Meeting Call for Regular Meeting of the Santa Cruz Division
Wednesday, February 29, 2012 at 2:30 p.m.
Stevenson Event Center
ORDER OF BUSINESS

1. Approval of Draft Minutes
   a. Draft Minutes of November 9, 2011 (AS/SCM/300)

2. Announcements
   a. Chair Gillman
   b. Chancellor Blumenthal (not attending)
   c. Campus Provost/Executive Vice Chancellor Galloway

3. Report of the Representative to the Assembly (none)

4. Special Orders: Annual Reports (none)

5. Reports of Special Committees (none)

6. Reports of Standing Committees
   a. Committee on Faculty Welfare
      i. Update on Health Care, Child Care, Housing, and Salary (AS/SCP/1692) p.1
      ii. Analysis of the UCSC Faculty Salary Merit Boost Plan (AS/SCP/1693) p.3
   b. Senate Executive Committee
      i. Senate Executive Committee on the UC Budget and Student Protest. (AS/SCP/1694) p.19

7. Report of the Student Union Assembly Chair
8. Report of the Graduate Student Association President
9. Petitions of Students (none)
10. Unfinished Business (none)
11. University and Faculty Welfare
12. New Business

February 23, 2012

Academic Senate
Santa Cruz Division

Dear colleagues,

As we enter what promises to be a period of intensified political activity for the university and the state (not to mention the nation), I write to remind you of the upcoming Senate meeting on February 29, 2012, 2:30-5 PM at Stevenson Event Center. The agenda may be viewed at: http://senate.ucsc.edu/senate-meetings/agendas-minutes/2012-february-29-senate-meeting/index.html

Key issues on which we will report:

Faculty
The Committee on Faculty Welfare will present and lead a discussion on its report "Analysis of the Three Year Merit Boost Plan." While this report focuses on the merit boost plan, the Senate intends to hold a follow-up forum (March 15 and 16) on salary metrics and their implications for faculty advancement.

Campus/Systemwide
Rather than separate these spheres, the conjoined issue says it all: you will hear about a range of recent campus efforts to address the UC budget and to press for state and public support of increased revenues for higher education. EVC Galloway will report on the budget, outlining various projections for best and worst-case scenarios, along with the planning underway on campus, in departments and divisions, for each of those possible outcomes. I will report on what's happening on the rebenching front at OP, as well as present an updated version of the UCSC rebenching statement that recently went out to you. Thanks to the many substantive comments I received, the document, particularly the table of enrollment and funding numbers, has been revised. You will have the chance to assess this work and to discuss next steps.

Faculty awareness of all these budgetary issues is especially critical in light of the student actions planned for March through May.

I hope to see as many of you as possible on February 29.

Yours,
Susan

Susan Gillman, Chair
Academic Senate
Santa Cruz Division

PROPOSED CORRECTIONS TO THE MINUTES
November 9, 2011 Senate Meeting

The draft minutes from the November 9, 2011 Senate meeting was distributed via email on February 16, 2012 and will be presented for approval at the Senate Meeting on February 29, 2012. After being approved, these minutes will be posted on the Senate web site (http://senate.ucsc.edu/senate-meetings/agendas-minutes/index.html).

Senators are asked to submit any proposed corrections or changes to these draft minutes to the Senate Office in advance of the next meeting, via EMAIL or in WRITING. All proposed changes will be compiled in standardized format into a single list for display at the next meeting.

This approach gives Senators an opportunity to read and review changes before being asked to vote on them, gives the Senate staff and the Secretary time to resolve any questions or inconsistencies that may arise, and minimizes time spent on routine matters during meetings. While proposed changes may be checked for consistency, they will not be altered without the proposer's approval. This approach complements, but does not limit in any way, the right of every Senator to propose further changes from the floor of the meeting.

To assist the Senate staff, proposed changes should specify:

1. The location of the proposed change (e.g. item, page, paragraph, sentence…)
2. The exact wording of existing text to be modified or deleted
3. The exact wording of replacement or additional text to be inserted
4. (Optional) The reason for the change if not obvious

Please submit all proposed changes to arrive in the Senate Office **no later than 12 p.m., Monday February 27, 2012.** They should be addressed to the Secretary, c/o Academic Senate Office, 125 Kerr Hall or via email to senate@ucsc.edu.

Judith Habicht-Mauche
Secretary, Academic Senate
Santa Cruz Division

February 23, 2012

COMMITTEE ON FACULTY WELFARE
Update on Health Care, Child Care, Housing, and Salary

To the Academic Senate, Santa Cruz Division:

Throughout the 2011-12 academic year, the Committee on Faculty Welfare (CFW) has reviewed and consulted on several critical campus and systemwide issues. While many of these issues remain in process, the committee feels that in some areas we have made important progress, and others may yet require increased attention and collaboration across the campus. It is our hope that we can generate additional discourse and vigilance among the faculty in these difficult budgetary times.

Health Care

Major changes are currently pending at the systemwide level for health care. A systemwide Health Care Workgroup (with EVC Galloway as a member) is currently considering structural changes to our health care plans, including how they are funded and proposals for potentially major cost-cutting measures. CFW is concerned that this may result in unprecedented health premium increases in the next four years for both active employees and retirees. While still mid-process and thus unavailable for distribution, CFW is additionally concerned that UCSC employees may in particular face health premium increases steeper than those of other UC campuses, as they did with the change to the Blue and Gold health plan back in 2010. We observed that in 2012, this differential impact was mitigated at other campuses (Berkeley and Davis) and that Sutter affiliates (Mills Peninsula) near San Francisco have joined Blue and Gold.

CFW has identified this as one of the most critical issues for our campus. CFW has urged that the Senate take initiative in engaging with UCOP to obtain critical data and to form an effective well-informed advocacy group to partner with the EVC against potential hefty premium increases.

Child Care

CFW is encouraged by the revitalized interest and commitment to child care from the campus. Last year, the EVC's appointment of a Child Care Task Force (CCTF) to investigate the viability of various options for child care for the campus produced a blueprint report, for which CFW was consulted and thus helped to shape. For various reasons, including budget uncertainty and other factors, the path toward the option recommended by the CCTF of building or purchasing a facility is unclear in the short-term. Importantly, however, in consultation with the EVC, CFW has argued for the commitment of earmarked "Child Care Reserves" funding (as designated in the CCTF report for ongoing support) to be set aside toward the future development of interim support or permanent child care for our campus faculty and staff. At our February 2, 2012 meeting, the EVC concurred with CFW's recommendation, and has since identified the allocation of $150k annually for this purpose.

Housing
CFW began consulting with Employee Housing on an earlier timeline, starting in December 2011, with the goals of more active participation and re-examining the housing re-pricing indexing methodology. The housing office usually submits their proposal to the EVC for approval in May. CFW has expressed some concerns about the long-term viability and affordability of the program in light of the persistent housing budget deficit and rapid cost increases over recent years. CFW plans to engage with the administration in order to examine how the long term goals of housing, namely generating short-term loans and offering affordable housing, are being met. CFW feels that the main goal of the employee housing program should be affordability for newly hired faculty, which is potentially undermined by unabated increases in the re-pricing index.

Faculty Salary
CFW has finalized its 3-year merit boost report (included in meeting call) which was distributed to EVC Galloway, VPAA Lee, and related Senate Committees. This effort was initiated back in Winter 2010. CFW believes that this report provides important insight into the impact of the merit boost plan on our merit review process, and will be valuable in formulating future local campus-based faculty salary policy plans.

