Meeting Call for Regular Meeting of the Santa Cruz Division
Friday, May 18, 2012 at 2:30 p.m.
Stevenson Event Center
ORDER OF BUSINESS

1. Approval of Draft Minutes
   a. Draft Minutes of February 29, 2012 (AS/SCM/301)

2. Announcements
   a. Chair Gillman
   b. Chancellor Blumenthal
   c. Campus Provost/Executive Vice Chancellor Galloway

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

4. Special Orders: Annual Reports
   CONSENT CALENDAR:
   a. Committee on Faculty Research Lecture - 2011-12 Annual Report (AS/SCP/1695)

5. Reports of Special Committees (none)

6. Reports of Standing Committees
   a. Committee on Committees
      i. 2012-13 Nominations (AS/SCP/1701)
      ii. Nomination for the UCSC Dean McHenry Award for Distinguished Leadership in the Academic Senate (AS/SCP/1700)
   b. Graduate Council
      i. Amendment to Regulation 13.1.3C – One Year Limit of Grade Change Exceptions (AS/SCP/1699)
      ii. Oral Report – Report on Interdisciplinary Programs
   c. Committee on Faculty Welfare
      i. Amendment to Bylaw 13.20 - *Ex Officio* Representatives (AS/SCP/1696)
      ii. CFW Salary Findings and Recommendations (AS/SCP/1697)
      iii. CFW Analysis of Outcomes of UCSC Faculty Retention Offers (AS/SCP/1698)
      iv. Oral Report on Child Care, Health Care, Housing, and Faculty Salaries

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

May 10, 2012

Academic Senate
Santa Cruz Division

Dear colleagues:

I write to remind you of the final Senate meeting of the year on Friday, May 18, 2012, 2:30-5 PM at Stevenson Event Center, followed by a reception. The agenda may be viewed at:

http://senate.ucsc.edu/senate-meetings/agendas-minutes/2012-may-18-senate-meeting/index.html

Highlights of the meeting:

The Committee on Faculty Welfare will report on its analysis of data on faculty salaries and retention.

The Graduate Council will present a preliminary report on the current state of and future possibilities for interdisciplinary work, to be continued by next year's committee.

The Committee on Faculty Research Lecture will announce its nominee for 2012-13.

Awards for excellence in teaching and Senate leadership will be celebrated at the reception.

Last but not least: I will update you on what has come out of the April 18 curriculum forum, where so many ideas were suggested by so many of you. For a sneak preview, see my e-mail message http://senate.ucsc.edu/archives/campus-curriculum-review/Curriculum_forum_follow-up_letter.pdf

Looking forward to seeing as many of you as possible, for whatever subset of the meeting you can make—including the reception that follows.

Sincerely,

Susan Gillman, Chair
Academic Senate
Santa Cruz Division

PROPOSED CORRECTIONS TO THE MINUTES
February 29, 2012 Senate Meeting

The draft minutes from the February 29, 2012 Senate meeting was distributed via email on May 7, 2012 and will be presented for approval at the Senate Meeting on May 18, 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., Thursday May 17, 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

May 10, 2012

COMMITTEE ON FACULTY RESEARCH LECTURE
Annual Report 2011-2012

To: The Academic Senate, Santa Cruz Division:

The Senate Committee on the Faculty Research Lecture (CFRL) enthusiastically nominates Professor Gail Hershatter of the Department of History to deliver the 2012-2013 lecture.

Gail Hershatter is a specialist in Modern Chinese social and cultural history, who has pioneered field research and oral history among Chinese women, and has made major contributions to women's history, the history of sexuality, and labor history. She has also helped develop feminist theory, paid particular attention to the memory of poor rural women, and advanced World History. During her 21 years of affiliation with UCSC, 4 of them as Distinguished Professor, she has promoted research in the Humanities through the co-direction of the Center for Cultural Studies, for 11 years, and the inaugural direction of the Institute for Humanities Research.

Gail Hershatter received her B.A. from Hampshire College, where she was a member of its inaugural class. She went to Princeton to pursue her interest in East Asian Studies. She spent a year at Nankin University in Tianjin, China, and she obtained her M.A. and Ph.D. in History from Stanford University. She taught for nine years at Williams College, first as an Assistant Professor, then as an Associate Professor. She joined the faculty of UCSC as a Full Professor in 1991 and has been with us ever since, except during the periods when she has been conducting research in the archives and in the fields of China. She currently chairs our Department of History.

Her first book, *The Workers of Tianjin, 1900-1949*, traced the formation of the industrial working class in Tianjin, in northern China. The historical period she examines precedes the establishment of the People's Chinese Republic, and is therefore of considerable interest in shedding light on whether, and how, the workers of China's second largest treaty port developed a group consciousness that could be the embryo of a self-conscious working class, which could eventually turn revolutionary.

As befits her commitment to Feminism and its program of transforming the modalities of academic work, Gail Hershatter's next three books were exercises in collaborative research. They sought to give voice to the women of China, but most of all they altered the vision of China that had prevailed in the scholarship of the so-called "Old China Hands" of the Cold War era. Their titles speak for themselves: *Remapping China*; *Engendering China: Women, Culture, and the State*; *Personal Voices: Chinese Women in the 1980s*. At a time when China was perceived and presented as billion-member mass of undistinguishable blue-clad clones, to evoke the very possibility of personal voices was shattering (her-shattering!). The study of China would never be the same, and UCSC played a major role in this transformation since a number of Gail's collaborators on these projects were, and indeed still are, members of our faculty.

But it is her next solo book publication that would draw world attention to Gail Hershatter, her 1997 six hundred page study entitled *Dangerous Pleasures: Prostitution and Modernity in*

Twentieth-Century Shanghai. Shanghai prostitution had become something of a myth in writing on China or on prostitution, but aside from anecdotes, very little was known about it. Gail Hershatter changed the way such studies would be conducted henceforth by painstakingly assembling an exemplary archive ranging from guidebooks to gossip columns, and including memoirs, interviews, court and medical records, social workers' surveys, relief agency documents, and many other sources. She examines all these documents and shows us how to hear the voices of the sexual workers in them, their strategies for survival and their perception of themselves and of their environment. She literally brings this suppressed world to life and teaches us how to analyze it and how to interpret it. Saluted as an exemplary historical accomplishment, *Dangerous Pleasures* has become a work of reference for contemporary historians.

In her most recent published book, *The Gender of Memory* —another five hundred page volume, Gail Hershatter sets out to show us how the construction of socialism took place in China in the fifties and sixties. But unlike most accounts of this process, she does not analyze party and government documents and proclamations. She focuses on the lived experience of a group of seventy-two women in a rural area of China. As she recounts the lives of these women through their memories of these years, we see the transformations they are experiencing, from gender and family relations, to the nature of work, but most of all to their sense of themselves as emergent agents of history. Consciousness and self-consciousness were already the object of her first book, and they are still at the center of her latest one, but this time it is the consciousness, or even the coming into consciousness, of a group of now elderly rural women.

Gail Hershatter's many scholarly articles, her reviews, and her consulting work on documentary films on the Cultural Revolution or on the events of Tiananmen Square, can only be mentioned here. As is her remarkable work as a public intellectual, participating in debates and forums at the rate of over a dozen a year.

Her work has received ample recognition. She is the recipient of the Joan Kelly Memorial Prize in Women's History. She has held fellowships from the Fulbright Foundation, from the American Association of University Women, from the American Council of Learned Societies. She has received grants from the Ford Foundation, the Rockefeller Foundation (for a project at our Center for Cultural Studies), and from the National Endowment for the Humanities. She was awarded the prestigious Guggenheim Fellowship, and she has been a Fellow of the Center for Advanced Studies in Behavioral Sciences. Her peers have elected her first Vice-President, and then President of the Association for Asian Studies. She is also one of our most remarkable teachers: the UCSC Alumni Association granted her its Favorite Teacher Award, and she has also received the Dizikes Teaching Award from the Division of Humanities.

In sum, Gail Hershatter has profoundly affected her chosen fields of study, giving them a true humanistic orientation by recovering the voices of those who were silenced, listening to those who were ignored, and teaching all of us how much there is to gain in understanding and appreciation, by learning to be better listeners.

Therefore, in recognition of Professor Hershatter's outstanding research accomplishments, the Committee recommends that we all listen to her and that she be invited to deliver the 2012-2013 Faculty Research lecture to the UCSC and Santa Cruz communities.

Respectfully submitted,

COMMITTEE ON FACULTY RESEARCH LECTURE

JJ Garcia-Luna-Aceves
Anatole Leikin
Stan Woosley
Adrienne Zihlman
Wlad Godzich, Chair

May 7, 2012

COMMITTEE ON COMMITTEES
Nominations for 2012-13

To: Academic Senate, Santa Cruz Division

OFFICERS

Joseph	Konopelski	Chair	Chemistry & Biochemistry
Donald	Brenneis	Vice Chair	Anthropology
Judith	Habicht-Mauche	Secretary	Anthropology
Donald	Potts	Parliamentarian	Ecology & Evolutionary Biology

ASSEMBLY REPRESENTATIVES

Donald	Brenneis	Vice Chair	Anthropology
Joel	Ferguson	Assembly Rep.	Computer Engineering

EXECUTIVE COMMITTEE (SEC)

Joseph	Konopelski	Chair	Chemistry & Biochemistry
Donald	Brenneis	Vice Chair	Anthropology
Judith	Habicht-Mauche	Secretary	Anthropology
Joel	Ferguson	Assembly Rep.	Computer Engineering
Barry	Bowman	(CFW)	MCD Biology
Onuttom	Narayan	(P&T)	Physics
Bruce	Schumm	(GC)	Physics
Lynn	Westerkamp	(CPB)	History
Scott	Oliver	(COR)	Chemistry & Biochemistry
Christina	Ravelo	(CAP)	Ocean Sciences
Kimberly	Lau	(CAAD)	Literature
Tracy	Larrabee	(CEP)	Computer Engineering
June	Gordon	(CAFA)	Education
Elizabeth	Abrams	(COC)	Writing

ACADEMIC ASSESSMENT GRIEVANCE (AAGC)

Campbell	Leaper	Chair	Psychology
Lourdes	Martínez-Echazábal (*W&S*)		Literature
Russ	Flegal		METOX

ACADEMIC FREEDOM (CAF)

Trish	Stoddart	Chair/UCAF Rep	Education
G.S.	Sahota		Literature
Ethan	Miller		Computer Science
Bakthan	Singaram		Chemistry & Biochemistry
Maria	Evangelatou		History of Art & Visual Culture
Elizabeth	Stephens *(W&S)*		Art

ACADEMIC PERSONNEL (CAP)

Christina	Ravelo	Chair/UCAP Rep	Ocean Sciences
Nirvikar	Singh		Economics
Armin	Mester		Linguistics
TBA			
Carolyn	Dean		History of Art & Visual Culture
Phokion	Kolaitis		Computer Science
Charles	Hedrick		History
Candace	West		Sociology
Piero	Madau		Astronomy & Astrophysics

ADMISSIONS & FINANCIAL AID (CAFA)

June	Gordon	Chair/BOARS	Education
Chris	Edwards		Ocean Sciences
Faye	Crosby		Psychology
David Evan	Jones		Music
Minghui	Hu		History
Susan	Strome		MCD Biology
Daniel	Selden		Literature
Victoria	González-Pagani		Language Program

AFFIRMATIVE ACTION & DIVERSITY (CAAD)

Kimberly	Lau	Chair/UCAAD Rep	Literature
Miriam	Greenberg		Sociology
Nader	Pourmand		Biomolecular Engineering
Lewis	Watts		Art
Amy	Lonetree		American Studies
Ingrid	Parker		Ecology & Evolutionary Biology

CAREER ADVISING (CCA)

unfilled

COMMITTEE ON COMMITTEES (COC) ***By Election - For information only***

Elizabeth	Abrams	Chair /UCOC Rep	Writing
Pradip	Mascharak		Chemistry & Biochemistry
Paul	Roth		Philosophy
Bruce	Cooperstein		Mathematics
Todd	Lowe		Biomolecular Engineering

