SENATE EXECUTIVE COMMITTEE
Recommendation on Faculty Salaries

To: The Academic Senate, Santa Cruz Division

Attached is the follow-up report of the Senate Executive Committee (SEC) on the work of the Joint Administrative/Senate Task Force on Faculty Salaries. The Task Force recommended a targeted salary competitiveness increase. The Senate was asked by CP/EVC Kliger to make a formal recommendation for a one-time salary infusion, based on an updated analysis of the comparative salary data.

The Senate Executive Committee understands that this report, with its recommendation for a modest increase in salaries, has coincided with a budget crisis of such magnitude that implementing the recommendations may be put on hold while the campus addresses the current budget reductions. But as CP/EVC Kliger and Chancellor Blumenthal have noted on many occasions, faculty salaries remain a campus priority of great urgency. So we transmitted this report to the CP/EVC with the caveat that its financial recommendation of a one-time salary infusion be reconsidered annually, until such time as the campus budget permits implementation. This will require monitoring our relative position in the system and making the necessary adjustments to determine the amount of infusion, should our relative position in the system change. For this reason, the data-gathering used to produce the recommendations should be continued from this point forward. The recommendations of tracking data to monitor UCSC's position do not have budgetary implications that would justify delaying their implementation.

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Preamble

The Senate Executive Committee (SEC) charged the Faculty Salary Subcommittee with analyzing data on comparative salaries for ladder-rank faculty across the UC system gathered by the Academic Personnel Office (APO). The subcommittee presented to SEC an analysis of options for rectifying the low status of UCSC salaries compared to the other UC campuses. This report is the recommendation of the SEC based on that analysis.

The initial goal of this analysis was defined in the Joint Task Force Report: an immediate infusion of funds to bring UCSC salaries in line with the next lowest campus from the bottom, which is UC Davis, ideally by July 1, 2009. Our subcommittee took this modest goal as our main focus. The Joint Task Force report can be viewed at: http://senate.ucsc.edu/JointTaskForce/FacultySalary%20TaskForce%20Final%20ReportwCharts.pdf

The Joint Task Force Report also discussed a second, more ambitious goal of reaching the median of the nine mature campuses (including UCB and UCLA) as well as a series of longer-term changes in our personnel practices that would ensure we continue to close the gap between UCSC salaries and those on the other UC campuses. These measures range from recommendations and decisions at the departmental, divisional, CAP and EVC levels, to accountability through an annual review of data used throughout the process. We do not address these longer-term goals here. We enumerate only some of the potential issues to be addressed.

Our report first lays out some principles that guided our work. Next we list some of the potential long-term issues that will need to be addressed. We then turn to the task at hand, describing the nature of the problem, the methodology we used to identify salary gaps and “top performers.” Finally we present our suggested approach.

Principles

One principle that emerged from the work of the Joint Salary Task Force was to consider our highest performing faculty for a one-time salary increase. The data suggest that UCSC faculty who are at the median for their rank and step have salaries comparable to faculty at the median UC-wide. The Task Force focused on the gap in off-scale salaries and argued that it is faculty with merit-based off-scale salaries who are most likely to be underpaid relative to other campuses.

A second principle is in seeking an equitable solution to the salary problem, to recognize that even for those at the median faculty morale is low. Our longstanding position at the bottom end of the salary comparisons, in conjunction with the high cost of living in the Santa Cruz area, has intensified the salary disparities between our campus and the rest of the system. Thus the problem of low salaries in the UC system as a whole has particular local intensities. To this end, the solution proposed is a differentiated salary increase for all ladder-rank faculty.

What is the nature of the problem?

The Joint Task Force report demonstrates that UCSC faculty are the lowest paid in the UC system. The report argues that this gap is best represented by the average size of off-scale salaries. With further analysis and breakdown down of the data, our subcommittee has both confirmed and refined that conclusion.

To address the initial goal of the Joint Task Force report, to equate the UCSC median off-scale dollar amount with that of the next lowest campus by July 1, 2009, we chose UC Davis as the target. UC Davis is the next lowest campus on a number of measures. We focused on the gap between UC Davis and UC Santa Cruz in the salaries at the 75th percentile.

Our focus on the salary gap between UC Davis and UC Santa Cruz, at the 75th percentile, is in line with the Joint Salary Task Force report's emphasis on off-scale salary gaps, and on the evidence that the salary gap is primarily a problem for the highest performing faculty. In order to identify a target group of high performers, however, off-scale salary is not the best marker. This is because many of our "high performers" are actually on scale (having been accelerated to an on-scale salary). Likewise, some of our faculty are off-scale because of a merit review where they received less than one step of salary. Hence, we focused on salaries at the 75th percentile.

