

COMMITTEE ON FACULTY WELFARE
CFW Analysis of Outcomes of UCSC Faculty Retention Offers

To: The Academic Senate, Santa Cruz Division

Executive Summary

The Committee on Faculty Welfare (CFW) recently conducted an analysis of the 3-year merit-boost plan. CFW has also been exploring faculty salary issues from several perspectives including introduction of new faculty advancement metrics in order to formulate well-informed recommendations on faculty salary policy. In this context, it is important to understand the distributions of retention across various ranks and departments. This report examines how the retention patterns relate, if at all, to the personnel action decisions under the 3-year merit-boost plan. This report also provides information on the salary-related costs of retention cases (recognizing that there are more dimensions to all retention efforts) over the last six years. CFW recognizes that retention cases are highly individual, that retention cases often involve non-salary components, and that the salary costs reflect only a portion of the total cost of retentions. The main observations/conclusions from our analysis are:

1. The distribution of retention efforts involving salary actions varies significantly among departments, with 40% (15 out of 36) of the departments not experiencing retention actions over the past six years, whereas the other 60% (21 out of 36) of the departments roughly cluster into a few groups based on percentage (or the number) of retentions relative to departmental size (see Figures 1 and 2). For the six-year period, UCSC has not been able to retain roughly 17% of faculty after making retention offers, losing them by way of a combination of declining retention offers, retiring, or separating from the university within a few years.
2. Departments with larger percentages of retention cases over the last three years tend to be those where faculty within that department have received fewer additional merit increases during the period of the 3-year merit-boost plan (see Figure 3). Although the causal direction of this association is unclear, retention guideline policy and the data suggests that this might be due to a tendency to not award further off-scale salary increments during regular merit reviews to faculty members who have received retention offers in the recent past.
3. The academic salary cost of retention actions per instance has remained in the range of \$15K to \$20K (this amount may include the effect of regular promotions and accelerations that might have occurred independently of the retention case). Off-scale salary and the salary growth of retained faculty is typically much higher than faculty who have not had a retention offer (see Figures 4 and 5); however, the salaries of retained faculty may still be lagging with respect to market salaries. Yet, because the number of retention cases has increased significantly over the last two years, the total academic salary cost (roughly \$300K per year) of retention has increased significantly during the last few years.

Background

Recently, CFW conducted an analysis of the 3-year merit-boost plan. This plan was put in place to raise UCSC faculty salaries, as they have been found to lag behind our comparison institutions. Having low salaries degrades faculty morale, and low morale may be associated with a stronger desire to seek employment elsewhere, as well as greater vulnerability to overtures from other universities. In this report, therefore, we turn our attention to exploring retention by ranks and departments, academic salary costs of retention, and the relation, if any, between faculty retention and the three-year merit-boost plan.

CFW recognizes that retentions are highly individual cases, in which faculty members receive a solicited or unsolicited external offer that triggers a formal institutional response at some level (departmental, divisional, and/or institutional). No two circumstances are the same, and retention offers very often involve non-salary components such as additional physical space, reduced course loads, access to housing allowances, additional research funds, or employment offers for partners, apart from any salary components that require formal processing through an academic personnel review process. Hence, salary costs reflect only a portion of the total cost of retentions.

Over the last few years, UCSC has been following some guidelines and specific considerations when dealing with salary increases associated with retention offers (see the 4/22/10 [memo from the CP/EVC Kliger](#), 11/30/2010 [memo from EVC Galloway](#), and 05/31/2011 [memo from EVC Galloway](#), listed here with links):

- Salary need not be matched when the competing department is less prestigious than UCSC,
- Salary need not be matched when the competing institution is not UC-caliber,
- Salary need not be matched above 120% of the faculty member's current UCSC salary. In cases where a retention action coincides with a merit increase or promotion, the percentage is based on the faculty member's new rank and step,
- Previous retention actions, including frequency, time since last retention action, and percentage of salary increase,
- Impact to department, division, and campus if faculty member is not retained,
- Equity issues within department and divisions.

The explicit goals of these guidelines are to retain high-performing faculty and compensate them at market rates while avoiding undue distortions in compensation within Departments and Divisions, avoiding permanent distortions, and avoiding implicit encouragements to faculty to seek competing offers. Yet, these guidelines have been treated with flexibility, when necessary, to meet the overall retention goals.

It is worthwhile to note that failed retention carry high costs, including lost overhead on externally funded awards, disruption to departments, negative effects on the ability of the department to impart its curriculum, longer times to student graduation, and decreases in faculty morale. This has become a particularly acute concern in the last three years, as lost faculty positions are not necessarily being replaced due to the difficult budgetary situation. Even if the position is replaced, the cost associated with hiring a replacement ladder-rank faculty (such as start-up and capital investment funds, as well as the costs associated with the search process

itself) and the disruption and reduced productivity due to the need for new faculty to learn UCSC internal processes should be accounted for as indirect costs incurred due to a failed retention.

In spite of these challenges, by evaluating the overall salary costs of retention activity, and any relation to standard academic personnel procedures, CFW hopes to shed light on current retention policies and practices.

Results and Discussion

Number of Retention offers and Retained Faculty

CFW used two data sources to assess this distribution: the Academic Personnel Office's salary data information provided to CFW during Summer 2011, and independent institutional sources to obtain information on retirements and separations after retention offers were made. The information from the APO's salary database is described in Table 1 below. The overall campus average of retention offers is roughly 2% per year for a total of about 12% over a period of 6 years, yet the numbers have been increasing over the past few years, as shown in Table 1.