The committee plans to briefly summarize its findings at the February 29 Senate meeting and open the floor to Q&A.

Respectfully submitted,

COMMITTEE ON FACULTY WELFARE
Noriko Aso
Carlos Dobkin
Gina Langhout
Thorne Lay
Abel Rodriguez
Gustavo Vasquez
Matthew Wolf-Meyer
Suresh Lodha, Chair Helene Moglen, *ex officio*

February 15, 2012

COMMITTEE ON FACULTY WELFARE
Analysis of the UCSC Faculty Salary Merit Boost Plan

To the Academic Senate, Santa Cruz Division:

Executive Summary:

A 3-year modification of academic personnel merit-based salary actions (the merit boost plan) was initiated in academic year 2008-2009, and recently extended for an additional 3 years. The goal of this plan, according to the Senate-Administrative Task Force Report[1] is to increase median faculty salary at UCSC to the systemwide (9-campus) median.

CFW has undertaken a review of this effort, assessing the level of access, impact and cost of the plan over the first three years. The main conclusions from our analysis are:

1) Changes in merit review practices have had a mostly positive impact on faculty salaries, but there is some evidence that suggests that at least some faculty have received a lower benefit than they might have experienced under previous rules.
2) Roughly speaking, about half of the faculty undergoing review each year have benefited from the plan.
3) The incremental cost of the merit-boost plan has been relatively modest, having accumulated to about $250,000/yr, which corresponds to the difference in total merit-based salary increases in 2010-2011 relative to those in 2007-2008.

Background:

In academic year 2008-2009 UCSC initiated a 3-year plan of modified academic personnel merit-based salary recommendations (the "Merit Boost Plan"). This effort was motivated by statistical comparisons of faculty salaries across UC campuses, which indicated that UCSC median salary was $6100 less than systemwide median salary, and that UCSC median off-scale salaries were lower than the median of "comparable" UC campuses (i.e., excluding UCB and UCLA) at all ranks other than Associate professor (by $3944 for Assistant Professors, and $700 for Full Professors), with increasing deficit relative to both 7-campus and 9-campus measures for higher percentiles of the distribution of off-scale salaries for each rank and step.

Numerous discussions by Senate committees and the administration were conducted pertaining to the significance of these comparative statistics; however, it is fair to state that comprehensive understanding of the root causes of UCSC's low position in both median salary and off-scale salary metrics was never achieved. Various campus practices were proposed as possible contributing factors, including UCSC preference to award accelerations rather than to tolerate very large off-scale salaries, UCSC use of overlapping steps that are not universally used at other campuses, UCSC decisions regarding base salary levels for computing cost-of-living adjustments (COLA) allocations, and conservatism of the UCSC merit evaluation system, among other candidate factors. Differences in academic personnel practices between campuses certainly

[1] http://senate.ucsc.edu/archives/faculty-salaries/FacultySalary%20TaskForce%20Final%20ReportwCharts.pdf

complicate comparisons, but most assessments suggested that UCSC faculty salaries lag behind other UC campuses to a significant degree.

It was decided that a remedy should be undertaken, and this resulted in a 3-year modification of academic personnel merit-based salary actions. Two goals were established by the 2008 Senate-Administration Task Force on Faculty Salaries: (1) by July 1, 2009, UCSC's median dollars off-scale were to equal that of the next lowest UC campus, and (2) by July 1, 2011, UCSC's median faculty salary was to equal the UC systemwide 9-campus median.

The implementation guidelines for the merit-based salary action plan, as articulated in a memo by EVC Galloway dated May 31, 2011 (see Appendix A), are as follows:

- Greater-than-normal files that are closer to a normal action should be considered for a one-step advancement plus an additional off-scale component equivalent to a half-step.
- Greater-than-normal files that are closer to an acceleration, but which do not quite demonstrate outstanding performance in all three areas, should be considered for a one-step advancement plus an additional off-scale component equivalent to $100 less than the next step.
- Accelerations to steps below Professor, Step 6, should be considered for an additional off-scale salary component, typically equivalent to a half-step.
- Based on the recommendation of the task force, salary practices for acceleration to Professor, Steps 6-9 and Above Scale, as well as to further Above Scale, remain unchanged.

Hence, the new guidelines created new categories of "boosted" merit increases that should achieve progressively higher median off-scale salaries and higher median salaries. These categories are designed to address issues identified with UCSC's comparative statistics. To clarify the differences between the pre-2008 practices and the guidelines for the merit boost plan, Table 1 presents a comparison of the modifiers used by the Academic Personnel Office to qualify merit review cases and their outcomes.

	Qualifier	Increment Pre 2008	Increment Merit Boost Plan
Accelerations	**A1**	Did not exist	2.50
	AC	2.00	2.00
Greater than normal merit increases	**G2**	Did not exist	1.90
	G1	Did not exist	1.50
	GR	Range of 1.00-1.90 (most often 1.50)	Range of 1.00-1.90 but not G1 or G2
Regular merit increases	**No qualifier**	1.00	1.00
	SI	< 1.0	< 1.0

Table 1. Modifiers used by the Academic Personnel Office to qualify Promotion and Merit cases.

The decision to link the UCSC faculty salary boost effort to merit reviews implicitly recognized that:

1) Not all faculty members would benefit from the program (because they were not reviewed during the 3-year program, their merit case was insufficient to be boosted

relative to past practice, or their rank and step were in a range where no boost effort was adopted).

2) It would take several years of implementation to close the gap in overall salary outlay relative to other campuses, particularly as other campuses may undertake parallel efforts to increase salaries.
3) The goal was to correct salaries looking forward, not to correct any real or perceived historical inequity at the individual faculty level. This was done under the assumption that other mechanisms (e.g., the equity review process) are available for the latter purpose.

It was also explicitly recognized that the particular mechanism adopted to achieve the merit boost was directly at odds with the then widely-discussed notion of re-baselining the salary scales and reducing off-scale amounts across UC (as commenced in the October 2007 systemwide salary adjustment).

CFW goals:

Now that the 3-year program has been completed, and a decision has been made to extend the program for a second 3-year interval, CFW has compiled statistical information on some outcomes of the effort. CFW recognizes that not all faculty have yet been reviewed (some due to being on a 4-year review cycle that bracketed 2008-2011; some having deferred review; some having been very recently hired and not yet reviewed), but we believe that evaluation of the program at this stage is important, particularly in light of current system-wide developments around merit-based salary increase allocations and cost-of-living (COLA) adjustments. This report is part of a series of papers that investigate faculty salaries at UCSC and the metrics used for comparisons against other campuses.

The effects of the conscious change in UCSC merit salary decisions can be evaluated using various metrics. Acting upon a recommendation of the 2008 Task Force, for the past three years the Academic Personnel Office has generated annual reports that focus on average and median off-scale salaries (see Appendix B). These reports show that salaries have been affected in the expected direction, moving UCSC somewhat closer to the UC median salary and median off-scale level at most ranks and steps (but not at the level of Professor, steps 1 to 5). The first task force objective was achieved, but the second was not, in part due to parallel faculty salary augmentation initiatives undertaken by other campuses. To limit duplication of effort, CFW has focused on alternative measures; in particular, CFW has focused on the following aspects of the plan:

- *Access*: How many faculty members have had access to potential benefits of the plan? Are there individuals who have not benefitted from the plan in any way?
- *Impact on merit reviews*: What has the pattern of normal, greater-than-normal and accelerations been under the merit boost plan? How is this pattern different from the past?
- *Cost*: What has been the incremental cost to the campus from implementing the merit-boost plan?