COMPUTING AND TELECOMMUNICATIONS (CCT)

Greg	Laughlin	Chair/UCCC Rep	Astronomy & Astrophysics
Anujan	Varma		Computer Engineering
Jose	Renau		Electrical Engineering
Matt	Wagers		Linguistics
Ruby	Rich		Film and Digital Media
Grant	Pogson (*W&S*)		Ecology & Evolutionary Biology
Chris	Wilmers		Environmental Studies
Mary	Doyle	sits with	VC ITS

EDUCATIONAL POLICY (CEP)

Tracy	Larrabee	Chair & UCEP Rep	Computer Engineering
Ted	Warburton		Theater Arts
Olof	Einarsdottir		Chemistry & Biochemistry
TBA			
James	Wilson		Writing
Lora	Bartlett		Education
Mark	Anderson		Anthropology
Pamela	Hunt-Carter	*ex officio*	Registrar

EMERITI RELATIONS (CER)

Roger	Anderson	Chair	Chemistry & Biochemistry
Nancy	Chen		Anthropology
Barry	Bowman	*ex officio, CFW*	MCD Biology
Mary	Silver		Ocean Sciences

FACULTY RESEARCH LECTURE (CFRL)

Wlad	Godzich	Chair	Literature
Dard	Neuman		Music
David	Kliger		Chemistry & Biochemistry
Patricia	Zavella		Latin American & Latino Studies
JJ	Garcia-Luna-Aceves		Computer Engineering

FACULTY WELFARE (CFW)

Barry	Bowman	Chair/UCFW Rep	MCD Biology
Samit	Dasgupta		Mathematics
TBA			
Daniel	Guevara		Philosophy
Tim	Duane		Environmental Stuides
TBA			
Noriko	Aso		History
TBA			
Roger	Anderson	*ex officio, Chair CER*	Chemistry & Biochemistry

GRADUATE COUNCIL (GC)

Bruce	Schumm	Chair/CCGA Rep	Physics
Scott	Brandt		Computer Science
Seth	Rubin		Chemistry & Biochemistry
Juan	Poblete		Literature
TBA			
Donna	Hunter *(W&S)*		History of Art & Visual Culture
Raphael	Kudela		Ocean Sciences
Bettina	Aptheker		Feminist Studies
Meg	Wilson		Psychology
Megan	Thomas		Politics
Tyrus	Miller	*ex officio*	Graduate Dean

INTERNATIONAL EDUCATION (CIE)

Ben	Crow	Chair/UCIE Rep	Sociology
Jin	Zhang		Chemistry & Biochemistry
Rasmus	Winther		Philosophy
Peter	Limbrick		Film & Digital Media
Mark	Cioc	*ex officio, OIE*	History

LIBRARY AND SCHOLARLY COMMUNICATION (COLASC)

Roberto	Manduchi	Chair/UCOLASC Rep	Computer Engineering
Roberto	Bogomolni		Chemistry & Biochemistry
Murray	Baumgarten		Literature
Jennifer	Horne		Film & Digital Media
Gildas	Hamel		History
Virginia	Steel	*ex officio*	University Librarian

PLANNING & BUDGET (CPB)

Lynn	Westerkamp	Chair/UCPB Rep	History
Sue	Carter		Physics
Susan	Schwartz		Earth & Planetary Sciences
Donald	Brenneis	*ex officio, Vice Chair*	Anthropology
Joeseph	Konopelski	*ex officio, Chair*	Chemistry & Biochemistry
Zsuzsanna	Abrams		Language Program
E.G.	Crichton *(F&W)*		Art
Patty	Gallagher (S)		Theater Arts
Susan	Harding		Anthropology
David	Helmbold		Computer Science
David	Draper		Applied Math & Statistics
Daniel	Friedman		Economics

PREPARATORY EDUCATION (CPE)

David	Smith (*W&S*)	Chair/UCOPE Rep	Physics
Gabriel	Elkaim (*F*)	Chair/UCOPE Rep	Computer Engineering
Gabriel	Elkaim (W&S)		Computer Engineering
George	Bunch		Education

PRIVILEGE & TENURE (P&T)

Onuttom	Narayan	Chair/UCPT Rep	Physics
Michael	Mateas (W&S)		Computer Science
Jorge	Hankamer		Lingustics
Triloki	Pandey		Anthropology
Maria	Schonbek		Mathematics
Gina	Dent		Feminist Studies
Leta	Miller		Music

RESEARCH (COR)

Scott	Oliver	Chair/UCORP Rep	Chemistry & Biochemistry
Nathaniel	Deutsch		Literature
Deborah	LeTourneau		Environmental Studies
Elisabeth	Cameron		History of Art & Visual Culture
Sri	Kurniawan		Computer Engineering
David	Koo		Astronomy & Astrophysics
Hamid	Sadjadpour		Electrical Engineering
Debra	Lewis		Mathematics
Barbara	Rogoff		Psychology

RULES, JURISDICTION & ELECTIONS (RJ&E)

Anthony	Aguirre (*W&S*)	Chair	Physics
Dave	Belanger (*F*)	Chair	Physics
Dave	Belanger (W&S)		Physics
Allen	Van Gelder		Computer Science
Abraham	Stone		Philosophy
Thorne	Lay		Earth & Planetary Sciences

TEACHING (COT)

Charlie	McDowell	Chair	Computer Science
Deborah	Gould		Sociology
Kirsten	Gruesz		Literature
Martin	Weissman		Mathematics
TBA			

Respectfully Submitted,
COMMITTEE ON COMMITTEES
Bruce Cooperstein
Norman Locks
Pradip Mascharak
Paul Roth
Elizabeth Abrams, Chair

May 7, 2012

COMMITTEE ON COMMITTEES
Nomination for the UCSC
Dean McHenry Award
for Distinguished Leadership in the Academic Senate

To: Academic Senate, Santa Cruz Division

The Committee on Committees is proud to nominate Senior Lecturer with Security of Employment Emerita Carol Freeman for the Dean McHenry Award for Distinguished Leadership in the Academic Senate, the UCSC campus award for outstanding Senate leadership; we have also nominated her for the UC system's Oliver Johnson Award, which is likewise presented every two years.

Lecturer Freeman personifies the ideals of collegial, creative, principled service these awards recognize. In fact, we are nominating a faculty member who has had a service award named for *her*: Cowell College, where Lecturer Freeman was provost for five years (1992-1997), annually confers the Carol Freeman Leadership Award to a senior for "exemplary leadership, service and commitment to the Cowell College community." This award was created in her honor in appreciation of those very characteristics in Lecturer Freeman. In recognizing young leaders, it captures her ability to motivate others to step up on behalf of their communities. (This is an ability she practiced with great success in four years on UCSC's Committee on Committees.) Lecturer Freeman inspires the best work in others. Indeed, several of UCSC's current top administrators have referred to her as a "mentor" and a provider of "phenomenal training in leadership" for their own work overseeing educational policy and practice.

Lecturer Freeman joined UCSC as its first campus-wide writing lecturer and Subject A coordinator in 1974, and became the campus Writing Program coordinator in 1976 and chair in 1993, a position she held through 2001—a total of 27 years of continuous leadership in the program. Though she became a Senate member in 1987 when she was hired as Lecturer with Security of Employment, her Senate service actually began nine years earlier, in 1978, with service on the first of many incarnations of what is now the University Committee on Preparatory Education's subcommittee on Analytical Writing Placement Examination Test Development. Thirty-four years later, and with only a two-year hiatus in the mid-1980s, she still serves on that subcommittee, two years into her retirement. These remarkably long-term associations hint at essentials—persistence, dedication, commitment, and, above all, excellence—that thread through all her other work for the university.

Lecturer Freeman's work has been powerfully influential both campus- and systemwide. Her complex web of service involves overlapping and repeated roles, many of them challenging and time-consuming and involving important problems in need of solutions, and all undertaken while she maintained a record of outstanding teaching. (In 1996 she was awarded the UCSC Alumni Association's Distinguished Teaching Award.) Though it includes important stints on the Committee on Committees (2003-2007, including three years as chair), the Committee on Rules, Jurisdiction, and Elections (2007-2009), and a cameo role on the eve of her retirement as Divisional Secretary (Spring 2010), it is, strikingly, a record of deep and long-term specialization in the betterment of undergraduate education. This includes service on the Committees on

Teaching (1992-1993) and Preparatory Education (1997-1999) but is dominated by a remarkable ten years on the Committee on Educational Policy (1987-1992, 1993-1995, 2000-2003), including six years as chair, a year as UCEP vice-chair, and an additional year as UCEP chair and member of the Academic Council. This was a role Lecturer Freeman reprised for a third time as one of two outside members of UC Merced's founding Undergraduate Council (2003-2006), a committee combining the roles of CEP and the Committee on Planning and Budget and charged, among other things, with overseeing the invention and course-by-course approval of an entire UC-suitable college curriculum. This was a role that required tact and perspicacity, as it involved helping faculty, many of them new to the University of California, see the curriculum they were developing as part of, and responsible to, a larger system.

It is worth noting that Lecturer Freeman undertook many of her leadership roles simultaneously: while serving as vice-chair and chair of UCEP (and for one year member of the Academic Council), she was simultaneously provost of Cowell College *and* chair of the Writing Program; while serving three years on UC Merced's Undergraduate Council, she simultaneously served on, and for two years chaired, UCSC's Committee on Committees. Her nine years' chairing major Senate committees also involved nine years of corresponding service on systemwide committees and the Divisional Senate Advisory Committee and its successor, the Senate Executive Committee, through which she helped steer the Senate's course.

Indeed, through her leadership of CEP and several related task forces and subcommittees she helped to shape the course of undergraduate education at UCSC. As chair in 1990-1991 and again in 2000-2001, Lecturer Freeman guided CEP through two major, data-driven assessments of the residential colleges' first-year Core courses notable for their fairness, range, thoroughness, and clarity. These reports supported preservation of the Core courses and provided substantive recommendations for improvement (e.g., greater coordination among the Core courses, greater attention to writing instruction in Core sections not taught by writing instructors) that were subsequently implemented. And CEP's second Core course report laid the groundwork for a major revision of the general education requirement in composition that was undertaken several years later, a revision that cemented the role of the Core courses in delivering that requirement.

These efforts were complemented by Lecturer Freeman's influential participation in a special Joint CEP/CPB Subcommittee on the Intellectual and Cultural Life of the Colleges, which she first co-chaired (1990-1991) and then chaired (1991-1992) while also chairing CEP. Together with her co-chair, Lecturer Freeman guided a highly inclusive consultation with a broad swath of campus stakeholders—students, faculty, administration, alumni, staff—and co-authored a major report recommending, among many other things, the creation of the position that is now Vice Provost and Dean of Undergraduate Education to coordinate and advocate for the colleges and manage their budgets. During a hiatus from CEP, Lecturer Freeman also participated in a special CEP Task Force on Revising UCSC's General Education Requirements (1997-1999) whose efforts were brought to a vote by the Senate. These efforts, like all of Lecturer Freeman's work, were characterized by her democratic belief that all voices be heard and respected, a belief that played out in the broadly inclusive consultation and data-gathering from which these reports drew their conclusions.

Lecturer Freeman also guided CEP through two very significant changes to UCSC academic culture. During her first stint as chair, her committee worked with the Registrar to successfully introduce advance enrollment in classes to a campus deeply wedded to an increasingly dysfunctional system of "shopping" for courses. This change was highly fraught—a change to a ritual associated with choice and freedom—and required wide consultation with all campus constituencies before it was implemented, a condition CEP met under Lecturer Freeman's wise leadership. During her second term as chair, in 2000-2003, Lecturer Freeman oversaw an even greater change to campus culture, the shift to letter grades as the default for student assessment from the system of Pass/Not Pass and narrative evaluations: an enormous issue at UCSC. Indeed, Lecturer Freeman was selected as chair of CEP for that period in large part because the Senate anticipated the issue of grades coming to a head. Her reputation for fairness inspired the respect and trust needed for CEP to effectively implement and oversee the change. Under Lecturer Freeman's canny guidance, CEP also proactively eliminated a pesky problem, the grade of C-: though technically a passing grade, the C- neither corresponds to "pass," nor contributes to a grade point average that enables a student to graduate, both of which require a C or better. Lecturer Freeman's solution thereby neatly solved a grading problem faced by all other UC campuses and requiring significant labor to resolve disputes.