Table 1. Number of accepted retention offers by year.

2005- 2006	2006- 2007	2007- 2008	2008- 2009	2009- 2010	2010- 2011	Total
9	12	6	6	16	20	69

The number of retention offers has significantly increased over the last few years (Data Source: APO).

Information from independent institutional sources is described below. The need for using these additional sources arise because the APO's data does not provide sufficient information to determine whether the faculty who was offered a retention offer: (i) declined the offer, or (ii) retired very soon, or (iii) separated within a few years. This additional data gives a glimpse of how many faculty are "genuinely" retained after receiving retention offers. Furthermore, the data presented below, is the data made available as of July 1, 2011. The data does not capture further retention activity (including separations) that may have occurred or is likely to occur in the near future based on personal or departmental communications to which CFW does not have access. Because of these considerations, the numbers presented in Tables A and B are a bit uncertain and may slightly underestimate the number of separations.

	Number of Retention Offers	Declined	Retired within a few years	Separated within a few years	Remaining Total
2005-08	31	2	1	1	27
2008-11	44			2	42
Total	75	2	1	3	69

Table A: Retention Activity prior to APO's designation of accepted retention offers (69)

	Number of Initially Accepted Retention Offers (as per Table 1)	Retired within a few years	Separated within a few years	Separated after 4-5 years	Remaining Total
2005-08	27			2	25
2008-11	42	1	4 (one case with double retention offer)		37
Total	69	1	4	2	62

Table B: Retention Activity after APO's designation of accepted retention offers (69)

Of the total 75 retention offers over the 6-year period, 5 are double retention offers (there was an interval of 3 to 4 years between double retention offers) of which 1 faculty separated, thus leading to total of 70 (5 less than 75) faculty retention offers and 58 (4 less than 62) retained faculty so far. *In summary, UCSC has lost about 12 faculty (17%) out of 70 faculty even after making retention offers.*

Note that these numbers reflect formal retention offers that resulted in an acceptance of a salary increase; other retentions may have been achieved by departmental/divisional action (e.g., reduced teaching loads or additional laboratory space) with no associated faculty salary increase consideration. Please also note that these numbers do not capture faculty who may have separated even without attempting to go through the personnel process of obtaining a formal retention offer.

Table 3 presents results on the number of retention offers made by rank. Note that the two ranks that are most susceptible to receiving retentions are Associate professors (on average, 3.2% of the faculty at that level have received one each year over the last six years), and Assistant professor (with 2.4% of them receiving a retention offer each year).

Table 3. Number of retention offers by rank

Rank	Number of Faculty	Percentage of Faculty at that Rank
Assistant	17	2.4%
Associate	23	3.2%
Full 1-5	17	1.7%
Full 6-A	12	1.3%

Starting salaries might need to be reevaluated. Most cases of multiple retentions over the last 6 years (four out of five) involved junior faculty, and eighty percent of them were in the social sciences division. This suggests that, starting salaries have not been competitive enough to retain junior faculty. In as much as eliminating multiple retention offers (particularly at the junior stage) is a goal, starting salaries need to be reevaluated.

Distribution of Retention Offers by Ranks and Departments

Figure 1 presents the percentage of accepted retention offers (number of reviews associated with retentions divided by the total number of reviews) by department. It suggests a clear pattern, with departments clustering into groups. For example, about 40% (15 out of 36) of the academic departments on campus had no retention offers. On the other hand, the ECON department stands apart being in the unique situation having been recently moved to a salary scale equivalent to that of the Engineering School. Yet, subsequent to this change in salary scale, the department has a very high ratio of 9% (13 retentions) of the faculty being retained (13 retentions). The HISC, AMST, FMST, and LALS departments (the first 3 in the Humanities Division, and the last in the Social Sciences Division) form a second group, also with a relatively large percentage of faculty retentions at 5.7% (2 in each of the first three programs and 3 in LALS). All four of the departments, however, are relatively small. A third group of departments with above-average retention action rates includes THEA, CMPS, EEB, ASTR, FILM, EART, PSYC, and SOCY, with an average around 3.1%. This grouping has a much more diverse composition and includes units from all divisions except for the humanities. For the raw number of retentions in each department, please see Figure 2. The programs with 4 or more retention cases during the past year tend to be quantitative fields where market pressures may be relatively strong (ECON, ASTR, CMPS, EPS, EEB, PSYC).

Association between Retention Activity and the 3-Year Merit-Boost Plan

There appears to be a negative association between successful retention offers and merit boosts awarded at the departmental level. Although, CFW cannot speak to causality because we have not undertaken an individual trajectory analysis, the data suggests that this association has occurred not only at the aggregate level but at the individual level. In the departments where there were a high percentage of faculty retention actions, there was also a lower percentage of faculty receiving merit boosts. This can be observed in Figure 3, where the outcomes of the merit-review process over 2009-2011 are shown by department (this Figure also appears in the 3-year merit boost report). Seven departments (LANG, LIT, LING, POLI, ARTD, ELE, and FILM) had at least 80% of academic personnel cases result in accelerations or greater than normal merit increases, and most of these departments had very few retention actions. Only one (FILM) had a proportion of retentions larger than the mean for the campus. The departments in this group belong to all divisions except PBSCI. On the other hand, of the 4 departments (EEB, HIST, ECON, and HISC) that had less than 50% of their merit reviews resulting in merit increases with boosts, 3 belong to the group with a relatively high percentage of retention cases (ECON, HISTC and EEB). This list includes the two departments with the highest proportion of retentions.