Data:

We are very grateful to Assistant Vice Chancellor Peterson and the APO staff for providing us with access to the data used for this analysis. The data consist of demographic information such as department of affiliation, salary scale (regular vs. business, economics and engineering; fiscal year vs. academic year) along with salary, off-scale increment, step, rank and outcome of successful review process (if any happened) for each faculty who was employed on campus on July 1st of the years 2006, 2007, 2008, 2009, 2010, and 2011. The data did not include names or gender/ethnicity information to safeguard the privacy of the faculty. For the same reason, when results are displayed at the department level, we have excluded units with two or fewer affiliates.

Results:

Access: Among the 508 faculty who were continuously employed by the campus during the 3-year merit boost plan (between July 1st, 2008 and July 1st, 2011), 79 (15.5%) faculty were not reviewed, 340 (67%) faculty were reviewed once, 86 (16.9%) faculty were reviewed twice, and 3 faculty were reviewed 3 times. Table 2 presents the distribution of reviews over departments; these values are represented graphically in Figure 1. Most departments had a high proportion of faculty undergoing review only once during this period (nominal review intervals are every 2 years for Assistant and Associate Professors in non-overlapping steps and 3 years for Professors I-V; all faculty must be reviewed within 6 year intervals). However, there is a great deal of variability across departments. For example, some departments such as BME, POLI, PHIL and AMST had a high proportion of faculty undergoing two reviews, while departments such as CMPE, ELE, ASTR and HISC had a relatively high proportion of faculty who did not undergo any review during this period. This is likely due to the differences in rank across departments.

Overall, the differences in access across departments seem to be driven mostly by the distribution of ranks in each department, which is also highly variable (see Figure 2 and Table 3). For example, departments in the Physical and Biological Sciences Division (black labels in Figure 2) tend to have relatively high percentages of Full Professors, and a corresponding tendency to have had faculty with 1 review in the 3-year period (black labels in Figure 1). The association between number of reviews and rank is statistically significant (p-value < 0.00001).

Impact: The percentage of greater-than-normal salary increases that included an off-scale component but no acceleration **increased** from an average of 25.3% in the three-year period 2005-2008 to an average of 46.6% during the three-year merit boost plan period 2008-2011. Salary increases with no step advance or a single step advance **decreased** from an average of 43.2% from 2005-2008 to 33.5% from 2008-2011. These trends are in-line with the stated goals of the program. However, the number of accelerations also **decreased** from an average of 31.6% from 2005-2008 to an average of 19.8% from 2008-2011 (this decrease was particularly prevalent for assistant professors and full professors 6-A). These observed difference are statistically significant (p-value < 0.000001 in all cases). The annual values are shown in Figure 3; note that to facilitate comparisons with previous years we have collapsed all accelerations under the merit boost plan into a single category, and we have done the same for all greater-than-normal reviews. The histograms indicate that even though many faculty members have clearly benefited by receiving off-scale increments (or larger off-scale increments) beyond what they

would have received under previous practice, at least some might have been negatively impacted due to receiving a G2 merit increase rather than an acceleration. *While there has been no explicit change in the criteria that UCSC follows for providing an acceleration, this could be a consequence of having a greater number of standard salary increments to select from and/or an unintended consequence from an explicit focus on increasing average off-scale salary levels.*

To better understand the impact of the merit boost plan, Table 4 presents a breakdown of all positive merit review cases during the 2009-2011 period. Note that use of the legacy GR category has been steadily decreasing over this period, but use of accelerations without any additional salary increase (the legacy AC category) has seen somewhat of an increase.

Table 5 presents a breakdown of the merit review outcomes across departments, both for the period of the merit boost plan and for the three years before. Again, there is a lot of variability across units. Departments such as LANG, POLI, ENG, ARTD and EDUC experienced increased numbers of successful reviews that involved some sort of boost. On the other hand, departments such as EEB, ETOX, ENVS and HISC actually saw decreases in the number of reviews with greater-than-normal outcomes. In addition, Figures 4 and 5 present graphical displays of the department-level outcomes, providing further demonstration of the trade-off in allocation of accelerations versus G2 merits: generally speaking, the introduction of the G2 category appears to have somewhat reduced the number of both accelerations and regular merit increase, while increasing the number of reviews that included some sort of off-scale component.

Cost: Table 6 presents the total cost to the campus of the salary increases associated with the merit review process (these values exclude retention cases). The cost for each faculty was computed as the difference between the total salaries on July 1st of two consecutive years. To achieve a fair comparison, the effect of COLA increases was first removed for the 2006-2007 and the 2007-2008 periods. Generally speaking, the per-faculty cost has been steadily increasing, particularly during the 2008-2011 period, with a total merit-based salary increment about $250,000 higher in 2010-2011 than in 2007-2008. *This is most likely a consequence of the merit boost plan. However, one must also allow for the (probably small) effect of the relative aging of the faculty due to a very low hiring rate during the last three years (the campus went from recruiting between 31 and 33 new faculty each year between 2006 and 2008 to recruiting an average of 11 faculty per year during the 2009-2011 period). Indeed, even though the pace of retirements has accelerated over the last three years (the campus went from 32 retirements in the 2005-2007 period to 43 in the 2008-2010 period), it is clear from the data that the proportion of junior faculty has decreased. To provide some context, by July 1st, 2011, only 88 faculty out of 542 (16%) were assistant professors, which is a decrease from 2006, when they represented 23% of the faculty*

Discussion:

Changes in salary increase practice have had mostly positive, but somewhat mixed effects on faculty salaries. The results here and in the APO salary reports suggest that the modified merit review practices have positively impacted UCSC faculty salaries overall. Not all of the changes were positive and some were probably not foreseen during the design of the plan. Decreasing the number of merit reviews that did not provide any greater-than-normal salary was an implicit goal

of the merit boost plan that has been achieved. The reduction of the number of accelerations however, was not an explicit goal of the plan, but appears to have occurred due to standardization of the previously infrequently used G2-level increase. Our analysis suggests that some individuals who received a G2 modified merit increase during the last three years would likely have received a full acceleration under the previous practices. Quantifying how many faculty fall into this category is difficult, but a simple calculation that involves multiplying the average number of faculty under review each year (170) by the average reduction in the number of accelerations (11.8%) suggests that about 20 faculty per year may have been negatively impacted by the new policy. Some caveats are in order:

1) The impact of the merit boost plan on this subset of faculty is relatively minor. In terms of salary, the difference between a regular acceleration and a G2 increase is only $100. On the other hand, the lack of the extra step advance impacts the time faculty spend at each rank and the need to use overlapping steps and/or salary increases. This could actually be beneficial to some faculty members, as it may allow time to accumulate sufficient portfolio to ease promotion and it may space out time between external letter solicitations (notably for Professor VI). As long as the campus continues its recent practice of applying COLAs to the full salary, not just to the on-scale portion of the salary (as had been done in the past), there will not be increasing impact of the difference in merit action over time.