Lecturer Freeman has served the Senate in many additional ways: on task forces and ad hoc committees, as representative to the Intersegmental Senates' Conference on Articulation. Of these additional roles, perhaps closest to her history as long-time chair of a program staffed largely by lecturers was her service on three related committees: the Senate's Special Committee on Non Senate Teaching Faculty (2002-2004); the UC-AFT/Office of the President Committee to establish guidelines for lecturer workload equivalencies, for which she was Senate representative (2008); and two UCSC/UC-AFT committees having to do with lecturer workload in Core and Writing Program courses (2009). Together this service highlights an enduring belief that a just system requires just treatment of all its members. It is no surprise, then, that as chair of COC, Lecturer Freeman introduced the service of non-Senate teaching faculty on Senate committees, a recommendation originally made by the Special Committee of which she was a member: for a campus to realize its full potential, it must draw from the strength of all its members.

The Academic Senate has drawn abundantly on the strength of Carol Freeman. We are thus delighted to honor her distinguished service by presenting her with UCSC's Dean McHenry Award, and by nominating her for the Oliver Johnson Award for Distinguished Leadership in the Academic Senate.

Respectfully submitted:
University of California, Santa Cruz
COMMITTEE ON COMMITTEES
Bruce Cooperstein
Norman Locks
Pradip Mascharak
Paul Roth
Elizabeth Abrams, Chair May 4, 2012

GRADUATE COUNCIL
Amendment to Regulation 13.1.3C
One Year Limit of Grade Change Exceptions

To: The Academic Senate, Santa Cruz Division

The Graduate Council (GC) is proposing to amend Santa Cruz Regulation (SCR) 13.1.3C authorizing the Registrar to change a final grade upon the request of an instructor, provided that a clerical or procedural error is the reason for the change, and that the change is submitted within one year from the close of the quarter for which the original grade was submitted.

The current regulation does not permit a final grade to be changed due to a clerical or procedural error when the request is in excess of one year from the close of the quarter for which the original grade was submitted. This amendment permits requests for grade changes in excess of one year and allows Graduate Council to delegate this authority to the Dean of Graduate Studies.

Current Wording:	**Proposed Wording:**
13.1.3C The Registrar is authorized to change a final grade upon written request of an instructor, provided that a clerical or procedural error is the reason for the change. Grade changes (except for I and IP) must be submitted to the Registrar within one year from the close of the quarter for which the original grade was submitted.	13.1.3C The Registrar is authorized to change a final grade upon written request of an instructor, provided that a clerical or procedural error is the reason for the change. Grade changes (except for I and IP) must be submitted to the Registrar within one year from the close of the quarter for which the original grade was submitted**, unless an extension of this deadline is approved by the Graduate Council. The Graduate Council may delegate this authority to the Dean of Graduate Studies.**

Respectfully submitted,

GRADUATE COUNCIL
Bettina Aptheker
Scott Brandt
Jorge Hankamer
Kimberly Jannarone
Raphael Kudela
Neoklis Polyzotis
Carol Shennan
Donald Smith
Megan Thomas
Bruce Schumm, Chair
Tyrus Miller, *ex officio*
Christy Caldwell, LAUC Representative
Erik Green, GSA Representative
Alice Ye, GSA Representative

April 27, 2012

COMMITTEE ON FACULTY WELFARE
Amendment to Bylaw 13.20 - *Ex Officio* Representatives

To: Academic Senate, Santa Cruz Division

The Committee on Faculty Welfare (CFW) is proposing an amendment to its charge, Santa Cruz Bylaw (SCR) 13.20 to include two additional *ex officio* committee members.

In order to stay abreast of the complex issues of faculty retirement and health care, the Committee on Faculty Welfare would like to include UC Santa Cruz representatives, if any, from both the UCFW Task Force on Investment and Retirement (TFIR) and the Health Care Task Force (HCTF) working groups, as *ex officio* members of the committee.

CFW guidelines for implementing this change:
In the case that a representative from UC Santa Cruz serves on either the UCFW Task Force on Investment and Retirement and/or the Health Care Task Force, the representative(s) would be considered *ex officio* members of the Committee on Faculty Welfare. These two committees exist as independent bodies to UCFW, and as such, the UCSC representative to UCFW is privy only to final reports made to UCFW by these system-wide committees. If members of these committees serve as *ex officio* members with CFW, broader faculty interests will be represented through their involvement with CFW and CFW will gain access to the pending considerations of these committees as they proceed, rather than after the fact. This is especially important as recent changes to related policy have differentially impacted our campus with rapidly increasing rate increases.

Current wording	**Proposed wording**
13.20 Committee on Faculty Welfare	**13.20** No Change
13.20.1 There are no fewer than six and no more than eight Santa Cruz Division members, plus the Chair of the Committee on Emeriti Relations serving *ex officio.*	13.20.1 There are no fewer than six and no more than eight Santa Cruz Division members, plus the Chair of the Committee on Emeriti Relations, **the UC Santa Cruz Division member of the Task Force on Investment and Retirement (if any), and the UC Santa Cruz Division member of the Health Care Task Force (if any),** serving *ex officio.*
13.20.2 The Committee considers any subject concerning faculty welfare, including matters which may be brought to its attention by members of the Faculty. It may make representations to appropriate authorities on any questions concerning the welfare of the University of California community.	**13.20.2** No Change

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*

May 7, 2012

COMMITTEE ON FACULTY WELFARE
CFW Salary Findings and Recommendations[i]

To: The Academic Senate, Santa Cruz Division

Findings:

1. Based on historical patterns of salary trajectories at UCSC alone, initial starting salaries for assistant professors at UCSC at the regular (AY) scale should be in *low 70,000s* and those of Business-Economics-Engineering (BEE) scale should be in *low 90,000s*. These salaries are roughly *30% above the current on-scale salary* ($54,800) of Asst Prof 1 at the regular AY scale and on-scale salary ($73,000) of Asst Prof 1 at the BEE scale. This finding is consistent with the recent system-wide task force recommendations for increase in UC-wide faculty salary.

2. The annual salary growth of UCSC faculty -- including cost-of-living-increase and range adjustment -- is *4.5%* annually. This is *toward the bottom of the expected range*, which is between 4.35% and 7.0%. It is also below the average of 5.5% as assumed in the Annual Actuarial Valuation Report of the University of California Retirement Plan.[ii]

3. For a significant majority of UCSC faculty, the merit-based annual salary growth[1] (i.e., *excluding cost-of-living increases or range adjustments*) is lower than the salary growth implied by the current salary scales, which is 2.7% for AY faculty and 2.1% for BEE faculty. Roughly 67% of faculty are below these growth rates on both the regular AY and BEE scales.[2]

4. Most UCSC faculty with retention offers have higher salary growth and higher promotion growth[3] than the rest of the faculty at UCSC. Also, most UCSC faculty with relatively high salary growth and high promotion growth are faculty who have received retention offers.

5. Under the 3-year merit boost plan, on an aggregate proportional basis, *many faculty (roughly 10%) received lower promotion growth (1.9 rather then 2.0)*, than was the case before the plan was implemented.

6. UCSC continues to be *the bottom 8th or 9th campus in faculty salaries* at most ranks and steps out of the 9 UC campuses.[iii]

7. UCSC has a *high percentage of faculty with low promotion* growth. Notably, 27% of faculty have a promotion growth of .85 or less.

---

[1] Salary growth is a metric that examines how salaries at all ranks and steps compare to the minimum 2011 salary for incoming Assistant Professors at UCSC ($65,000).

[2] Four faculty on regular AY scale and eight faculty on BEE scale have *negative* rates of salary growth.

[3] Promotion growth is a metric that examines rank and step compared to years since terminal degree. A promotion growth of 1 = normal/expected growth.

8. UCSC makes the "*barrier" steps particularly difficult to surmount* in comparison with other UC campuses.[iv] That is, faculty with comparable performance are advanced at other UCs but held back at UCSC, acting as a strong disincentive for meritorious performance at barrier steps.

9. For several departments, *one of the main determinants* of slow salary growth seems to be *slow promotion growth*.

Recommendations for the UC System:

1. Starting *on-scale salaries* of Asst Prof Level 1 at both the regular scale (AY) and Business-Economics-Engineering (BEE) scale, *excluding off-scale*, should be raised by roughly 30% to the low 70,000s for AY faculty and low 90,000s for BEE faculty. This is also one of the main recommendations of the recent system-wide salary task force report for increasing faculty salaries.

2. If Asst Prof Level 1 salaries (on scale) are raised to the low 70,000s for AY faculty and low 90,000s for BEE faculty as recommended above, then on-scale salaries at all steps and ranks should be designed to provide *a minimum of 2% annualized merit-based increase* cumulatively calculated upon successful merit review. This increase should be understood as distinct from and *not a substitute for standard cost-of-living adjustment (COLA) or range adjustment increases*.

Recommendations for the Campus:

1. Merit growth at UCSC should be commensurate with the UC campuses at all ranks/steps, including the "barrier" steps. The situation of faculty at barrier steps needs to be revised and practices harmonized with other campuses.

2. Salary growth at UCSC should be commensurate with the 9-campus median at all ranks/steps.

3. CFW recommends that UCSC continue to raise starting salaries of newly hired assistant professors to low 70,000s on AY scale and low 90,000s in BEE scale in order to remain competitive with respect to other UCs even if UC-wide recommendations are not implemented. These changes should be accompanied by measures to prevent salary erosion for existing faculty.

4. A campus-based merit *and* salary boost program should be developed that meshes well with the UCOP-based policies, particularly in light of recent and future UC-wide and campus specific policy shifts.

Recommendations for Campus Methodology:

1. Decoupling the discussion of merit growth and salary growth is essential in understanding lagging faculty salaries.

2. UCSC faculty promotion and salary growth should be compared with UC-peer institutions using the new metrics proposed by the CFW. This comparison should be carried out as soon as the data are available from other campuses and annually thereafter. This comparison can then be

used to craft specific recommendations to enhance UCSC faculty merit and salary.

3. The Annual Report on Competitiveness of UCSC Faculty Salary should include analysis and outcomes using salary and promotion growth metrics. Without this methodology, results based purely on off-scale and median salaries are at best incomplete and at worst, misleading. More importantly, purely off-scale salary metric drives a merit boost policy that may be detrimental to faculty advancement.

4. Using "years since degree" as a component of merit growth and salary growth metrics is likely to be a robust and sufficient metric for comparisons between campuses. In addition, "years since service" is likely to improve the comparison between departments within the same campus. These two metrics together have been used historically for making salary comparisons.

5. CFW recommends an open, transparent, and informed dialogue with the UCSC faculty to formulate recommendations on faculty salary issues for the UC system, for the campus, and for the campus methodology.

Recommendation for Departments:

1. Departments should strive to obtain information on the outcomes of personnel processes at the *department level* for *all* the departments on campus. They should also strive to make this information available to their faculty on an annual basis before they begin deliberation on personnel files. If the department level data cannot be made available for smaller departments on an annual basis due to confidentiality reasons, the data should still be made available on a cumulative 3-year rolling basis to preserve confidentiality.

2. Departments with low promotion growth wanting to improve the salary growth rate of their faculty should focus on standard promotion growth and work with their dean and CAP to recommend appropriate actions to bring promotion growth rates up to the norm.