The tables below show last year's comparison of total salaries (salaries effective 10/1/07) between UCSC and UC Davis at both the median and the 75th percentile for those faculty on the regular scale. Positive numbers indicate that Davis salaries are higher, whereas negative numbers indicate that UCSC salaries are higher.

	AS2	AS3	AS4	AS5	**Avg AS**	AC1	AC2	AC3	AC 4	**Avg AC**
median	1730	-1438	1755	0	**512**	-1600	0	0	0	**-400**
75th	5613	2144	4400	3491	**3912**	2550	-2332	409	0	**157**

	P1	P2	P3	P4	P5	**Avg P1-5**	P6	P7	P8	P9	**Avg P6-9**
median	0	0	0	-200	0	**-40**	-600	905	524	397	**307**
75th	595	17314	4398	-1950	-163	**4039**	4264	6556	7798	2948	**5392**

These data show that UCSC and UCD median salaries are comparable at many ranks, and the average median gap across ranks is $105. However, the 75th percentile salaries are considerably higher at UCD for most ranks.

The overall average gap between UCSC and UCD (across ranks) in 75th percentile salary = $3375

The next tables show an update of the same comparisons with this year's (effective 10/1/08) data:

	AS2	AS3	AS4	AS5	**Avg AS**	AC1	AC2	AC3	AC4	**Avg AC**
median	3600	-1985	1400	-3100	**21**	-1172	0	0	0	**-293**
75th	3400	500	2894	1314	**2027**	1836	894	727	3849	**1827**

	P1	P2	P3	P4	P5	**Avg P1-5**	P6	P7	P8	P9	**Avg P6-9**
median	0	0	-200	-400	-2100	**-675**	-1850	905	524	397	**-6**
75th	295	12258	4800	-3500	-1314	**2508**	9478	4691	8892	5258	**7080**

With regard to the median salary gap, there seems to be slight improvement in one year: UCSC is actually higher than Davis on average across ranks by $238. But in terms of the 75th percentile, UC Davis continues to maintain a significant advantage.

Using these data, UCSC is behind Davis by an average of $3361.

Based on these two sets of data, we conclude that while faculty with salaries at the median are not disadvantaged relative to the next lowest paid campus, there is an estimated average gap of approximately $3400 for the "high performers" at given ranks. Although the actual salary gap varies across steps and ranks, some of these figures are based on very small numbers of cases, and the gaps at given ranks shift from year to year. We argue, then, that it makes more sense to use the overall average as a basis for our recommended strategies for salary infusion.

The numbers provided above are from the "regular" scale, but analyses of the Economics and Engineering salaries indicate that there are similar gaps between UCSC and the other campuses for the faculty paid on the Business, Economics and Engineering (BEE) scale. Hence, we followed the same strategy described above to determine the "gap" between UCSC and UC Davis for that scale.

With salaries as of 10/1/07, the salary gaps between UCSC and UC Davis in Economics and Engineering are:

	AS2	AS3	AS4	AS5	**Avg AS**	AC1	AC2	AC3	AC4	**Avg AC**
median	-9546	-4203	-3200	359	**-4147**	3791	3431	0	1345	**2142**
75th	-9487	-2577	-2385	997	**-3363**	16768	11050	97	10000	**9479**
count	6	13	7	8		3	6	8	4	

	P1	P2	P3	P4	P5	**Avg P1-5**	P6	P7	P8	P9	**Avg P6-9**
median		0	0	0	0	**0**	-5300	-2150	-3100	-4650	**-3800**
75th		-2142	0	0	2901	**190**	1693	-5421	-6250	-11300	**-5319**
count	0	8	7	6	2		1	6	4	8	

The analogous numbers for Economics and Engineering salaries as of 10/1/08 are:

	AS2	AS3	AS4	AS5	**Avg AS**	AC1	AC2	AC3	AC4	**Avg AC**
median	3700	-5977	-3476	-1800	**-1888**	-486	791	6791	795	**1973**
75th	1400	-2150	-2227	-4300	**-1819**	6358	10668	16430	9700	**10789**
count	4	12	8	5		3	8	7	4	

	P1	P2	P3	P4	P5	**Avg P1-5**	P6	P7	P8	P9	**Avg P6-9**
median	-700	0	0	0	0	**-140**		-2900	-1750	-7950	**-4200**
75th	-1303	3988	0	0	-2200	**97**		-5421	-4000	-3266	**-4229**
count	2	9	6	6	4		0	5	4	10	

At the median, the average gap shows that we are ahead by $810, whereas at the 75th percentile, we are behind overall by $1480 on average. The counts are very small, and thus the numbers are quite unstable, heavily dependent on the salaries of individual faculty. Note that there was only a single full Professor Step 6, and no full Professors Step 1 at UCSC, so the idea of computing a median or a 75th percentile is rather suspect. Also note that the range of the numbers is much larger (compared to the regular scale) in both positive and negative directions, further indicating the instability of the small counts. Thus we recommend using the salary gap figures from the rest of campus and applying those to all faculty, including economics/engineering faculty.