2) In the long term, the tendency to allocate G2 increases rather than accelerations may still prove beneficial for highly productive faculty members. Although multiple successive accelerations were quite uncommon under the previous system, it is reasonable to expect that receiving multiple successive G2 merit increases will become more common, if the new procedures are sustained. This issue should be monitored in future years.

Although the impact of this shift in practice is relatively minor for individual faculty, it is important to note that it directly impacts the use of off-scale salaries as a measure of progress for the merit-boost plan. Indeed, the fact that 20 or so faculty members each year received G2 rather than accelerations enhances the campus comparison off-scale metrics, at the cost of slowing down the rate at which faculty move up the scale. This might partly explain why UCSC still lags other UC campuses in terms of total salaries even though median off-scale salaries have moved toward the systemwide median off-scale salaries.

Another issue to consider is the fact that, amongst accelerations, there has been a progressive shift from more A1 to more AC actions over the three-year period. This is puzzling given the desire to differentiate the G2 action from acceleration by more than $100 in salary, and is particularly disconcerting for promotion (PR) cases, as the EVC guidelines suggested that regular accelerations should have been most common for full professors being promoted to Step 6 or above. *A possible explanation is that, <u>in spite of efforts by CAP and the EVC to ensure a uniform application of the criteria for acceleration</u>, there may be* confusion in some units as to what recommendation is 'standard', and given the relatively large salary increases involved in acceleration, there may be a tendency to default on the AC recommendation. Another speculation is that because, at a minimum, acceleration involves a full step salary increase plus the stature of a extra step on the scale, there may have been some reluctance, or inattention, to the inclusion of the additional half-step salary increase. Relatively small numbers of faculty are

involved, so many factors could influence the trend, but it is contrary to the EVC reference actions and this issue should be monitored, with annual clarification of the rationale for the augmented acceleration practice. Expanded communication at the level of Deans and departments could also be helpful in dealing with this phenomenon.

A significant number of faculty have not yet benefited from the merit boost plan: Based on the values in Table 1 and our discussion about the effect on accelerations, it is apparent that no less than 44% and no more than 63% of the faculty reviewed and not undergoing retention offers each year have benefited from the merit boost plan. The upper limit excludes faculty members receiving regular accelerations (AC) and those receiving a regular merit increase, whereas the lower limit also excludes faculty receiving a legacy GR increase and the 60 faculty we have identified as receiving a GR2 instead of an acceleration. There was no explicit target for the plan in terms of number of faculty that might benefit, so it is not clear whether this number, an outcome of the meritocracy, can be considered a success or not. However it does appear to CFW that, in absolute terms, the number of faculty benefiting from the merit boost plan has been approximately 50%, which might tend to undermine overall faculty support for the plan. However, given the expectation that not all faculty would directly benefit, and that preference would be directed to junior faculty, this non-uniform boost is an expected consequence of the modified merit-based decision making. UCSC needs to pay attention to the increasing short-fall of median salaries at the full professor level relative to systemwide medians, as this rank has structurally had the least access to benefits of the merit boost plan.

The incremental cost of the merit boost plan to the campus has been modest: The incremental cost of the merit boost plan was computed as the difference in the average per-faculty cost of the merit review process multiplied by the average number of faculty who underwent reviews during the 2008-2011 period. Under that measure, the amount of money invested in the merit boost plan is about $250,000 per year, a relatively modest but ongoing amount. After three years of the merit boost plan, this translates into a cumulative ongoing cost of about $750,000. If we use instead the difference between the highest per-faculty increase in the 2009-2011 period and the lowest per-faculty increase in the 2006-2008 period, the incremental cost goes up to slightly under $450,000 per year.

To place these numbers in context, note that the Joint Faculty Salary Task Force report of 2008 estimated that to increase the median dollars off-scale from $3400 to the 7-campus median of $6100 would require $2700 x 532 faculty = $1.44M per year. Because shifting the median actually requires only half of the population to increase, the lower bound on necessary funding is $720,000 per year. On the other hand, the median salary gap relative to the systemwide average was $6100 in 2008, and it would require a minimum increment of $1.62M per year to close that gap (the primary goal of the salary increase effort). These are substantial sums, and clearly exceed the investment made thus far during the UCSC merit boost plan. Assessment of the status relative to achieving the goal of matching the 9-campus median salary must be conducted annually, and further adjustments may need to be made to the Merit Boost Plan if convergence is not anticipated over a reasonable time frame.

	Number of Reviews		
	0	1	2
AMSD	0%	82%	18%
AMST	0%	50%	50%
ANTH	17%	67%	17%
ARTD	0%	70%	30%
ASTR	30%	61%	9%
BME	11%	44%	44%
CHEM	9%	82%	9%
CMMU	0%	67%	33%
CMPE	41%	53%	6%
CMPS	18%	59%	23%
EART	11%	63%	26%
ECON	17%	48%	35%
EDUC	19%	56%	25%
EEB	12%	88%	0%
ELE	38%	54%	8%
ENG	25%	50%	25%
ENVS	13%	73%	13%
ETOX	14%	57%	29%
FILM	8%	58%	33%
FMST	33%	50%	17%
HAVC	0%	78%	22%
HISC	33%	67%	0%
HIST	24%	52%	24%
LALS	22%	67%	11%
LANG	0%	50%	50%
LING	18%	82%	0%
LIT	21%	79%	0%
MATH	21%	79%	0%
MCDB	9%	73%	18%
MUSC	29%	50%	21%
OCEA	12%	88%	0%
PHIL	0%	57%	43%
PHYS	0%	90%	10%
POLI	0%	55%	45%
PSYC	9%	78%	13%
SOCY	0%	87%	13%
THEA	18%	73%	9%

Table 2. Departmental distribution of the number of reviews for faculty continuously employed on campus between July 1st, 2008 and July 1st, 2011.