Respectfully submitted,

COMMITTEE ON FACULTY WELFARE
Noriko Aso
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May 7, 2012

Endnotes:

[i] Faculty Salary Metrics Slides by CFW, UCSC, March 2012

[ii] Annual Actuarial Valuation Report on University of California Retirement Plan, July 1, 2010

[iii] UC-wide Senate-Administration Taskforce on Faculty Salaries Report, March 2012

[iv] UC-wide Report of the Professorial Step System Task Force, 2004

Metrics for Evaluating Faculty Advancement (Promotion and Salary)

UCSC – CFW

March 2012

Context

UC-wide Faculty Salary

- Comparator-8 Institutes

- 3% merit-based increase (Oct 2011)
- Incorporates market
- Does not incorporate ranking

UCSC Salary Boost Plan

- Comparator-4 UCs

- 3+3 year merit boost plan
  - CFW requested, received, and has initiated the analysis of Faculty Salary Data (Summer 2011)

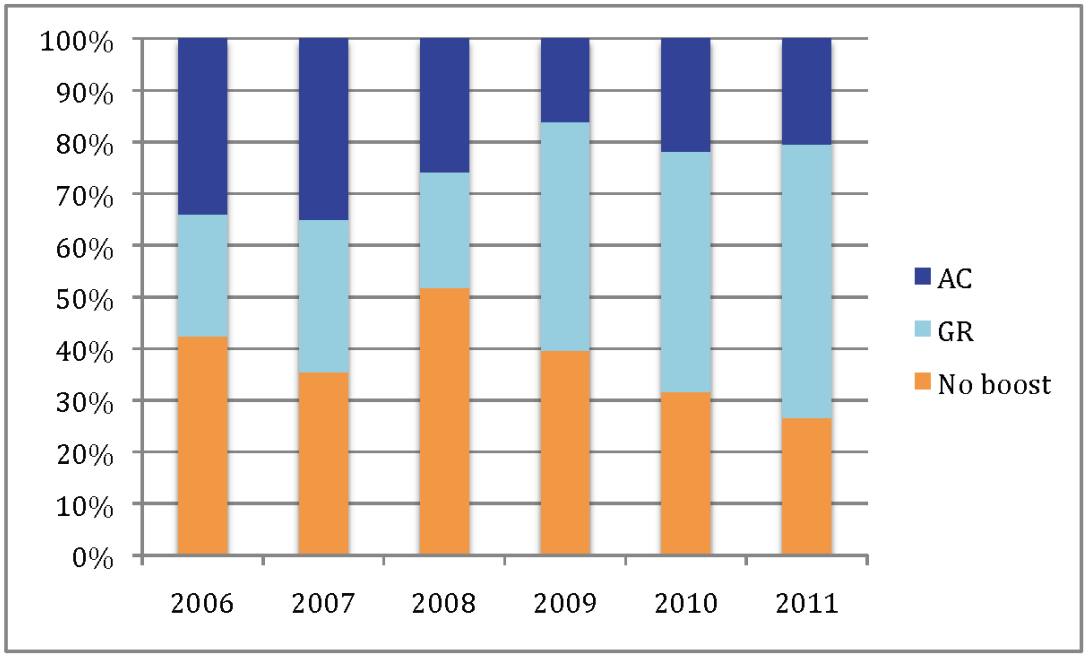
What is the right metric?

Current Metric

- Off-scale Salary
  - Compares off-scale salary at same rank-step; but faculty with very similar performance may be advanced to different rank/steps

Proposed Metrics

- Salary Growth
- Promotion Growth
  - Becomes important because there may be a tradeoff between promotion and salary growth



	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.

2.0 Merit Boost (2005-2008): 31.6%; (2008-2011): 19.8%

Goals

- Main goal: compare UCSC faculty advancement (promotion AND salaries) with other campuses to better understand promotion and salary differences and make informed policy recommendations with measurable objectives.
- Subsidiary goals:
  - Understand causes of variability across departments to identify aggregate groups that may have been disadvantaged in advancement (promotion and salary) and potentially suggest measures including policy recommendations in the overall context

How to generate new metrics?

- Approach 1: individual trajectory analysis
  - Extremely time consuming
  - Impossible to get necessary data from other campuses
- Approach 2: uses information about salary and rank/step currently and at initial hire, along with years of service.
  - UCSC data available, but available only sparsely for other campuses
  - Improves approach 3 below by including faculty who were hired later in their career
- Approach 3: uses information about salary, rank and step currently and years since highest degree,
  - Available for other campuses
  - Even though the picture can be different for each individual, population-level features robust and similar to approach 2

CFW has carried out analysis using Approach 2 and Approach 3.

PROMOTION GROWTH FACTOR

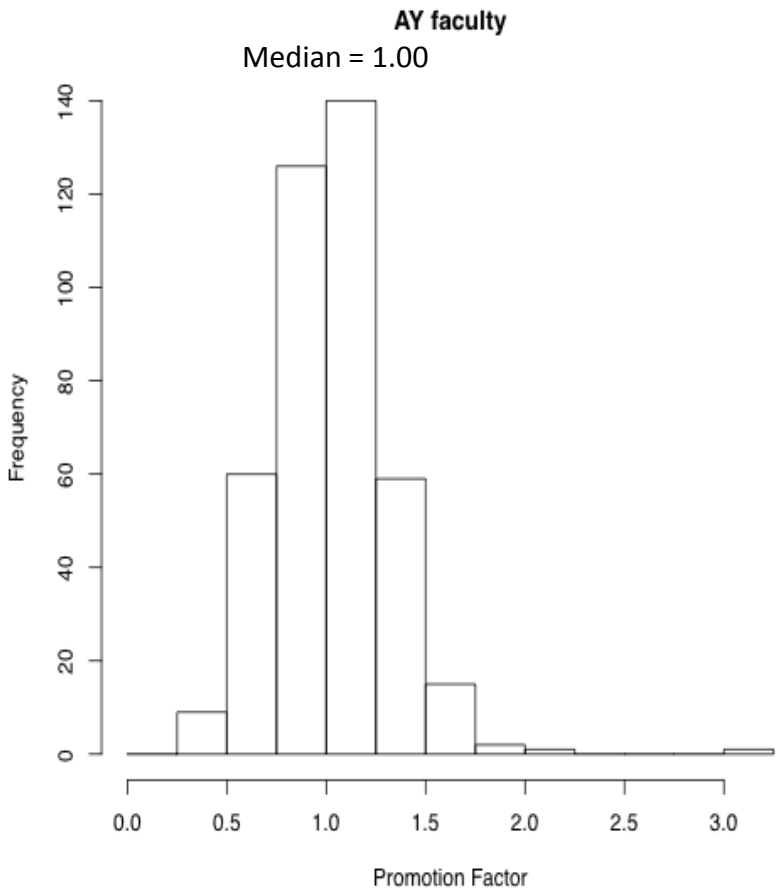
Promotion Growth

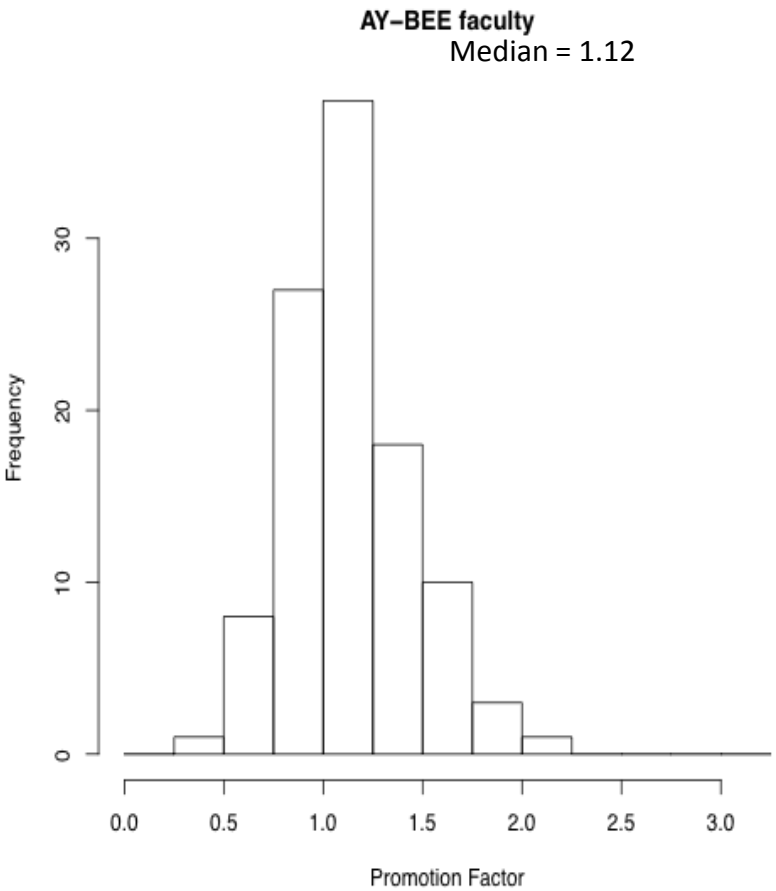
- How fast are faculty members promoted?

$$PG = \frac{\text{time equivalence of rank/step (years)}}{\text{years since degree}}$$

Assist 1	Assist 2	Assist 3	Assist 4	Assist 5	Assist 6	Assoc 1	Assoc 2	Assoc 3	Assoc 4	Assoc 5	Full 1	Full 2	Full 3	Full 4	Full 5	Full 6	Full 7	Full 8	Full 9	Above Scale
1.0	3.0	5.0	7.0	9.0	11.0	9.0	11.0	13.0	15.5	18.6	15.5	18.5	21.5	24.5	27.5	30.5	33.5	36.5	39.5	42.5

Promotion Growth

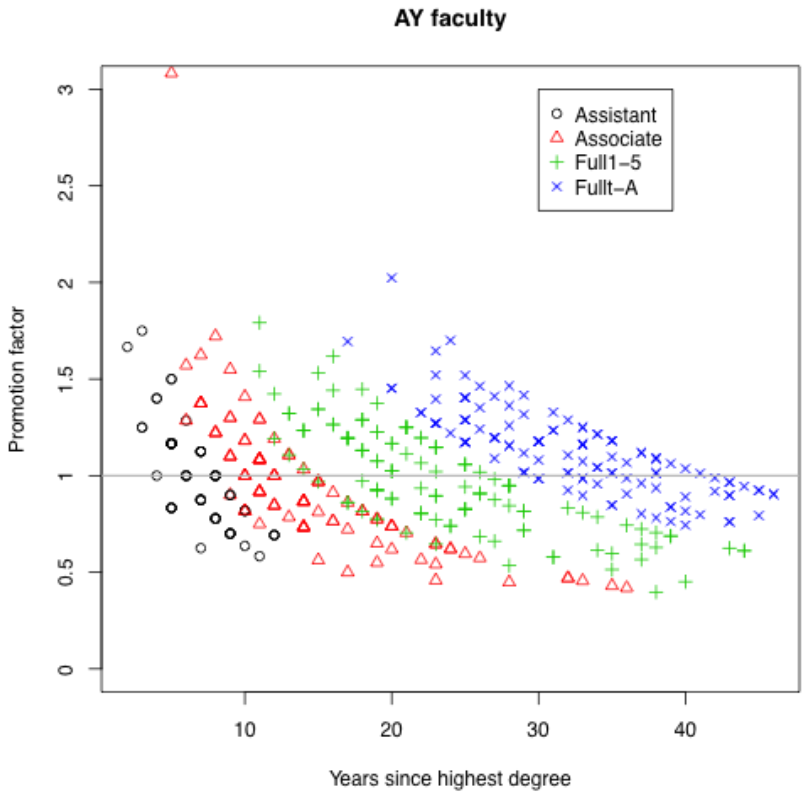


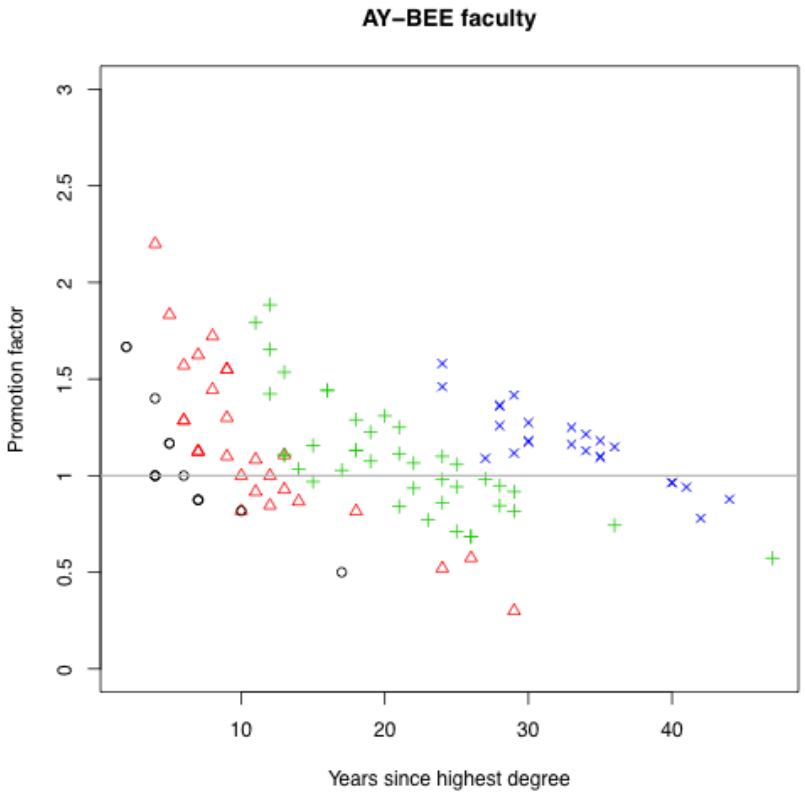


Values close to 1 represent “normal” progression through the ranks.

