:

- Efforts to improve equity and standardization of off-scale salary components are most laudable.
- The long term solution to the use of substantial off-scale salary components and consequent inequities is to bring the base scales closer to market, our peer comparators. Thus, salaries would be more largely determined by our unequaled peer-driven career-long merit review system than by one-on-one negotiations.
- A linkage of any reduction in off scales to a commitment to restore the base scales is extremely important.
- There is some value to making off-scale salaries naturally deflate over time, such that early career off-scale decisions are not permanently enshrined in salaries, especially when they perpetuate inequities or fail to recognize differences in performance over time.
- There does not appear to be a clearly-articulated financial targets for savings. This makes it difficult to determine whether the VCAP’s proposal is necessary, or if a less-extreme change might prove sufficient.
- The now tabled proposal has produced strong backlash among faculty and seems almost certain to create additional costs in terms of retention, faculty dissatisfaction, and equity concerns.
- It is unclear as to whether the marginal savings from such a proposal would outweigh the potential costs and risks associated with that plan—especially over the next decade, when potential savings would be relatively small

- As Prof Jeffrey Lewis' simulator shows, the recent change (from consistently maintaining off-scales, to maintaining off-scale salaries only at advancement) has already produced major savings and has not produced similar backlash, equity concerns, or perceived pressure to seek outside offers.¹

We hope that these points will be considered in the formulation of a new proposal.

Sincerely,



Shane White
Chair
UCLA Academic Senate

Cc: Ali Behdad, Chair Council on Academic Personnel, UCLA Academic Senate
April de Stefano, Executive Director, UCLA Academic Senate
Tim Groeling, Chair Council of Planning and Budget, UCLA Academic Senate
Jody Kreiman, Vice Chair/Chair Elect, UCLA Academic Senate
Michael Levine, Vice Chancellor, Academic Personnel
Huiying Li, Chair Faculty Welfare Committee, UCLA Academic Senate
Michael Meranze, Immediate Past Chair, UCLA Academic Senate
Members of the Executive Board

¹ Our discussion relied heavily on a "Salary System Simulator Dashboard" (<https://jblewis.shinyapps.io/salary/>) created by Prof. Jeff Lewis. The simulator helped us more clearly compare the VCAP's salary proposal to a prior off-scale system (which maintained the off-scales at every action) and the more recent status quo (which only maintains the off-scale percentage at advancement)

March 26, 2021

Shane White, Chair
Academic Senate

Re: Modified Off-Scale Salary Components

Dear Chair White,

At its meetings on January 19 and March 19 2021, the Faculty Welfare Committee discussed the Proposal for Modified Off-Scale Salary Components. Committee members offered the following comments.

The proposed changes have serious impacts on the campus and UCLA faculty. This plan reduces part of the faculty compensation. As documented in the Faculty Salary Scales Task Force Report, current UC faculty on-scale salaries significantly lag those of its comparator institutions. This proposal on modified off-scale salary would make UCLA salaries further lag those of peer institutions over time. This will make faculty recruitment and retention at UCLA more challenging. Additionally, members are concerned that this proposal will more negatively affect junior and female faculty, who tend to negotiate less, thus increasing inequity in compensation among the faculty. Members also expressed that the proposal is confusing and additional justification and information are needed to better understand the implications of this proposal.

Members agree with the major points laid out in the response by the Council on Academic Personnel provided on version three of the proposal. Overall, the committee members were very concerned by the proposal and strongly opposed it. They found it to be deeply problematic and could potentially cause UCLA to lose faculty.

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

March 24, 2021

Shane White, Chair
Academic Senate

Re: Proposed Modified “Off-Scale” Salary Components

Dear Chair White,

At its meetings on January 11, January 25, February 8, and March 8, 2021, the Council on Planning and Budget (CPB) had an opportunity to review and discuss the three versions of the Proposal for Modified “Off-Scale” Salary Components. The modifications across the three versions of the proposal have addressed some of the concerns expressed by our Council members, which we appreciate. We were also appreciative of Council member Jeff Lewis, who created a Salary System Simulator Dashboard (<https://jblewis.shinyapps.io/salary/>) that helped us more clearly compare the VCAP’s salary proposal to the older off-scale system (which maintained the off-scales at every action) and the more recent status quo policy (which only maintains the off-scale percentage at advancement).