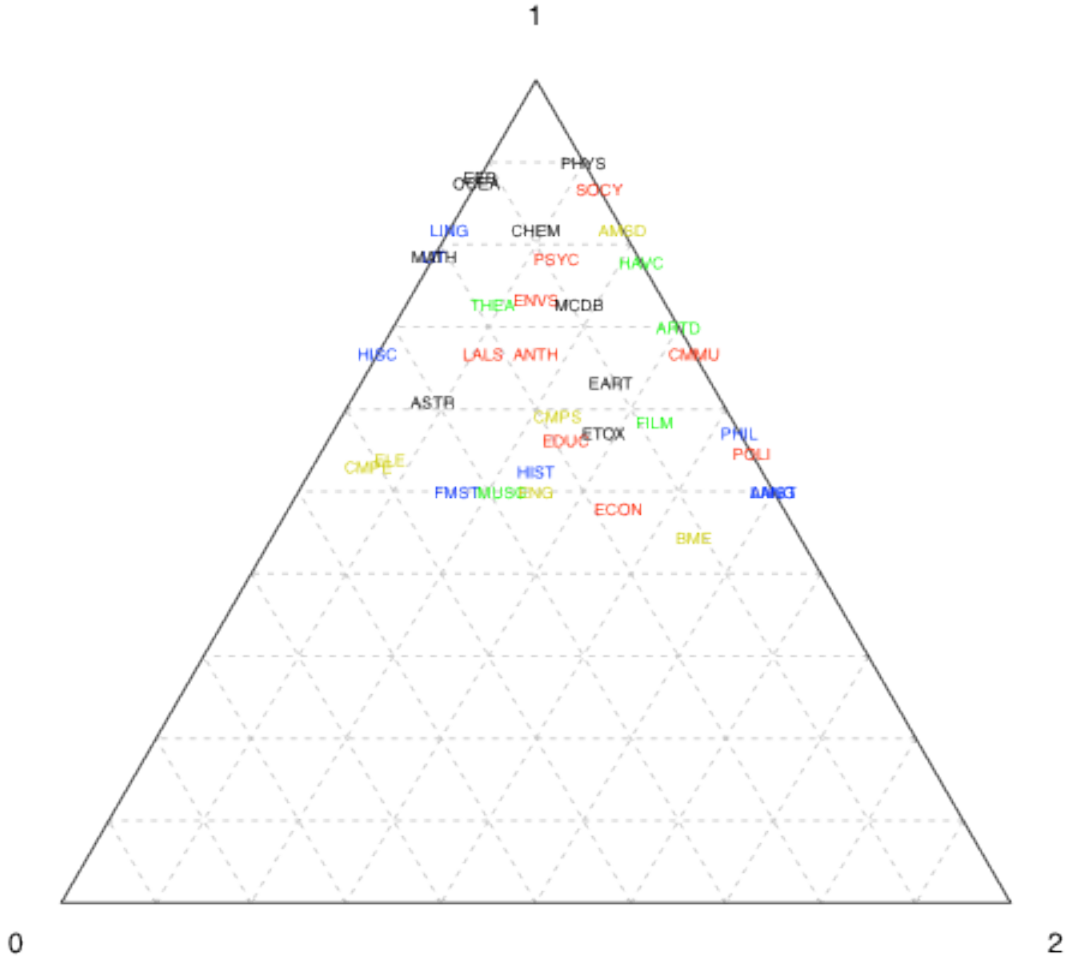


Figure 1. Proportion of faculty undergoing 0, 1, and 2 reviews on each department between 2008 and 2011. For these ternary diagrams, proximity to an apex indicates higher percentage of individuals with that value (ranging from 0% on the line segment joining the other two apexes to 100% at the apex). Thus the Physics department (PHYS) had 90% of the faculty reviewed once, 10% twice, and 0% three times. Astronomy and Astrophysics (ASTR) had 60% of the faculty reviewed once, 10% twice, and 30% not reviewed. Precise values are given in Table 2.

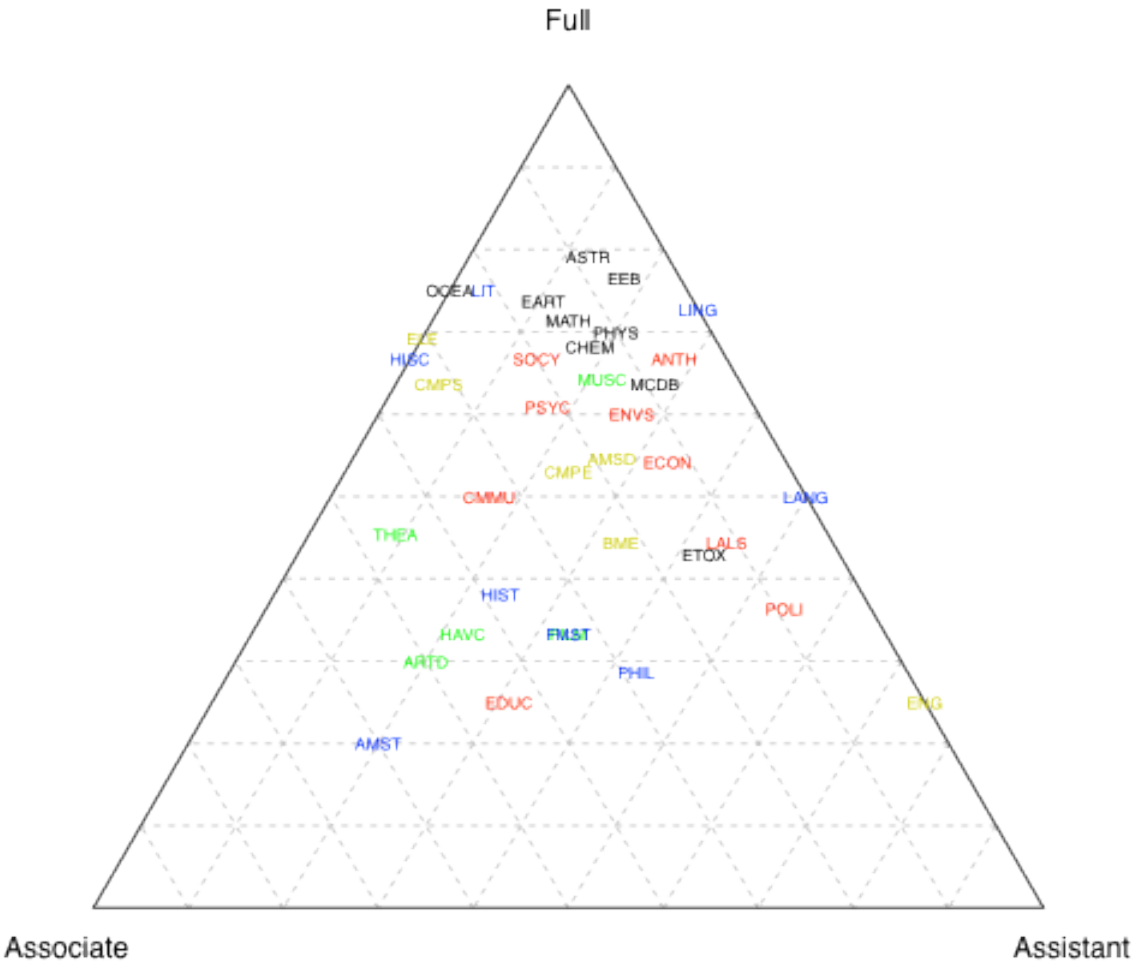
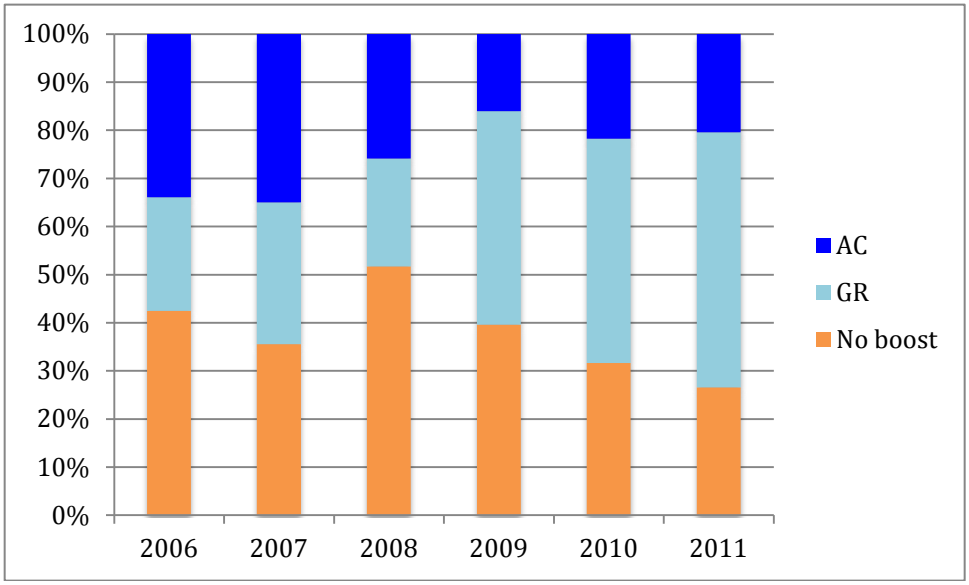


Figure 2. Proportion of faculty on each rank by July 1st, 2009.