Assumptions: Rank/step at hiring is similar across dept/divisions; Time spent on other jobs before joining UCSC captured in the rank/step at hiring (e.g., a faculty hired as Assistant Professor Step 3 graduated about 5 years before).

Promotion growth against time since degree





Although sliding pattern is a consequence of the chosen formula, gradual decrease in promotion factor does occur with time.

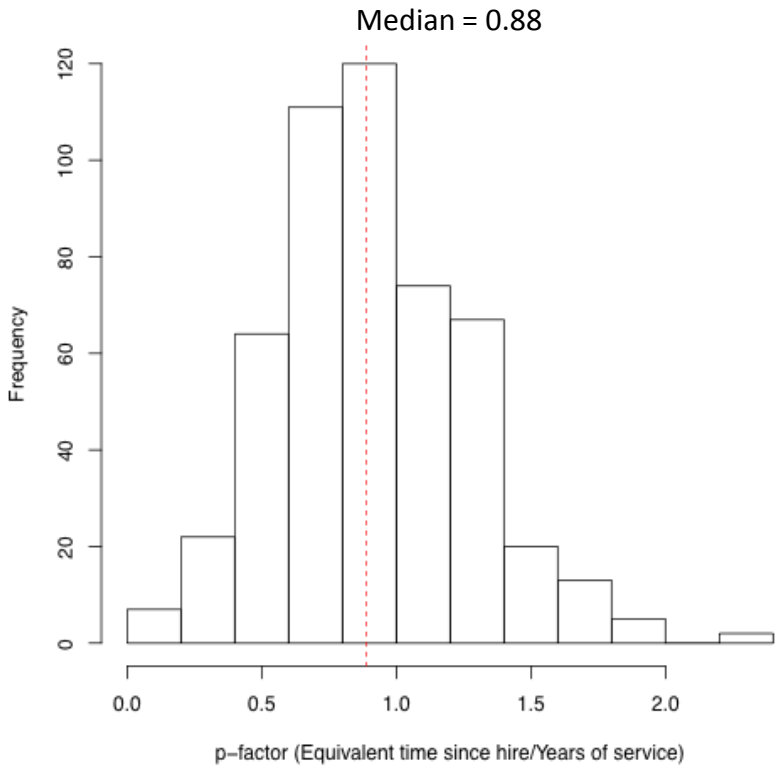
UCSC: Rank at hire for current faculty

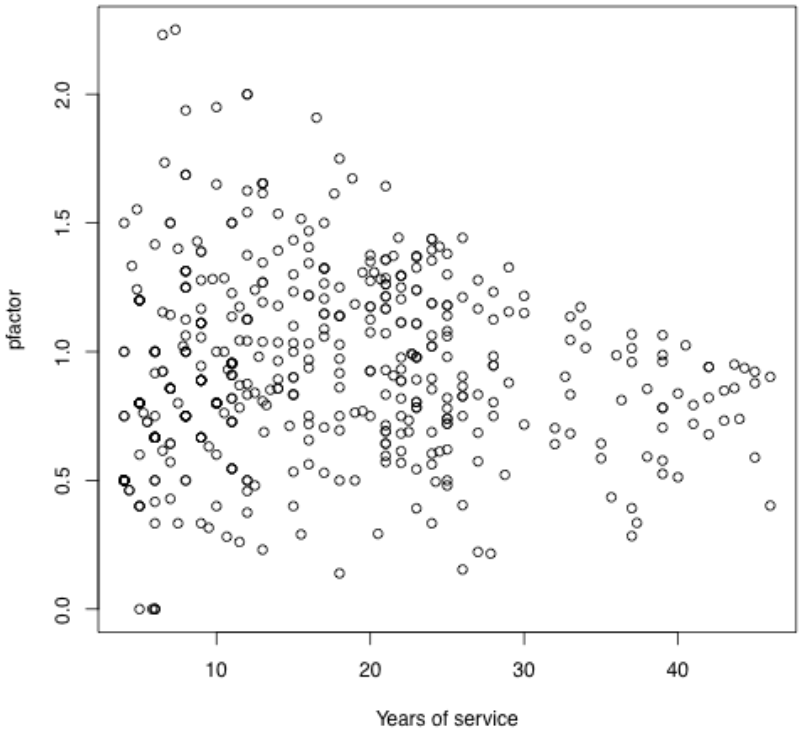
Assistant						Associate					Full								
1	2	3	4	5	6	1	2	3	4	5	1	2	3	4	5	6	7	8	9
45	143	227	27	3	1	11	16	14	1	3	8	8	9	6	7	13	4	5	4

- About 75% (415) of the faculty currently on campus were hired as assistant professors step 1, 2 or 3.
- Suggests that using years since degree as a proxy for years of service is not necessarily a bad idea (more on this later).

Approach 2

$$PG^* = \frac{\text{time eq. of rank/step in Jul 2011 - time eq. of rank/step at hire}}{\text{years of service}}$$

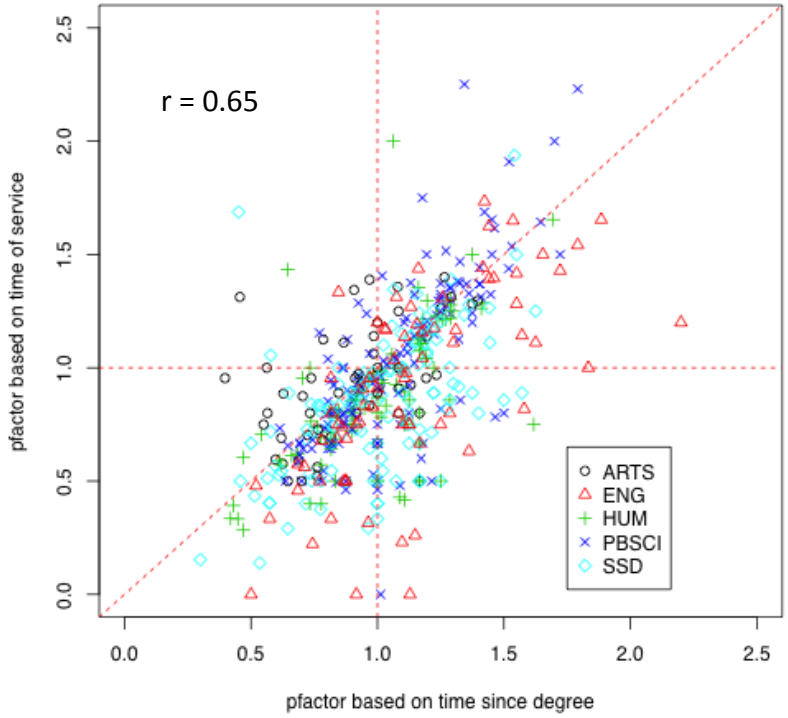




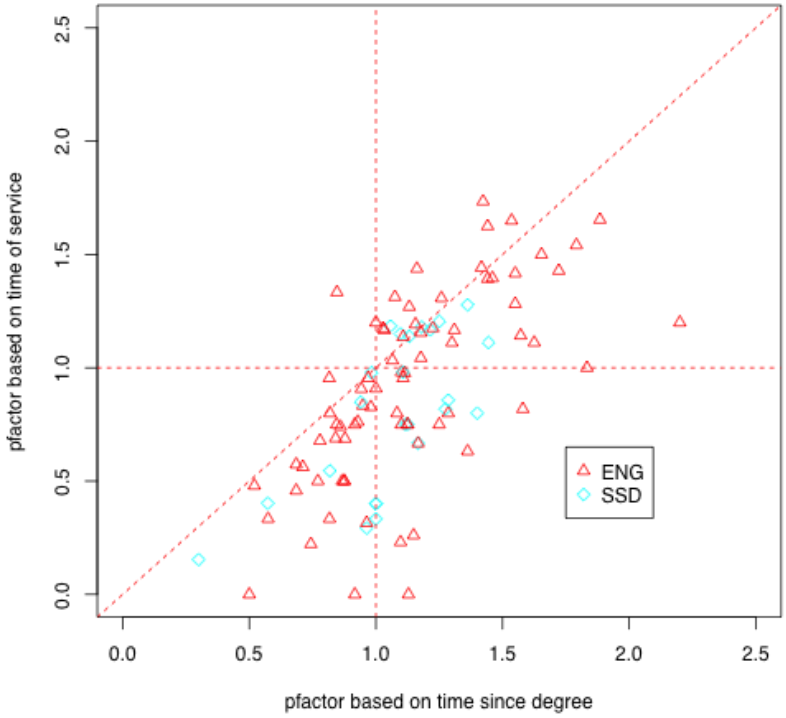
Faculty with 3 or less years of service were excluded. About 63% of the current faculty have a p-factor equal or smaller than 1. Noise from leaves of absence probably negligible.