Based on that simulation and our discussion, we would argue that:

- There is some value to making off-scale salaries naturally deflate over time, such that early decisions are not permanently enshrined in salaries—especially when they perpetuate inequities or fail to recognize differences in performance.
- There do not appear to be a clearly-articulated financial targets for savings. This makes it difficult to determine whether the VCAP’s proposal is necessary, or if a less-extreme change might prove sufficient.
- The VCAP’s proposal has produced strong backlash among faculty and seems almost certain to create additional costs in terms of retention, faculty dissatisfaction, and equity concerns.
- As Lewis’s simulator shows, the recent policy change (from consistently maintaining off-scales, to maintaining off-scale salaries only at advancement) has already produced major savings and has not produced similar backlash, equity concerns, or perceived pressure to seek outside offers.
- The question, therefore, seems to be whether the VCAP’s proposed marginal savings outweigh the potential costs and risks associated with that plan—especially over the next decade, where the difference in the savings the plans would generate is relatively small.

Members offered the following comments across our four meetings that addressed this topic:

1. Responding to the earliest draft of the policy, members noted that there seems to have been an overall lack of transparency and consultation with the initial development of the proposal. We have appreciated the added faculty consultation as the plan has evolved.
2. This proposal would represent a fundamental change on how salaries have been administered at UCLA; it will inevitably have a substantial effect on salaries if percentage increases are to only be applied to the off-scale portion of salaries (as is shown in the simulator prepared by Jeff Lewis).
3. If fully implemented, members expressed concern that different disciplines will be impacted in their ability to recruit because many specialties require off-scale salaries in order to be competitive. Members also pointed out that this proposal would cause great damage to professional schools where there is intense market pressure to be on par with other schools in the country (e.g. Business School, Law School, and Engineering). The proposal reduces general flexibility and would undoubtedly have an effect on productivity.
4. Because the plan would allow deans considerable discretion in exceptional cases, members questioned whether the VCAP's proposal would provide—or would actually undermine—equity, since studies have apparently shown that women and underrepresented faculty would be disproportionately harmed by this discretion. The proposal would also push more faculty to seek offers from other universities, which would foster inequality and potentially divert dramatically more time and resources to retention efforts. Some argued that the university's climate would suffer as the result of implementing a two-tiered system with limited potential for growth. Some members characterized this as being "shortsighted and irrational."
5. Many members did support some reform of the salary scales, and especially raising the base scale to a more realistic level. Members were also sympathetic to the concern that tightening budgets might mean that salaries could not continue to rise as they have in the past. As noted above, there was also concern that without reform, the current system would perpetuate prior inequities for those whose initial off-scale percentage was comparatively small (and indeed magnify the inequalities as those percentages were applied to larger base salaries at higher ranks). In a similar vein, another senior member noted that at one point, UCLA did have a policy that gradually reduced the off-scale percentages over time by default. Along those lines, some argued there should be a higher salary scale for advances so that inequalities could be decreased as rank increased.
6. Members noted there are reasons why the campus moved away from the salary-setting mechanisms employed by some other UCs and argued there should be other way to dampen amplitude of shocks from outside that do not require UCLA to slow the rate of salary growth by 30-50%.
7. Members asked for a more developed and nuanced report regarding how other UCs handle salaries (particularly UC Berkeley and UCSD). Some noted that salaries at other campuses anecdotally reflected the systematic use of things like summer ninths to address issues with their salary scales, and might not be directly comparable.