The Recommended Solution

We take the suggestion from the Joint Salary Task Force report to identify high performers based on the history of greater-than-normal advancements and accelerations. Looking back over the last three actions for each faculty member, we can identify those who have had at least one greater-than-normal or accelerated action in the past three actions. For those who have had only two actions (such as Assistant Professors or those who are new to campus), we consider those with at least one greater-than-normal or accelerated action in the past two actions.

We recommend that all faculty with at least one greater-than-normal action be identified as "high performers."

The subcommittee considered an alternative (higher) threshold for defining "high performer," such as two out of three greater-than-normal actions. Our current analysis of the data leaves us uncomfortable with the possibility of uneven awarding of greater-than-normal across disciplines. While there is no clear pattern, we note that there is some evidence that faculty in disciplines where books are the primary outlet of publication are likely to have an acceleration bracketed by a number of normal one-step merits, whereas those who publish mostly in journals have more opportunities to exceed publishing expectations in several actions in a row.

Using the criterion of at least one greater-than-normal advancement or acceleration in the last three actions, there are 224 faculty on the regular scale who can be identified as high performers. There are an additional 50 faculty on the BEE scale who are high performers by the criteria above, for a total of 274 faculty.

We recommend a plan that combines targeted salary increases for high performers with an across-the-board increase for all faculty.

Taking the UCD-UCSC gap of approximately $3400 calculated in the last section, we recommend an infusion of $3400 to every high performer (those with at least one greater-than-normal advancement or acceleration in the last three actions). We also recommend a salary increase of $1000 to all other ladder-rank faculty. Our estimate is that the total campus cost for this would be roughly $1.2 million.

Long Term Issues

In its discussions, the Salary Subcommittee identified a number of additional areas for longer-term consideration. Without priority, we suggest that the Senate work with the administration to define a process and address these issues, in the spirit of the Joint Salary Task Force's recommendation that an annual comprehensive review should be conducted of salary data at UCSC in comparison to other UC campuses. We believe that each of the following issues may have had an impact on salaries at UCSC.

- Our base salaries may be lower because prior to the 10/1/07 adjustment, COLA was calculated only on the on-scale portion, not on the full salary (as is done on other UC campuses).
- Faculty generally take longer to reach a given step than at other campuses, as measured by time since degree.
- Starting salaries and starting ranks may be lower than at other UC campuses.
- UCSC may be less likely to make exceptions to off-scale limits than are other UC campuses.
- Typical off-scale amounts recommended in personnel reviews may be lower than that of the other campuses.
- Disciplinary differences in time to publication may affect merits.
- Divisional inconsistencies and unevenness may affect merits.

Conclusion

This report provides an analysis of current salary data, as background and justification for a proposed one-time salary infusion, using the gap between the UCSC and UC Davis salaries at the 75th percentile for their rank and step. We also describe a methodology for identifying high performing faculty, using the history of greater-than-normal and accelerated merits.

It is important to note that this infusion would be a very small step toward parity, using as its target the next lowest paid campus. UC Davis has recently written a report on UC salaries similar to our Joint Task Force report, indicating that they hope to increase their salaries relative to the UC averages. Hence, this is a moving target, and it will be crucial to follow the task force recommendation to monitor the salary comparisons every year, reviewing existing policies and determining new strategies each year to continue our upward progress.

The subcommittee's charge is a relatively narrow one: identify options for implementing a one-time infusion that would have (1) the greatest effect in raising total faculty salaries on our campus and (2) the greatest equity and least subjectivity as a process. Our recommended solution reflects these requirements by seeking a targeted formula by which to review and compensate faculty and to move us further toward the nine-campus median, the second goal of the Joint Task Force report.

Remaining Questions

1) The report only addresses ladder-rank faculty and leaves aside the problem that Lecturers with Security of Employment (LSOE) are members of the faculty whose salaries have not been adjusted in the recent salary adjustments. We intend to take the next step of analyzing the relevant data for the LSOE in order to determine whether there is a salary gap, and if so, recommend solutions. We will request that the campus take action on our findings.

2) We have not addressed more subtle issues such as how to account for differences in merit over a recent period among the faculty, and the need to systemically address special cases, such as active service/modified duty or family/medical leave that may have affected the rate of advance.

3) It is important to recognize that by our proposed adjustment, all ladder-rank faculty will be off-scale, and our median off-scales will consequently go down. In monitoring our progress under those conditions, it will be necessary to look at total salaries rather than off-scale amounts.