Correlation between pfactors

All faculty



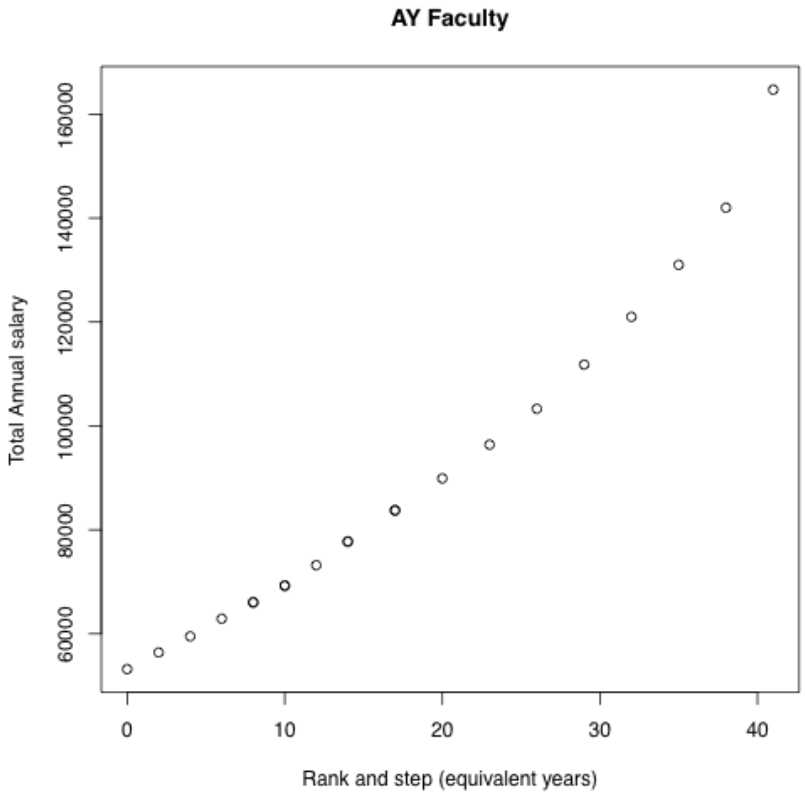
AY-BEE faculty only

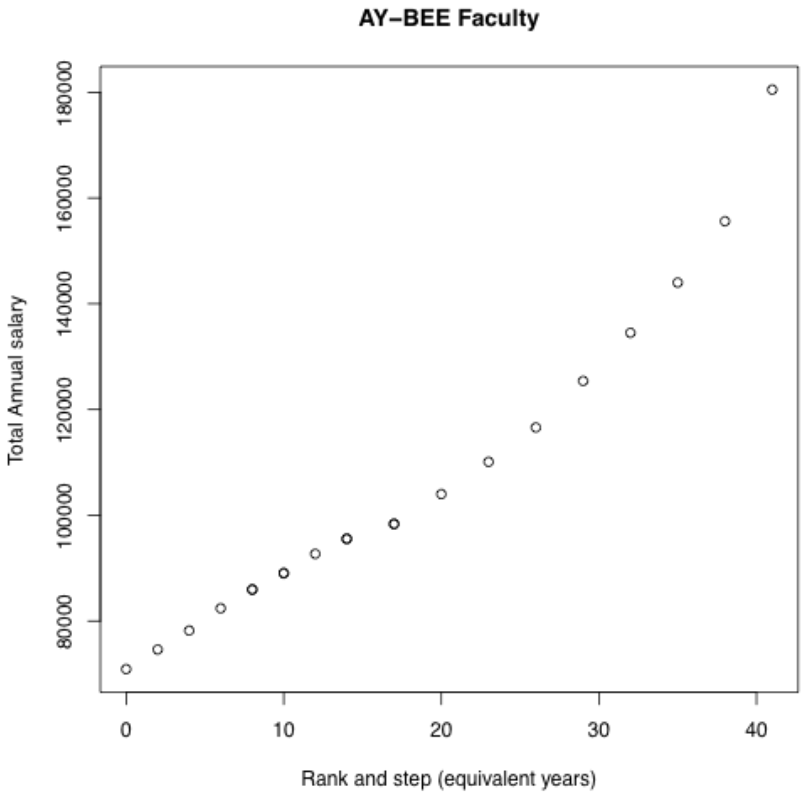


Faculty with 3 or less years of service were excluded. Data suggests proxy is robust, but might present slightly rosier picture than the preferred measure.

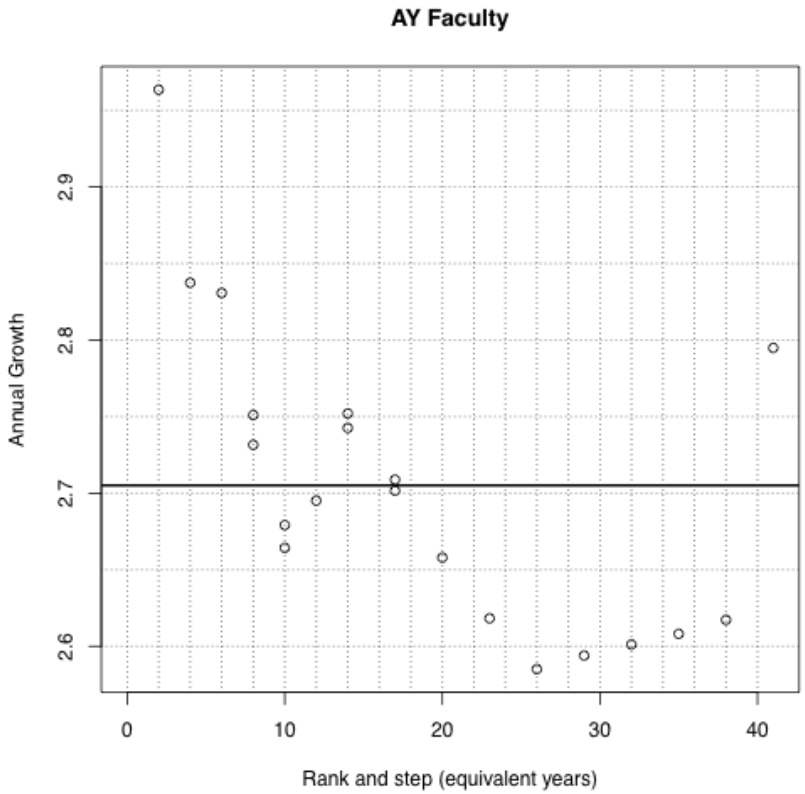
SALARY GROWTH FACTOR

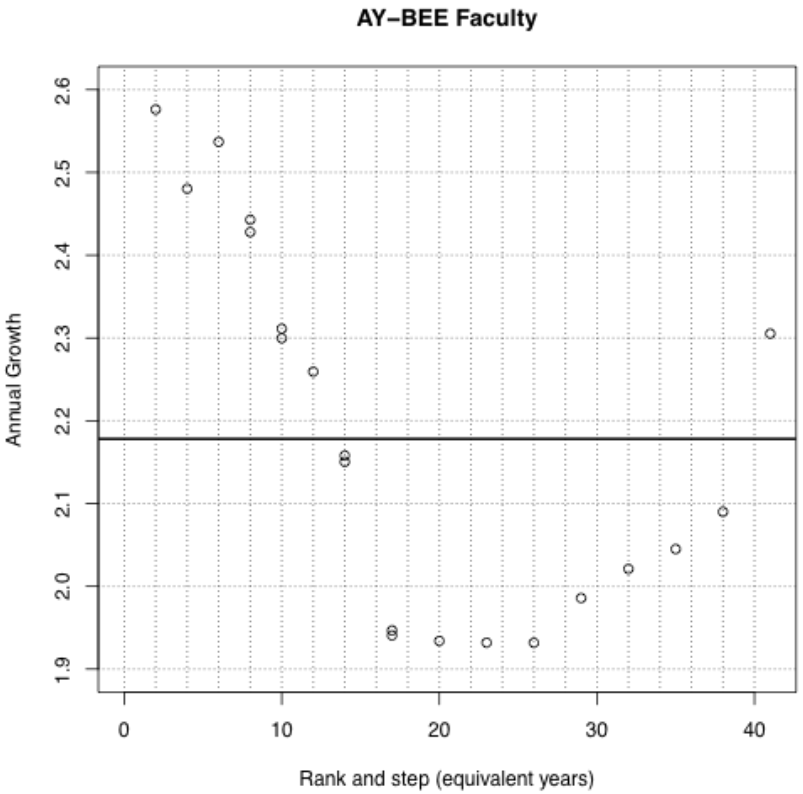
UC Salary Scales as of July 1st 2011





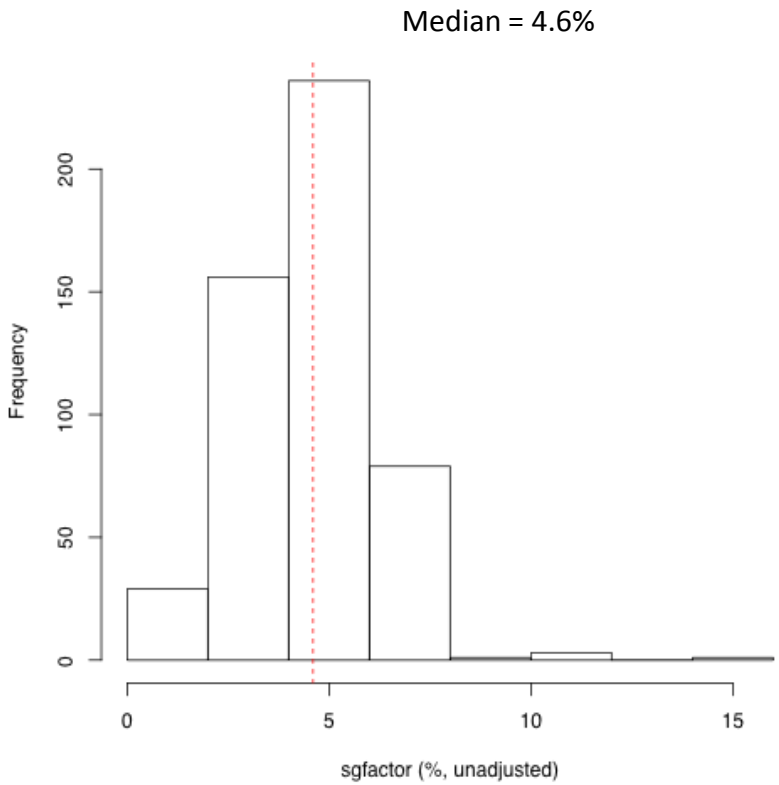
UC Salary Scales
(implicit rates of growth)

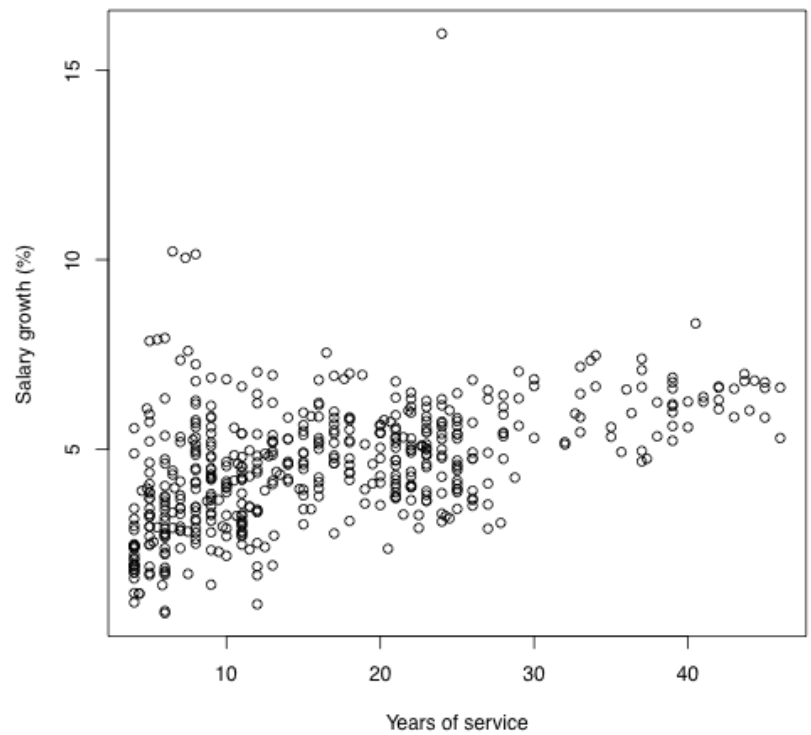




Unadjusted salary growth factor (includes COLA and market adjustment)

$$\text{Current Salary} = \text{Salary at Initial Hire}\left(1+\frac{\text{Salary Growth}}{100}\right)^{\text{years of service}}$$





Faculty with 3 or less years of service were excluded. The increasing trend in the right plot suggests the need for non-linear Inflation adjustments. UC assumptions for salary growth in retirement planning documents have the range of 4.35 to 7.0% with expected average as 5.5%.