	Rank as of July 1st 2009			
Number of reviews	Assistant	Associate	Full 1- 5	Full 6-A
0	1	10	27	41
1	53	66	131	91
2	51	28	4	3
3	3	0	0	0

Table 3. Number of reviews per faculty at different ranks.



	2006	2007	2008	2009	2010	2011
AC	56	64	45	30	42	37
GR	39	54	39	83	90	84
SI / 1 Step	70	65	90	74	61	50
	165	183	174	187	193	171

Figure 3. Distribution of merit-review outcomes between 2006 and 2011.

			2009		2010		2011		
			W/O Retention	*Retention*	*W/O Retention*	*Retention*	*W/O Retention*	*Retention*	*Did the faculty in this category benefit from the boost plan?*
SI	GR	≤1.0	1	0	1	0	0	0	Possibly
	Increase	<1.0	10	4	8	7	11	8	No impact likely
MI	A1	2.5	8	0	14	0	6	0	Yes, was rare before
	AC	2.0	5	0	7	2	12	1	No impact likely
	G2	1.9	20	1	36	1	34	3	Likely, but some $100 less
	G1	1.5	31	0	29	0	30	0	Possibly
	GR	1.0-1.9	20	0	8	3	5	1	Unknown
	1 Step	1.0	57	0	42	1	28	1	No impact likely
PR	A1	2.5	9	0	5	0	6	0	Yes, was rare before
	AC	2.0	8	0	12	2	9	3	No impact likely
	G2	1.9	4	0	8	0	4	0	Likely, but some $100 less
	G1	1.5	4	0	1	0	5	1	Possibly
	GR	1.0-1.9	1	1	3	0	0	1	Unknown
	1 Step	1.0	3	0	3	0	2	0	No impact likely
Total			181	6	177	16	152	19	

Table 4. Detailed outcome of review process during the three years covered by the merit boost plan. SI corresponds to a Salary Increase that does not affect rank or step, PR corresponds to a promotion case that affects both rank and step, and MI corresponds to a merit increase that affects the step but not the rank.

	2006-2008			2009-2011			
Dept	AC	GR	SI / 1 Step	AC	GR	SI / 1 Step	Increase in AC+GR during 3-year plan
LANG	NA	NA	NA	66.7%	33.3%	0.0%	NA
POLI	14.3%	21.4%	64.3%	23.5%	64.7%	11.8%	52.5%
ENG	0.0%	33.3%	66.7%	25.0%	50.0%	25.0%	41.7%
ARTD	7.1%	35.7%	57.1%	7.7%	76.9%	15.4%	41.7%
EDUC	15.0%	10.0%	75.0%	5.3%	57.9%	36.8%	38.2%
ANTH	25.0%	12.5%	62.5%	25.0%	50.0%	25.0%	37.5%
LIT	30.0%	20.0%	50.0%	34.8%	52.2%	13.0%	37.0%
ELE	45.5%	9.1%	45.5%	22.2%	66.7%	11.1%	34.4%
MATH	41.2%	0.0%	58.8%	16.7%	58.3%	25.0%	33.8%
CHEM	34.8%	17.4%	47.8%	18.2%	59.1%	22.7%	25.1%
FMST	12.5%	25.0%	62.5%	0.0%	60.0%	40.0%	22.5%
FILM	12.5%	50.0%	37.5%	18.8%	62.5%	18.8%	18.7%
LALS	28.6%	28.6%	42.9%	25.0%	50.0%	25.0%	17.9%
CMMU	30.0%	30.0%	40.0%	11.1%	66.7%	22.2%	17.8%
SOCY	38.5%	7.7%	53.8%	26.3%	36.8%	36.8%	17.0%
HAVC	40.0%	20.0%	40.0%	15.4%	61.5%	23.1%	16.9%
BME	20.0%	40.0%	40.0%	23.1%	53.8%	23.1%	16.9%
PHIL	33.3%	0.0%	66.7%	8.3%	41.7%	50.0%	16.7%
LING	55.6%	22.2%	22.2%	20.0%	70.0%	10.0%	12.2%
AMSD	15.4%	53.8%	30.8%	21.4%	57.1%	21.4%	9.4%
CMPE	16.7%	33.3%	50.0%	25.0%	33.3%	41.7%	8.3%
ASTR	52.6%	15.8%	31.6%	33.3%	38.1%	28.6%	3.0%
CMPS	50.0%	19.2%	30.8%	33.3%	37.5%	29.2%	1.6%
MCDB	42.1%	21.1%	36.8%	24.0%	40.0%	36.0%	0.8%
ECON	20.0%	20.0%	60.0%	6.3%	31.3%	62.5%	-2.5%
OCEA	27.3%	27.3%	45.5%	12.5%	37.5%	50.0%	-4.5%
PSYC	11.1%	48.1%	40.7%	20.8%	33.3%	45.8%	-5.1%
MUSC	25.0%	50.0%	25.0%	7.7%	61.5%	30.8%	-5.8%
HIST	11.8%	35.3%	52.9%	9.1%	31.8%	59.1%	-6.2%
PHYS	37.5%	25.0%	37.5%	9.1%	45.5%	45.5%	-8.0%
EART	52.6%	26.3%	21.1%	26.1%	43.5%	30.4%	-9.3%
AMST	33.3%	33.3%	33.3%	11.1%	44.4%	44.4%	-11.1%
THEA	71.4%	14.3%	14.3%	18.2%	54.5%	27.3%	-13.0%
EEB	38.9%	27.8%	33.3%	35.3%	11.8%	52.9%	-19.6%
ETOX	33.3%	50.0%	16.7%	12.5%	50.0%	37.5%	-20.8%
ENVS	53.8%	38.5%	7.7%	26.7%	33.3%	40.0%	-32.3%
HISC	83.3%	0.0%	16.7%	0.0%	33.3%	66.7%	-50.0%

Table 5. Outcomes of the merit review processes by department.