It is important to recognize that such trends do not reveal causality. This association may be a result of various factors. A few offered include: (i) faculty receiving an out-of-cycle salary increase during a retention often may not receive further salary augmentation in their next

scheduled merit review, (ii) meritorious faculty who do not receive salary increases that they desired during the review process may tend to search for external offers, or (iii) external market pressures may be viewed as distinctive from the metrics of merit in the academic personnel process.

One important piece of evidence to understand the causality relationship is contained in the guidelines mentioned in the introduction. Indeed, consider the scenario when a faculty member is retained via receiving a salary increase due to an outside offer (a retention action where, due to time constraints, an advancement review is not possible), and that the retention increase in salary is taken into consideration at the time of the next merit/promotion review. For example, Professor X may have received a salary increase of \$20,000 due to a retention action that is not coupled with a merit/promotion review. The following year, the professor is on the CALL for and receives a one-step merit increase or an acceleration but without an extra half-step boost. As per the guidelines discussed before, it is possible that no further increase in the amount of off-scale is awarded as a result of the earlier retention-based salary increase. In this case, the review would be recorded as a normal merit or a normal acceleration (2.0 rather than 1.5 or 2.5). This practice, along with an increase in the number of retention cases over the last three years, may be a key factor driving the association between the high number of retention cases and low numbers of greater than normal actions in certain programs.

CFW observes that the merit boost plan does not extend to Above-Scale faculty. In addition, since there are no steps at Above-Scale, merit actions at normative time for Above-Scale faculty are not recorded as accelerations or greater-than-normal actions; they are reported as normal merit actions. It is possible that this negative association may be mitigated after taking out the Above-Scale Faculty from these computations.

Furthermore, California's dismal financial situation and continuing budget crisis has certainly played a role for faculty as they make their retention decisions.

Academic Salary Cost of Retention Offers

As mentioned before, many retention efforts include distinct costs such as teaching release, discretionary research funds, summer salary, two-career considerations, housing allowances, and research space, in addition to (and in some case, in lieu of) salary actions. Here we focus on the academic salary impact, noting that the 12% of faculty affected by retention efforts over the last 6 year period constitutes a significant level of salary adjustment. The cost of retentions related to faculty salaries during the last 6 academic years can be seen in Table 4 and Figures 4 and 5.

The amount of salary awarded on average to each retention offer has stayed more or less stable over the last 5 years perhaps primarily due to the specific guidelines on retention efforts adopted by UCSC discussed earlier. The average salary increase associated with a retention offer is around \$17,400.00 (see Table 4), which may include gains from increases in off-scale salaries as well as from promotions and accelerations if the retention action was associated with a merit review. Yet, the total academic salary cost of retention has increased dramatically over recent (note the threefold increase in the cost between 2008-2009 and 2009-2010) due to an increase in the number of retention offers.

Figure 4 shows that retained faculty have median off-scale salaries that are roughly \$10K higher than the non-retention faculty for those on regular academic –year scale (AY scale) and roughly \$18K higher for faculty on BEE (Business-Engineering-Economics) academic-year scale. Figure 5 shows that using faculty advancement metrics, retained faculty dominate quadrant 1 with high promotion growth and high salary growth (for an explanation of these terms, see the “CFW Analysis of Outcomes of the 2008-2011 UCSC Faculty Salary Merit Boost Effort” report). Although these numbers match the expectation that retained faculty are better rewarded than non-retention faculty, some members of CFW have observed that the salaries of retained faculty may still be lagging behind the market salaries and that there may be a need to define a salary growth trajectory for these faculty in order to truly retain them over a longer time horizon.

Table 4. Total salary cost of retention offers during the last 5 years.

Review	Total expend	N	Mean per person	Median per person
10-11	341,600	20	17,080	15,500
09-10	302,000	16	18,875	18,200
08-09	99,300	6	16,550	15,550
07-08	109,400	6	15,266	12,471
06-07	252,200	12	19,600	18,700

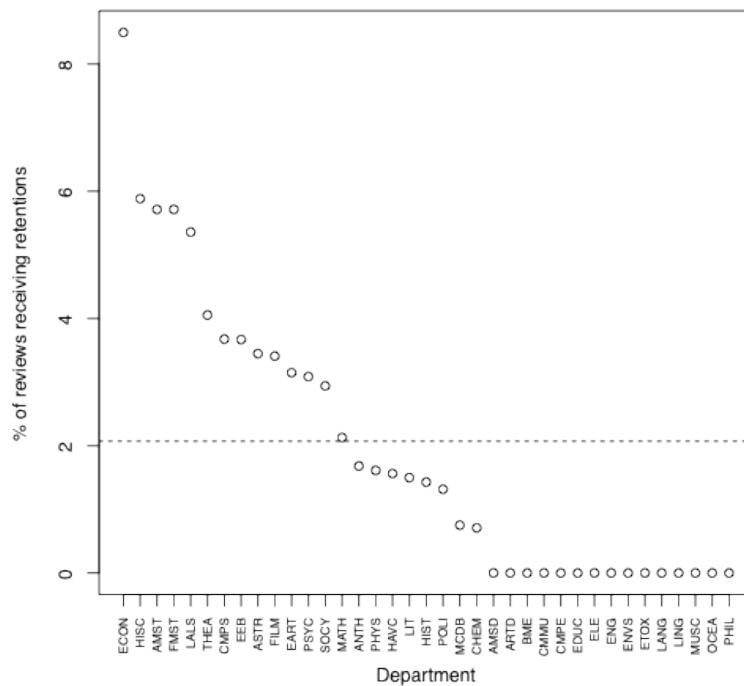


Figure 1. Percentage of accepted retentions for each department during 2005-2011.