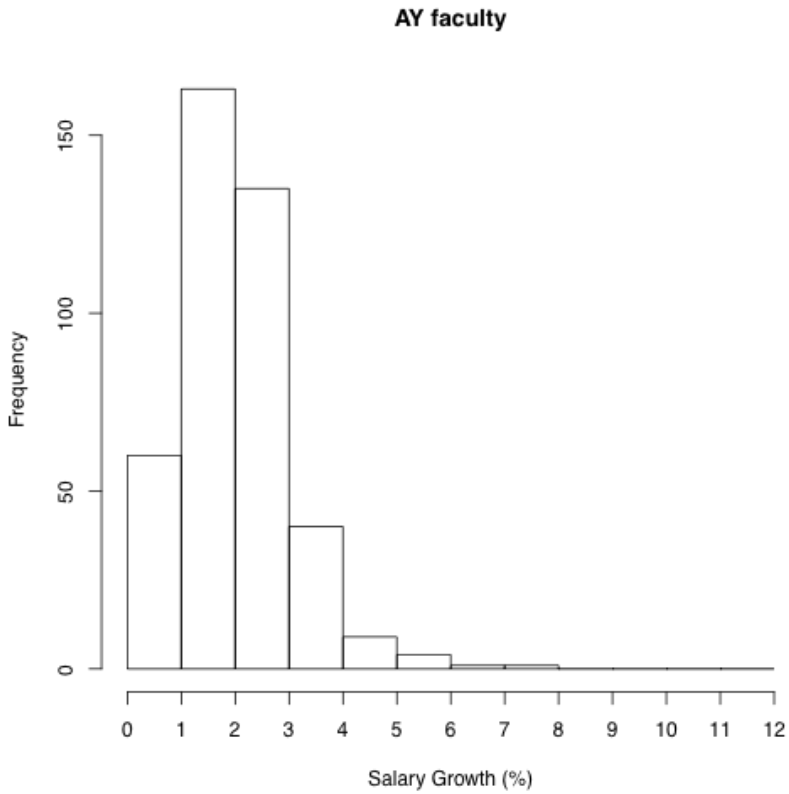
Salary Growth

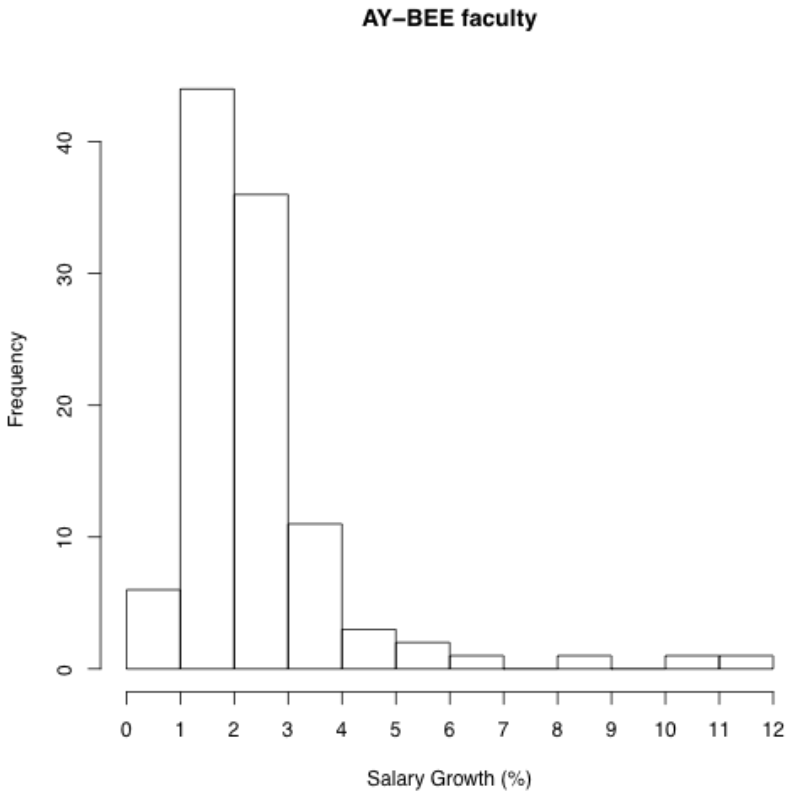
$$\text{Current Salary} = \text{Base Salary}\left(1 + \frac{\text{Salary Growth}}{100}\right)^{\text{years since degree}}$$

- Base Salary = 65,000 for regular scale;

  80,000 for engineering-econ scale
- Base salary in today's dollars eliminates the need for inflation adjustment
- Makes salary growth comparison with respect to salaries offered to recent initial hires at Asst Prof 1

Salary Growth

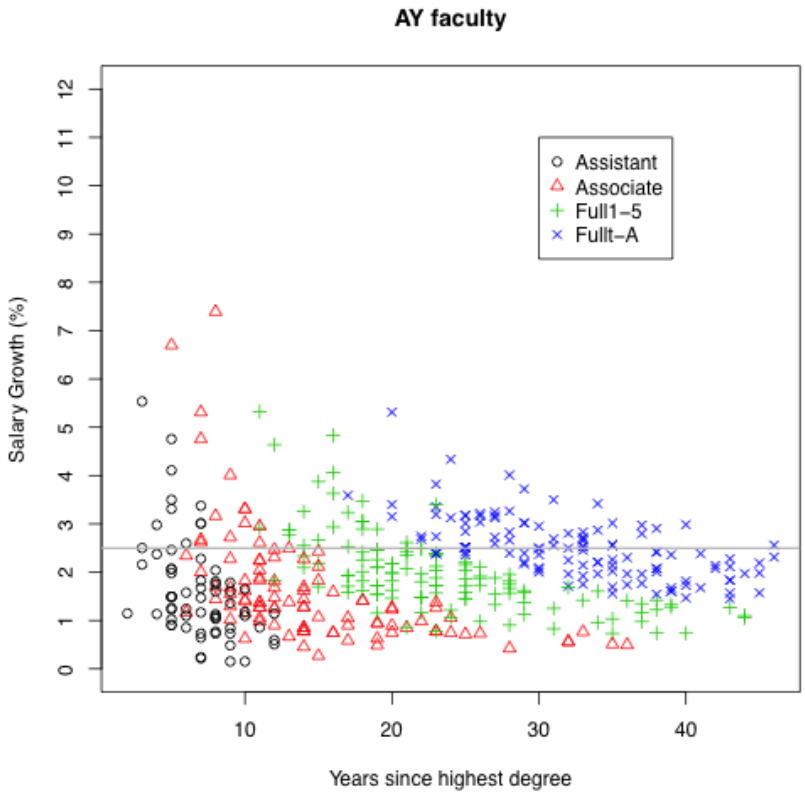


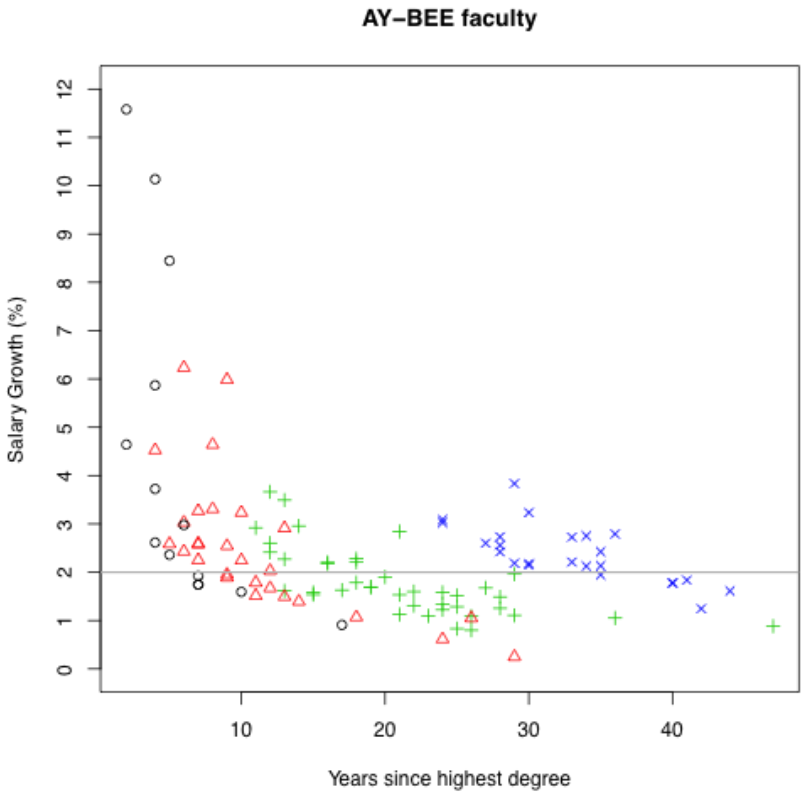


- Six AY faculty currently had salaries below $65K as on July 1st, 2011.
- This is an annualized percentage of growth. Values roughly below 2.7 for AY (2.1 for AY-BEE) represent growth below the rate implied by the salary scale.

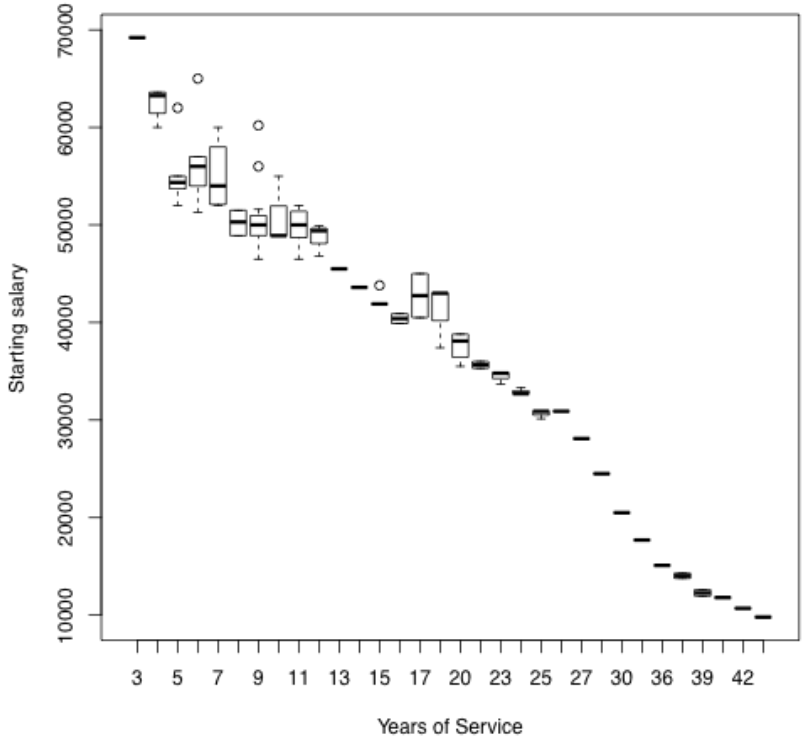
Assumptions: (i) Initial salary approx. constant for all hires in a given year, (ii) Base salary constant (in real terms) over time, (iii) As with promotion growth, time spent on other jobs before joining UCSC captured in the rank/step at hiring.