8. Members questioned the rationale for doing this now. Morale is obviously very low for various reasons, but mostly due to the pandemic. The campus is about to implement a new budget model. What is the incentive? Will this have a real budgetary impact? Is it really worth the disruption and further impact on morale to push this through at this time?
9. CPB met with Vice Chancellor for Academic Personnel Michael Levine on January 25. He explained that the main reason for this proposal is that UCLA will not have sufficient funds to cover faculty compensation. In that meeting, members requested additional justification for this change; the proposal does not provide data to support its claims. Members expressed concerns about maintaining UCLA's competitiveness under this plan and whether alternatives had been considered. They also requested comparison data on salaries across departments, UC campuses, and peer institutions. Fundamentally, faculty and students are the university—not the administration. Making this type of substantial change without a thorough and careful analysis is objectionable.
10. Some noted the second and third versions of the proposal only differed in how they phased in the same set of changes. Some members also reported that there had already been a little-noticed implementation of off-scale reductions between advancements (see Lewis' Simulator for a discussion of the status quo policy).
11. Fundamentally, members argued that the administration should consider finding alternative ways of compensating faculty if there is pressure on salaries, or preferably finding other cuts instead of faculty salaries.
12. How will deans respond to these changes under the new budget model? Members are curious about the inequities across schools as well as with the ability to generate more revenue.
13. Even with an improvement from the first to the third version, members wonder if there is a mechanism to discourage the inflow of requests for promotions, advancements, and retentions.
14. Senior members noted that the proposal is a return to what the campus had before 2000, known as "return to scale." Some felt the underlying salary scales would need to be adjusted before making any other considerations and proposals to adjust the off-scale percentages.
15. Finally, members stated that these are very important decisions that require adequate consulting the faculty properly and fully understanding the implications of the policy. Some recommended that a strong committee be assembled to guide future development of salary policy. Members note that UCLA salary policies have changed dramatically over time, so it is likely that whatever policy is implemented now will likely be revisited in several years, and that revision should involve maximal faculty input from the start.

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 17, 2021

To: Shane White, Chair
Academic Senate

From: Andrea Kasko, Chair
Graduate Council

Re: Proposal for Modified “Off-Scale” Salary Components

At the January 15, 2021 and February 12, 2021 Graduate Council meetings, the *Proposal for Modified “Off-Scale” Salary Components* and a third version of the proposal were presented as information items. Although the Graduate Council was not required to opine on this issue, members offered the following observations for your consideration should the proposal be reintroduced:

Members observed that the “off-scale” work around salaries has turned into a real engine of disparity at UCLA. There are large parts of campus that are compensated very differently. Because of this, members would like to see more robust data (e.g., data on how far UCLA deviates from our sister campuses, fraction of off-scale salaries both as a percentage and total amount, etc.) and a clearer rationale for moving forward with the proposal at this time. Members stated that having more data would be helpful in generating a more thoughtful approach.

In particular, members felt the change to the treatment of off-scale salary comes at a particularly bad time, as two other large, structural changes are underway, each of which will also affect compensation in ways that are, as yet, unclear. The first is the change to the budget model. Members would urge the administration to see how the new budget model operates before making changes to the salary scale. The second is the system-wide changes to the salary ladders. The Task Force Report and Recommendations makes clear a continued commitment to maintaining a single ladder for all campuses. It also notes the difficulty presented by the higher cost of living, and, especially housing, at some campuses, stating both that “Campuses are straining to address housing costs” and that “recommendations in this report do not directly address these issues.” Instead, “the Task Force urges UC leadership to develop and augment systemwide resources to assist faculty with living and housing costs...” (VI.C). Because off-scale salaries have been the most effective way for UCLA to address the higher cost of living in Los Angeles, it was suggested that changes to the off-scale component of salaries might await the development and augmentation urged by the Task Force. Members are very concerned about the implementation timeline, especially in light of the stressors associated with the COVID-19 pandemic.

Members also noted that salary disparities and lack of competitive salaries will negatively impact departments’ ability to recruit the best faculty, especially at a time when UCLA 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. Another major financial impact will be on the retirement system that will undoubtedly disincentivize faculty loyalty. As well, this will impact graduate education and the research enterprise.

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.

January 25, 2021

Colleagues:

Enclosed is a revised proposal to modify how salary off-scale components are determined. It differs primarily from the original proposal presented late last year in that it consists of three phases. We anticipate that Phase 1 will go into effect with the first advancement action that is effective July 1, 2021 or later. Phases 2 and 3 will go into effect at later time points which will depend on the ranks of each faculty member. I will appoint an Off-Scale Salary Oversight Committee with faculty representation from the Academic Senate, the College and Professional Schools to help in determining how Phases 2 and 3 will be set up and implemented.

As you are well-aware we are unique among UC campuses where our faculty off-scale components have been set as a percentage of the on-scale. We are proposing to alter how the off-scale is determined which will better align us with procedures used on the other UC campuses. The modifications also will provide increased salary equity. We will discuss this proposal at the next Deans Council and individually in scheduled meetings with each Dean/Vice Provost, chairs of departments and chair of each school's FEC over the next two months.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike", written in a cursive style.

Michael S. Levine
Vice Chancellor, Academic Personnel