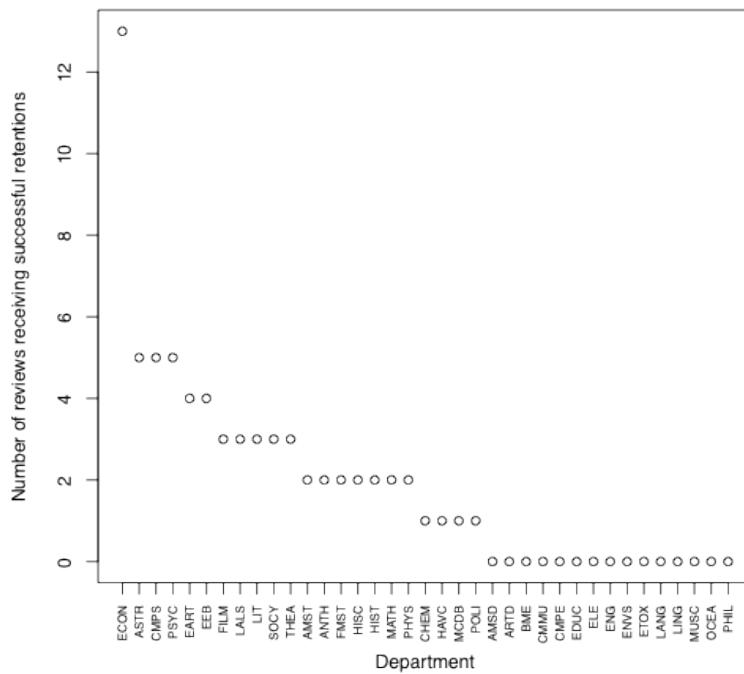


Figure 2. Number of accepted retentions on each department during 2005-2011.

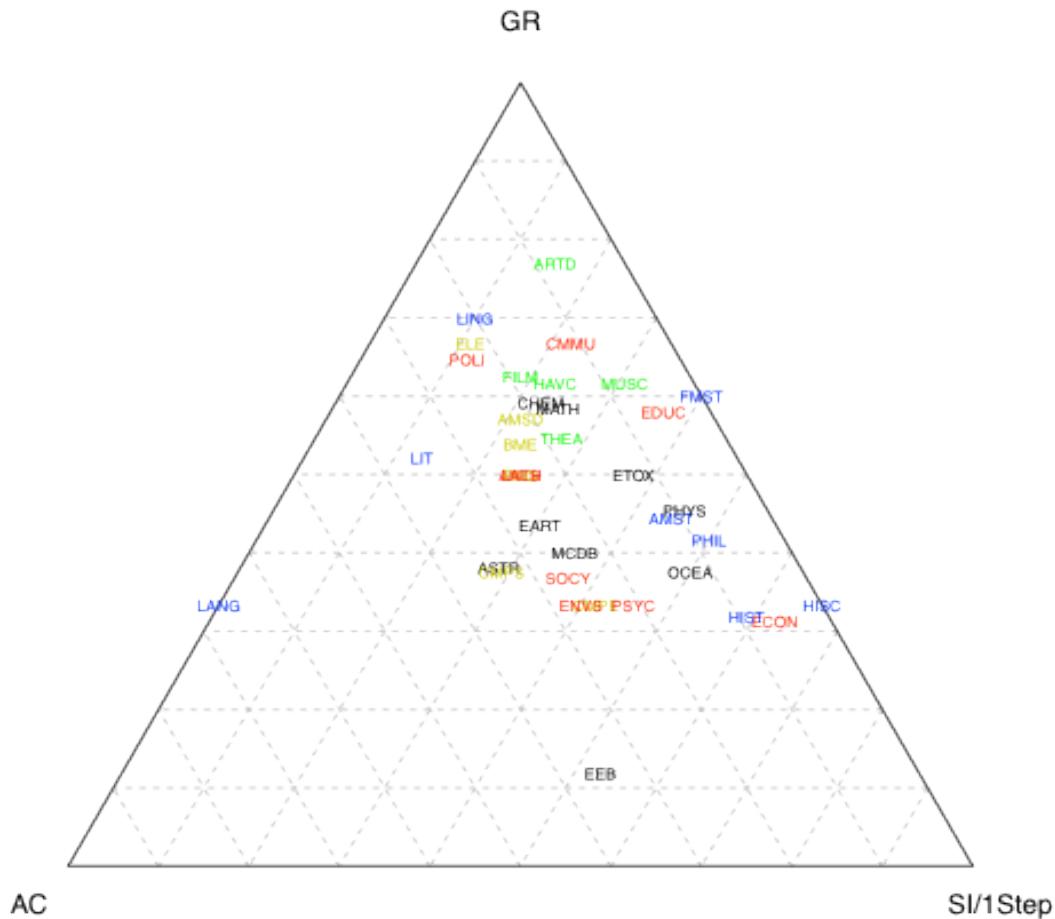


Figure 3. Outcomes of the merit-review process over the 2009-2011, by department. Most departments tend to fall close to the right edge, which means greater than normal increases have dominated over accelerations. Departments with high number of retention cases, ECON, EEB, and HISTC, are closer to SI/1 step, that is, these departments have fewer merit-boots. Departments with low number of retention cases, LANG, LING, LIT, POLI, ARTD, are closer to GR, that is they have relatively higher number of merit-boots. That is, the relationship, on an aggregate departmental basis, between number of retentions and number of merit boosts is negative.