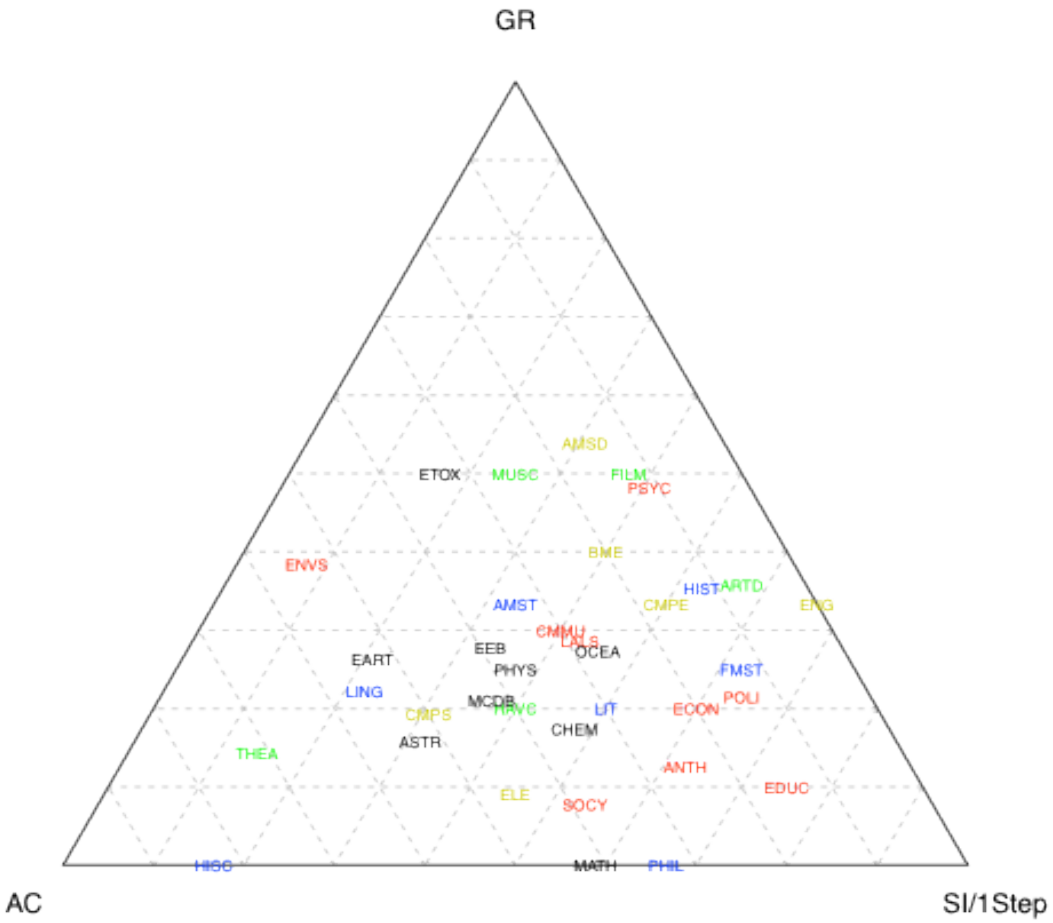


Figure 4. Outcomes of the merit-review process during 2006-2008, by department. Most departments tend to fall close to the bottom edge, which indicates a tendency for acceleration or 1 step advances.

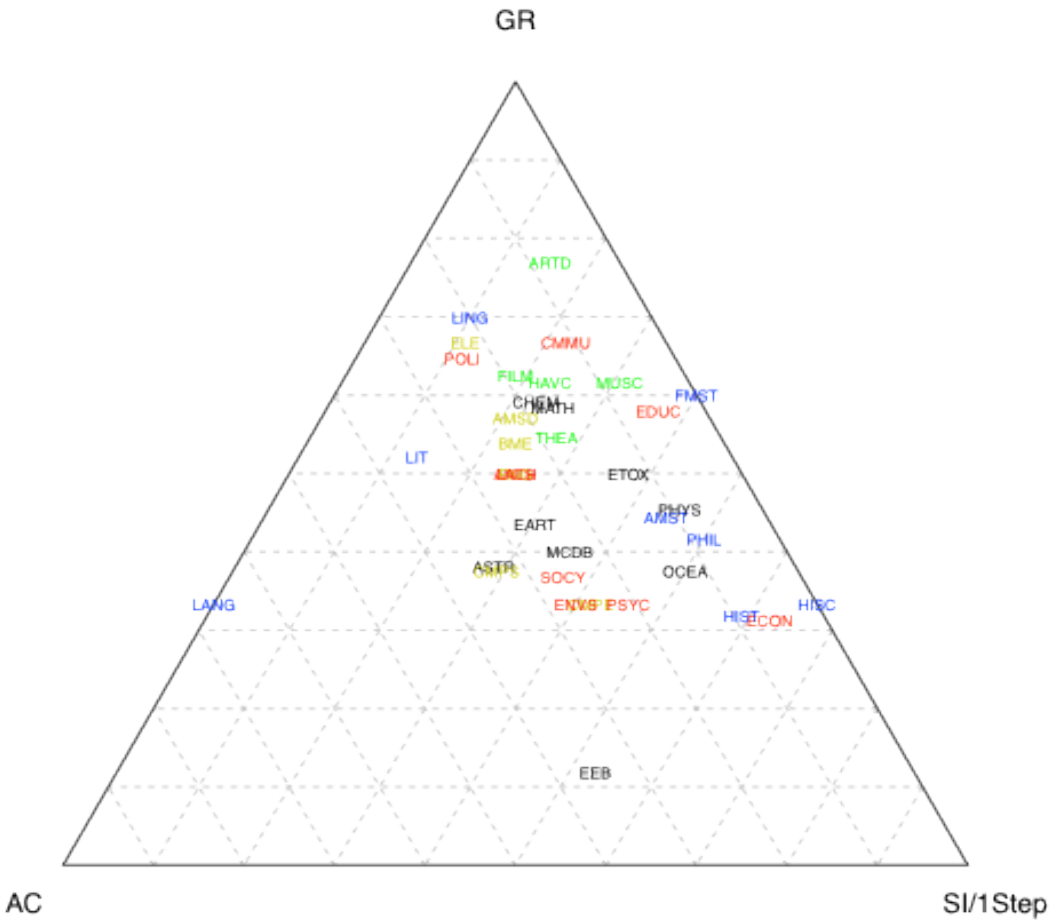


Figure 5. Outcomes of the merit-review process over the 2009-2011, by department. Most departments tend to fall close to the right edge, which means greater than normal increases have dominated over accelerations.

	Review period	*Total cost of merit-based salary increases*	*Number of Faculty*	*Mean*	*Median increase*
Pre- Merit-Boost Plan	06-07	1,327,880	170	7,811.06	5,800.00
	07-08	1,218,920	162	7,524.20	6,100.00
Merit-Boost Plan	08-09	1,477,700	177	8,348.60	7,000.00
	09-10	1,583,800	174	9,102.30	6,500.00
	10-11	1,461,200	147	9,940.14	8,500.00

Table 6. Cost of the merit-review system.

Respectfully submitted,

COMMITTEE ON FACULTY WELFARE
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February 15, 2012

SENATE EXECUTIVE COMMITTEE
On the UC Budget and Student Protest

To: Academic Senate, Santa Cruz Division

Two principles unify the University of California system of **one university/ten campuses**:

- **Equity for Students:** All UC students are entitled to the **same level of state funding** regardless of which campus they attend; an undergraduate at UCSC must be funded by the state at the same level as at UCLA.
- **Equity for Campuses**: The UC **budget must be allocated in a fair, equitable and transparent way**; currently it is not. Changes to the current system must be implemented NOW so that it will not take decades to achieve equity--the funding necessary to support a UC-quality education--for all campuses.