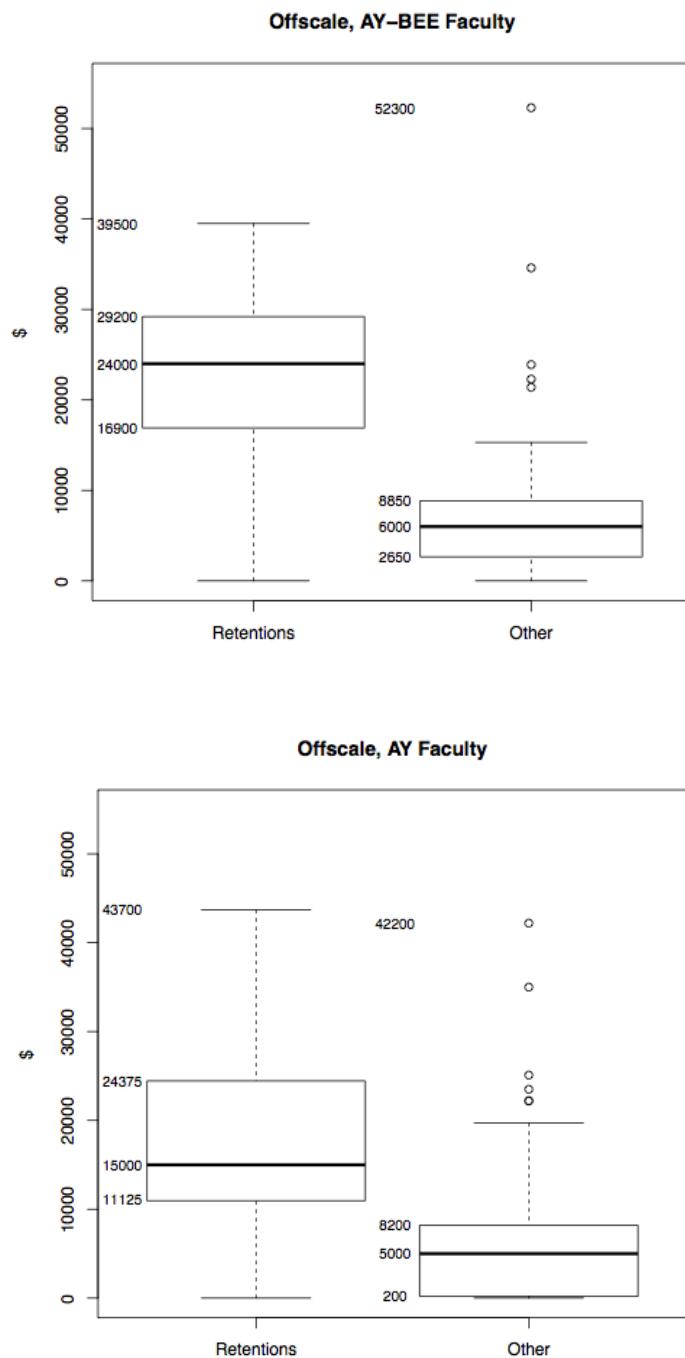


Figure 4. Boxplots of Off-scale Salaries (dark line = median, where 50% of cases fall above the line and 50% below the line; box = inner quartile range, which includes 50% of the data; whiskers [dotted lines] = 1.5 times the second and third quartile; circles = outliers)

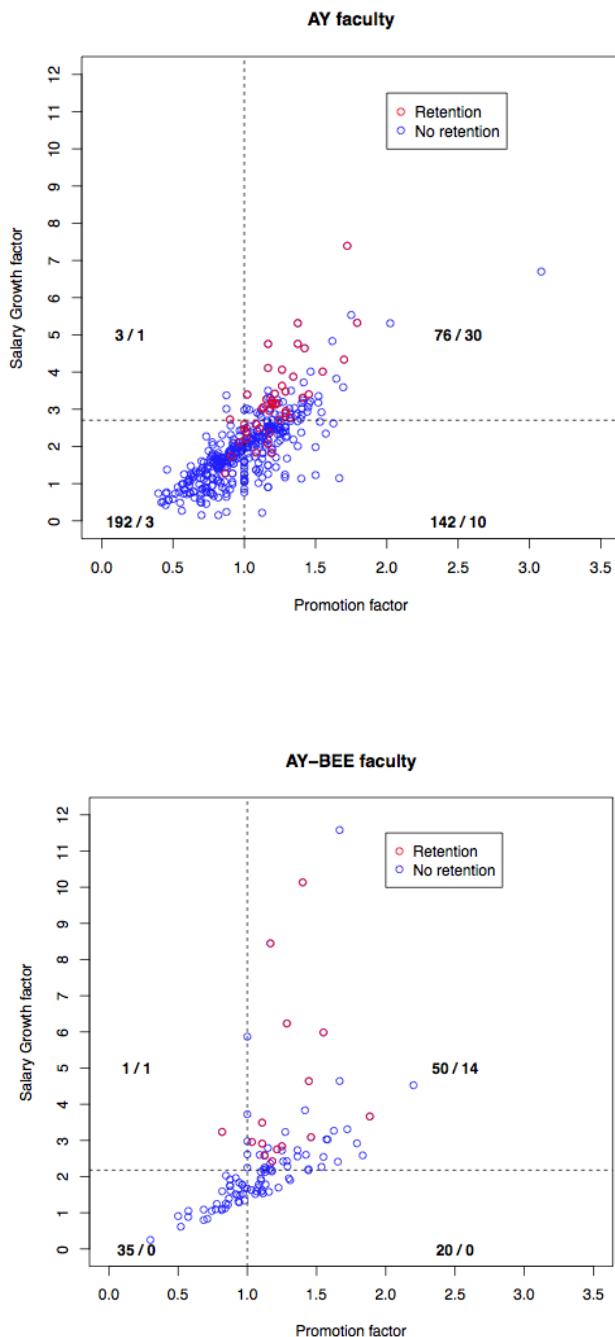


Figure 5. Numbers on the left of “/” are number of total faculty in that quadrant; numbers on the right of “/” are number of total faculty with retention offers in the last five years belonging to that quadrant. Data shows that a significant majority of retained faculty have high salary and promotion growth.

Respectfully submitted,

COMMITTEE ON FACULTY WELFARE

Noriko Aso

Carlos Dobkin

Gina Langhout

Thorne Lay

Abel Rodriguez

Gustavo Vasquez

Matthew Wolf-Meyer

Suresh Lodha, Chair

May 7, 2012

Helene Moglen, *ex officio*

April 22, 2010

DEANS
DEPARTMENT CHAIRS
DIRECTOR BOLTE

Re: Perspective & Expectations Regarding Retention Cases

Dear Colleagues:

As a follow up to discussions I have had with the deans, I want to convey the following information which guides my decision-making process for retention cases (i.e., those academic personnel reviews for salary increases only, which are triggered by bona fide competing offers). Additionally, I want to confirm my thinking about the impact that retention-based salary increases will have on faculty's next review for advancement subsequent to such an action and dispel some misconceptions about retention cases.

My hope is that actions we have taken over the last couple of years to systematically increase faculty salaries will reduce the temptation of faculty to seek competing offers solely as a means to increase their salary at UCSC. We have recognized the need to raise faculty salaries and have implemented new campus practices during the last two years that are intended to increase faculty salaries through a more generous merit process. Still, the negative impact of the budget crisis on salaries is undeniable, and has likely contributed to a noticeable increase in the quantity of retention cases reviewed this year.

Our goal in response to a bona fide competing offer is to retain high-performing faculty and to compensate them at market rates to the extent possible. At the same time, while each faculty member is valued by the campus, it should be clear that there is no requirement that UCSC match a competing offer or take any retention action at all.

To approach this goal effectively and equitably – and in a manner that is sustainable – we must systematically take into account the different factors that make each competing offer unique and weigh their significance on a case-by-case basis to arrive at a reasonable response that is in the best interests of the campus as a whole.

Among the most relevant factors:

- Reputation/standing of the competing department relative to the faculty member's department at UCSC
- Competing institution's overall comparability to UCSC (if not UC-caliber, salary increase will generally not be approved)
- Salary offered by competing institution relative to faculty member's current salary rate (>20% salary increases are typically not approved)
- Previous retention actions, including frequency, time since last retention action, and percentage of salary increase
- Impact to department, division and campus if faculty member is not retained
- Equity issues within department and divisions

When the campus does increase a faculty member's salary in response to a competing offer, consideration must also be given to the impact on the placement on the salary scale at the time of the next advancement action. The general guideline is that the retention-based salary increase will be taken into consideration in the next personnel review; it is possible that additional compensation may be awarded if merited based on the strength of the file presented at the next review, but it is not guaranteed.

Finally, I expect that faculty who have submitted a bona fide competing offer for retention action by the campus will inform their chair, dean, and me of their decision whether to remain at UCSC at the time they respond to the other institution. This information, in addition to impacting curriculum and resource planning issues, is now being requested by UC Office of the President, which has just recently instituted required reporting on retention action outcomes from all the campuses.

I ask that deans and department chairs discuss all of the information conveyed here – along with the information contained in my memo of March 23, 2010 regarding minimum processing time for retention actions – with their faculty to facilitate their understanding of retention actions and what the campus may do in response to them, including the expectations that result from such actions.

While arguably not ideal, I believe that retention cases handled in alignment with these expectations, and current CAPM policy, provide the best mechanism at this time by which our campus can make reasonable and sustainable efforts to retain our faculty.

Sincerely,



David S. Klier
Campus Provost and
Executive Vice Chancellor

cc: Chancellor Blumenthal
 Faculty Assistant Chung
 Chair Kletzer, Academic Senate
 AVC Peterson
 Committee on Academic Personnel
 Department Managers
 Divisional Academic Personnel Coordinators

November 30, 2010

LADDER-RANK FACULTY

Dear Colleagues:

Re: Ladder-Rank Faculty Salaries – Advancement and Retention Actions

It has recently come to my attention that some ladder-rank faculty are not aware of the efforts that the campus is making to increase faculty salaries at UCSC through a more generous implementation of the academic personnel review process. In addition, there has been some misunderstanding by faculty of the factors that may be taken into consideration when deciding on salaries in retention actions. While such information is usually transmitted through your dean and department chair, I feel it is important to communicate directly with you to assure consistent understanding regarding these important topics.

Advancement Actions

As many of you are aware, in June 2008, a joint Senate-Administrative Task Force was convened to study faculty salaries at UCSC. The task force made several recommendations, including a recommendation to examine how salaries are adjusted through the personnel review process. After consultation with the Committee on Academic Personnel (CAP) and the divisional deans, a revised campus salary practice was implemented for reviews taking place in 2008-09 through 2010-11. This practice allows advancement (including acceleration below Professor, Step 6) to be coupled with a greater range of possible salary increases than in the past. The criteria for merit advancement at all ranks and steps have not changed, and CAP and the deciding authorities have consistently applied the revised salary practice to reviews commencing in 2008-09.