THE PROBLEM

The UC Office of the President (UCOP) currently uses an incremental budget process to determine annual budgets for each campus—a permanent base amount, which varies by campus, and incremental adjustments made annually to the base amount. This process results in **varying amounts per student** distributed among campuses. **See Table 1**. In Fiscal Year 09-10, the range was significant. For general campuses with both undergraduate and graduate students, it ranged from $12,309 (UCSB) to $19,529 (UCLA), with UCSC at $12,846. [Source: Table 1 is adapted from Tables 5 and 7 in the State Auditor Report, July 2011
http://www.bsa.ca.gov/pdfs/reports/2010-105.pdf]

More importantly, Table 1 also illustrates the State Auditor's point that *"the four campuses with a higher than average percentage of students from underrepresented racial or ethnic groups all received less funding than they would have received if each campus received the same amount per student. This disparity highlights the importance of being able to quantify and explain the differences in the level of per-student funding at the campuses."* Table 1 provides a snapshot of the ten UC campuses according to the demographics of their student populations (the numbers are not broken down by campus but represent averages across the high-low minority serving campuses). When compared to the UC-wide average of students from underrepresented racial or ethnic groups (18%), four campuses have a higher average proportion of 27% (Merced, Riverside, Santa Barbara, Santa Cruz), and five campuses have a lower proportion of 15% (Berkeley, Los Angeles, San Diego, Irvine, Davis); the figure for San Francisco is not applicable, because its student population includes only graduate students in the health sciences, which distinguishes it from the other campuses. Table 1 shows that California students whose families may be least able to afford the recent rise in tuition are differentially attending the campuses that receive significantly lower amounts of state funding per student (a difference of $3,337 fewer dollars from the average budget per student/per year in Fiscal Year 09/10).

TABLE 1. University of California Campuses' Share of the General Funds and Tuition Budget Per State-Supportable Student. Ordered by percentage of under-represented racial or ethnic groups. Fiscal Year 2009–10

Campus	University general funds & tuition budget per state-supportable student	Enrollment budget over/ under share $000	Underrepresented racial or ethnic group [difference from UC-wide average proportion of 18%] (a)	Difference (over/under share) from average budget per state-supportable student (b)
Santa Barbara	$12,309	$(94,645)	27%	$(3,337)
Santa Cruz	12,846	(62,812)	27	(3,337)
Riverside	14,319	(42,412)	27	(3,337)
Merced	16,550	(315)	27	(3,337)
Irvine	14,008	(70,103)	15	294
San Diego	15,670	(26,861)	15	294
Los Angeles	19,529	99,232	15	294
Berkeley	17,010	11,469	15	294
Davis	17,660	30,197	15	294
San Francisco	55,186	156,250	n/a	n/a

(a): "Underrepresented racial or ethnic group" (averaged over high/low enrollment campuses) from Table 7 in auditor's report
(b): "Different from average budget per state-supportable student" (averaged as above) from Table 7 in auditor's report

Yet the Office of the President can neither identify reasons for these differences nor quantify them, other than to cite the cumulative outcome of a long history of incentives and disincentives, marginal increments and decrements, with the base budget permanent and all changes occurring only on the margins. Cross-subsidies thus reflect historic priorities and rationales that may have changed (e.g., weighting of graduate students) but the subsidies themselves were built into the base budgets of each campus and have therefore become permanent. **The net result**: **the Office of the President cannot explain the methodology it uses to determine the amount of funds provided to each campus.**

THE SOLUTION: A TWO-PHASE APPROACH

With the total cost of education increasing as the quality of that education (in the form of class size, access to courses, and time to graduation) erodes, student demands are unmistakable: the state of California must rectify its long-term disinvestment in public higher education. State funding per student has declined significantly from 1990-91, when the state contributed 78% of the average cost per student, to 2011-12, when the state contribution has dropped to 39%. In 2011-12, for the first time, tuition and fee revenue at UC exceeds state support.

The Office of the President has launched its own movement of budgetary reform for the UC system. "Rebenching" is designed to revise the way the systemwide budget is internally allocated across the ten UC campuses. The term "rebenching" has two connotations: the need for new benchmarks to calculate the allocation of state funds to the campuses and for a redistribution of funds in light of those changes. Little-known at this point, Rebenching may turn out to be the university's most significant response to the ongoing budget crisis of the last twenty years—and the single largest reform tool the university has in its direct control.

Phase #1: Funding Streams
Starting in the academic year 2010-11, UCOP embarked on the first phase of budget reform, which makes more transparent various revenue sources, or "funding streams," and allocates all new funds, predominantly *non-state* portions of the budget, according to the basic principle that revenues generated by a campus (whether from student tuition, including non-resident tuition, contracts and grants, other fundraising, etc.) should be returned to the campus.

Phase #2: Rebenching (still in process)
In April 2011, UC President Yudof established the Rebenching Budget Committee, charged with reviewing and making recommendations for revising the methodology by which UCOP distributes *state* general and other funds to the campuses. "Rebenching" would recalculate the total base budget, including all *state* funds, and recalibrate the formula by which they are distributed to the campuses, according to basic principles of transparency and equity. For the first time in UC history, the system wide budget would be justified by a set of clearly defined and articulated principles.

In July 2011, the State Auditor Report, with its documentation of the unequal funding of students across UC campuses, came out *in media res*, when Phase 1, Funding Streams, had been completed, and Phase 2, Rebenching, had barely been launched. When completed, Rebenching, according to OP, would be the university's response to the recommendations in the Auditor Report.

Where are we now?
We are now operating under partially completed budget reform. The success of Phase 1, Funding Streams, is contingent on Phase 2, Rebenching. By permitting campuses to retain all the revenues they generate, Funding Streams locks in the competitive advantage of campuses that were historically advantaged by differential funding; by failing to move to Rebenching, the UC system sustains that disparity. The current situation promotes the status quo, which President Yudof has publicly recognized as the leaderless outcome of a long history of ad hoc budgetary decisions.

The momentum in Rebenching is to use student enrollment as the basis for funding, by linking systemwide allocation of state funds to current student numbers, with funding tiers for different classifications of students (undergraduates and graduate students, including Masters, PhDs, and professional degrees).

The Academic Senate has proposed a methodology based on the principle that all UC students (divided into three basic classifications, undergraduate, academic PhD, and professional), regardless of campus, should receive the same level of funding necessary to support a UC-quality education. The mechanism for funding PhD students recognizes the centrality of doctoral education to the UC mission and the interdependence of graduate and undergraduate education at UC. Closing the per-student funding gap will bring the UC budgetary model in line with the long-held goal of a single public university with ten distinctive locations across California. This goal, reaffirmed at multiple times and in multiple venues by the Academic Senate, is now in jeopardy.

The principle of one student/one cost has been nominally accepted in Rebenching discussions thus far, but it is unclear how, when, or even whether it will be implemented. A significant question remains about how funding for health sciences, agriculture and other systemwide priorities should be treated. Less substantive, but potentially problematic implementation questions include whether Rebenching should apply *only* to *new* state funds (and, if not, how to apply the new allocation formula in years when the UC budget is either flat or cut) or whether it should be implemented over a long transition period. The most destructive delaying tactic is the repeated objection that Rebenching will be divisive, pitting haves against have-nots, the flagships versus foundering ships, larger and older campuses versus the younger and smaller. These terms are simply synonyms for the fragmentation of the UC system by campus self-interest.

UC may finally have arrived at the necessary conjunction of external and internal budget efforts: the ReFund California/student protests are looking for public support to increase funding for higher education and to Sacramento in particular, where the pattern of disinvestment in higher education originates and can be solved, while UCOP is looking inward through Rebenching to create a transparent, equitable method for allocating funds. With student protests across campuses joining the calls across the state, in ballot measures and court challenges, for increased taxes, the stars may be coming into alignment to produce real change. It's up to us to ensure that the make-or-break moment doesn't pass us by. We pledge to provide further updates to ensure that you--students, faculty, staff and the public at large--have the information you need. Now is the time for collective public advocacy on behalf of higher education in California.

Respectfully Submitted;
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February 15, 2012