Academic advancement is based on the record of accomplishments in teaching, research, and service as presented in the review file. A faculty member is considered for a normal advancement (advancement of one step) when the review file demonstrates excellence in all three areas. A greater-than-normal advancement (one step plus an additional off-scale salary component) is considered when performance is outstanding in two of the three areas or, on rare occasions, when performance is unusually outstanding in only one of the three areas as long as performance in the remaining areas meets the criteria for normal advancement. An acceleration (advancement of two steps) is considered when the review file demonstrates outstanding performance in all three areas, meaning that performance in each of the areas is significantly beyond expectations.

Prior to the revised campus salary practice, the typical outcome for a greater-than-normal advancement was an increase in off-scale salary equivalent to a half-step, and only on very rare occasions was acceleration accompanied by an additional increase in off-scale salary. To increase faculty salaries in conjunction with recognizing and rewarding academic performance, the following practices were put into place for the 2008-09 through 2010-11 review years.

- Greater-than-normal files that are closer to a normal action will 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, will 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 will 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 from previous years.

Retention Actions

The retention of ladder-rank faculty continues to be an issue of utmost importance. Generally, our campus goal in response to bona fide competing offers is to retain faculty with packages that come as close as possible to matching the outside offer, given the specific circumstances and the campus budgetary situation. While each faculty member is valued by the campus, there is no requirement that UCSC fully match a competing offer, and in some situations, the campus might not be in a position to mount a counter-offer.

Each competing offer is unique. The different factors that make up an offer are considered and their significance weighed on a case-by-case basis to arrive at a reasonable response that is in the best interest of the campus as a whole. Among the factors taken into account in formulating a counter-offer are the following:

- Impact on the department, division, and campus if the faculty member is not retained;
- Reputation/standing of the competing department and institution relative to UCSC;
- Salary offered by competing institution relative to a faculty member's current salary rate (salaries are compared on a 9-month basis and increases of greater than 20 percent are uncommon and require substantial justification);
- The faculty member's previous history of competing offers; and
- Equity issues within departments and divisions.

Off-Scale Limits

When approving salaries for advancement and retention actions, off-scale salary limits for each rank and step will be taken into consideration. Exceptions to the campus off-scale limits may be granted when justified.

I hope that the information provided here will help you better understand the efforts underway to compensate and retain our ladder-rank faculty, including astronomers. CAP and the deciding authorities have been following this more generous off-scale salary practice since 2008-09 and will continue to do so during the 2010-11 review year. I am happy to report that early assessments show that the revised salary practices from 2008-2010 have brought UCSC salaries more in line with other UC campuses. At the end of this academic year, in consultation with the Academic Senate, I will further evaluate our efforts to increase salaries and retain faculty. We will determine if the current revised salary practice should remain in place or what other efforts should be taken to maintain and support the valuable resource that is our faculty.

Sincerely,



Alison Galloway
Campus Provost and
Executive Vice Chancellor

cc: Chancellor Blumenthal
Faculty Assistant Chung
Assistant Vice Chancellor Peterson, Academic Personnel
Chair Takagi, Committee on Academic Personnel
Deans and Director
Department Managers
Divisional Academic Personnel Coordinators

May 31, 2011

DEANS
UCO/LICK DIRECTOR
DEPARTMENT and PROGRAM CHAIRS
LADDER-RANK FACULTY

Re: Ladder-Rank Academic Personnel Actions

Dear Colleagues:

I write to share information involving faculty salaries and advancement and retention actions that was presented to Deans, Department Chairs and Department Managers at the Academic Personnel Process Workshop on May 17, 2011. I have previously conveyed much of this information to you in my [letter dated November 30, 2010](#). Of particular note is the continuation for another three years of the campus' special salary practice related to advancement actions.

Advancement Actions

Special salary practice now available through review year 2013-14

In consultation with the Committee on Academic Personnel (CAP) and the divisional deans, I am pleased to announce that the campus will continue with the salary practice that was initially implemented for a three-year period (reviews taking place in 2008-09 through 2010-11), for an additional three years, or through reviews taking place in 2013-14. This results in a total program of six years, which provides most faculty with a minimum of two opportunities for advancement under this special campus salary practice.

This practice allows advancement (including acceleration below Professor, Step 6) to be coupled with a greater range of possible salary increases than in the past. The criteria for merit advancement at all ranks and steps have not changed, and CAP and the deciding authorities have consistently applied the revised salary practice to reviews commencing in 2008-09.

Academic advancement is based on the record of accomplishments in teaching, research, and service as presented in the review file. A faculty member is considered for a normal advancement (advancement of one step) when the review file demonstrates excellence in all three areas. A greater-than-normal advancement (one step plus an additional off-scale salary component) is considered when performance is outstanding in two of the three areas or, on rare occasions, when performance is unusually outstanding in only one of the three areas as long as performance in the remaining areas meets the criteria for normal advancement. An acceleration (advancement of two steps) is considered when the review file demonstrates outstanding performance in all three areas, meaning that performance in each of the areas is significantly beyond expectations.

Prior to the revised campus salary practice, the typical outcome for a greater-than-normal advancement was an increase in off-scale salary equivalent to a half-step, and only on very rare occasions was acceleration accompanied by an additional increase in off-scale salary. To increase faculty salaries in conjunction with recognizing and rewarding academic performance, the following practices remain in place through the 2013-14 review year.

- Greater-than-normal files that are closer to a normal action will 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, will 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* will 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 from previous years.

Guidelines on external letters for mid-career appraisal

The mid-career appraisal is a formal assessment of an appointee's achievement and promise for eventual promotion. As you may be aware, there is ongoing discussion on campus regarding the requirement for external letters for mid-career appraisals. This is a complex issue that requires a change in policy preceded by formal campus review. Although letters are required by campus policy, a set number of letters is not mandated; *the quality of the letters is more important than the quantity*. In consultation with the Deans and CAP, the following guidelines on external letters apply for files reviewed in 2011-12:

- Mid-career appraisal only – Three external letters are usually sufficient.
- Mid-career appraisal with possibility of tenure – Five or six external letters are usually sufficient.
- External Reviewers – Choose letter writers who are not closely associated with the candidate. If at all possible, avoid collaborators and graduate advisors.
- Solicitation text – If external reviewers are asked for an assessment of tenure at this time, ask them to comment on whether the candidate presently warrants tenure at their institution.

Retention Actions

As I wrote in November, the retention of ladder-rank faculty continues to be an issue of utmost importance. The numbers of retention actions are yet another indication of the high caliber of faculty that we have at UCSC. Generally, our campus goal in response to bona fide competing offers is to retain faculty with packages that come as close as possible to matching the outside offer, given the specific circumstances and the campus budgetary situation. While each faculty member is valued by the campus, there is no requirement that UCSC fully match a competing offer, and in some situations, the campus might not be in a position to mount any counter-offer.

As the campus gains more experience with these competing offers, we continue to refine our practices involving such actions. In addition to reminding you of the many factors that are taken into consideration in developing a retention offer and of the conditions that faculty must now agree to before a retention-based salary increase becomes effective, I want to clarify what an outside offer of employment must contain to justify a retention action.

What constitutes an outside offer of employment?

In order for UCSC to initiate a retention action, an outside offer must come from an individual authorized to make the offer on behalf of the institution. Typically, this will be a formal offer letter on the institution's letterhead, signed by the person with authority to make the offer.

However, the practice at some institutions is to have a dean or department head make a preliminary written offer (including email), which states that once the candidate accepts, the formal offer from the President/Chancellor will follow. In either case, the written offer must contain the following information:

- A response deadline set by the other institution;
- Tenure or tenure-track status of the appointment (rank, if used by the institution; rank and step required for UC intercampus recruitments);
- Annual Salary, including basis (i.e., 9-month, 11-month, or 12-month); and
- Effective date.

What is not acceptable is correspondence that states that the candidate will be recommended for consideration for an offer, or an email exchange between the search committee and the candidate.

Timing reminder

All retention actions require review by CAP with final authority lying with the CP/EVC or Chancellor. To allow for this review, retention cases must be submitted by the dean to the Academic Personnel Office before the CAP deadline and allow at least two weeks, *following review by CAP*, for a final decision. In some cases, this will make it necessary for faculty to obtain deadline extensions from the competing institutions.

Factors considered when making counter-offers

Each competing offer is unique. The different factors that make up an offer are considered and their significance weighed on a case-by-case basis to arrive at a reasonable response that is in the best interest of the campus as a whole. Among the factors taken into account in formulating a counter-offer are the following:

- Impact on the department, division, and campus if the faculty member is not retained;
- Reputation/standing of the competing department and institution relative to UCSC;
- Salary offered by the competing institution relative to a faculty member's current salary rate (salaries are compared on a 9-month basis and increases of greater than 20 percent are uncommon and require substantial justification);
- The faculty member's previous history of competing offers; and
- Equity issues within departments and divisions.

Two conditions for retention-based salary increases

A salary increase for retention purposes is now contingent upon the faculty member agreeing to two conditions: 1) Decline the offer from the competing institution; and 2) Maintain active service status at UCSC during the entire upcoming academic year. This contingency language is included in all positive retention decision letters along with a firm deadline by which faculty must affirmatively respond to these two conditions or the campus's retention offer expires.

Off-Scale Limits

As conveyed in November, when approving salaries for advancement and retention actions, off-scale salary limits for each rank and step will be taken into consideration. Exceptions to the campus off-scale limits may be granted when justified.

Limit increase for Professor, Step 9 and other eligible titles as this level

Beginning with academic advancement reviews effective July 1, 2012, the campus off-scale salary limit for Professor, Step 9 will be \$157,500 on the academic year ladder-rank salary scale and \$172,600 on the corresponding Business/Economics/Engineering (B/E/E) scale. For fiscal year professors, the Step 9 off-scale limit will be \$182,700, and \$200,200 on the B/E/E scale.

In closing, I encourage Department Chairs and Deans to review [CAP's Top Ten List of Tips for Personnel Files](#) that CAP Chair Takagi shared at the recent Academic Personnel Process Workshop and all faculty to look for an upcoming communication directed at faculty that contains “CAP’s Top Ten List of Tips for Faculty Preparing Personnel Files.”

Sincerely,



Alison Galloway
Campus Provost and
Executive Vice Chancellor

cc: Chancellor Blumenthal
 Faculty Assistant Chung
 Assistant Vice Chancellor Peterson, Academic Personnel
 Chair Takagi, Committee on Academic Personnel
 Academic Personnel Analysts
 Assistant to UCO/Lick Director
 Department and Program Managers
 Divisional Academic Personnel Coordinators