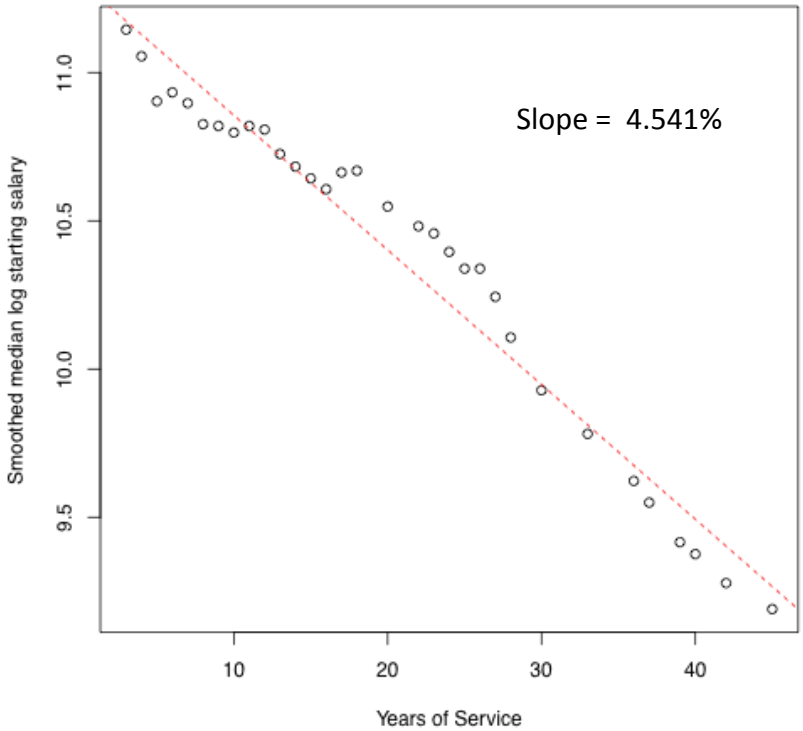
Salary growth factor against time since degree





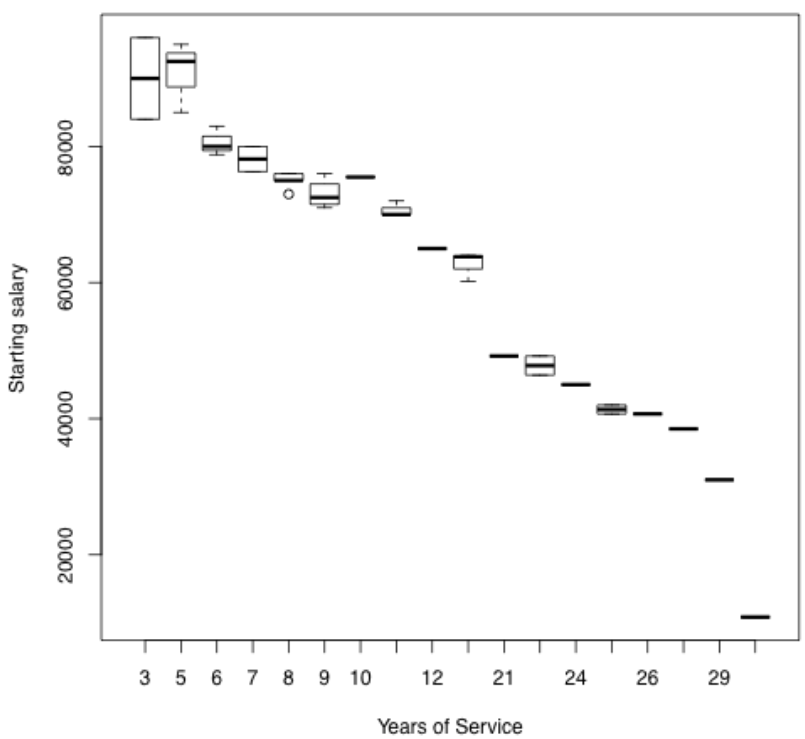
History of starting salaries for AY faculty

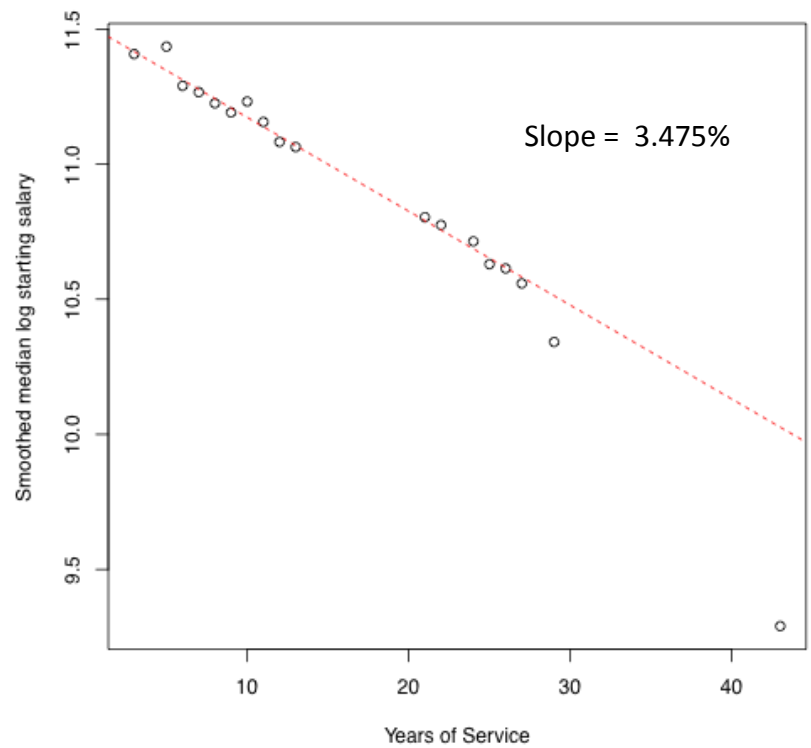




Given the history of increases on initial salaries for AY faculty at UCSC, the net present value is approximately $69,000.

History of starting salaries for AY-BEE faculty

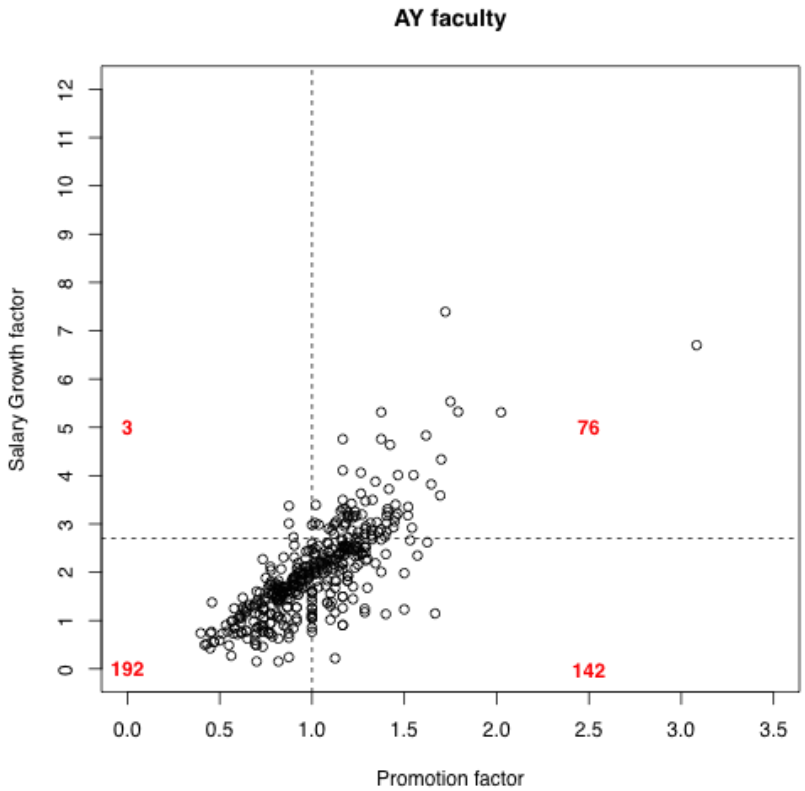


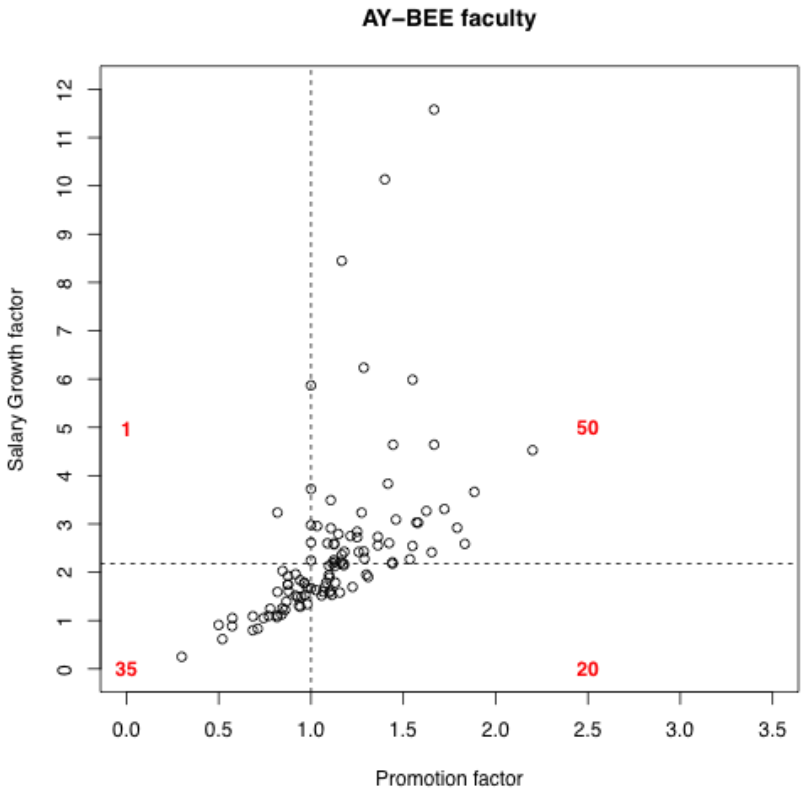


Given the history of increases on initial salaries for AY-BEE faculty at UCSC, the net present value is approximately $90,000.

RELATIONSHIP BETWEEN PROMOTION GROWTH AND SALARY GROWTH

Promotion Growth vs. Salary Growth





Description of the faculty in various quadrants is included below
(terms such as high and low are all relative):

AY-Scale (Total 413)

Quadrant 1: Total 76 (high promotion and salary growth)
Asst 7; Assoc 10: Full: 59 (Full 1-5 19; Full 6-9: 25; Above Scale 15)
(Earth 8, Astr 7, Phys 6, Lit 6, Psyc 5, Anth 5, MCDB 4)
Top 7 add to 41 (54%)

Quadrant 2: Total 142 (high promotion growth; low salary growth)
Asst 29, Assoc 30, Full 83 (Full 1-5: 38, Full 6+: 45)
Ling 10, EarthSci 10, Lit 9, Physics 9, Psychology 8, Anthro 8, Chem 7
Top 7 adds to 61 (43%)

Quadrant 3: Total 192 (low promotion and salary growth)
Asst 28; Assoc 59; Full 95 (Full 1-5: 69; Full 6+: 36)
Lit 15, Chemistry 14, MCDB 13, HIST 12, Psy 11, Soc 11, Educ 10
Top 7 adds to 86 (45%)

Quadrant 4: Total 3
PBSCI 2, American studies 1
Asst4: 2; Assoc1: 1

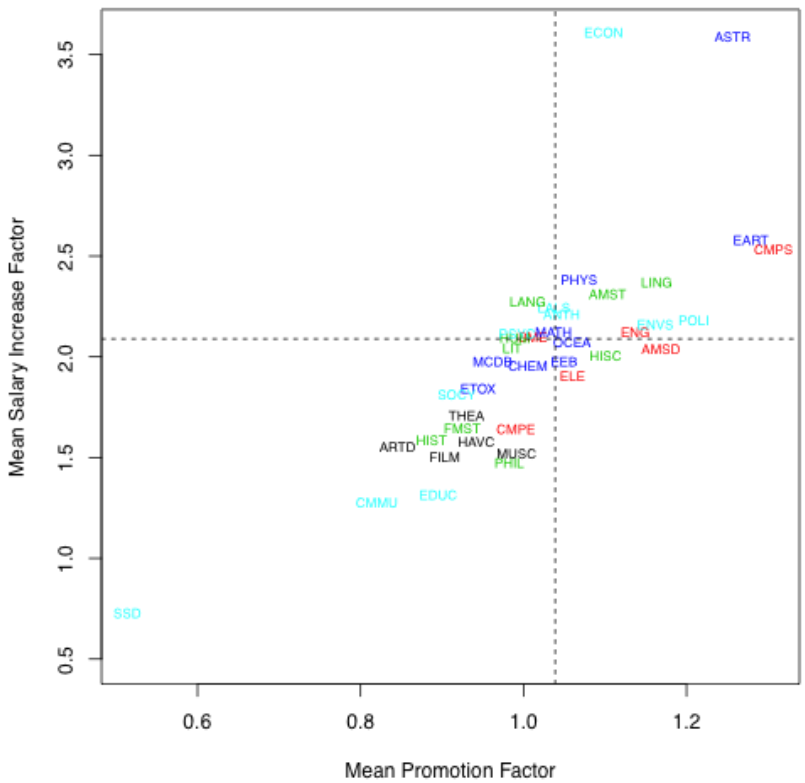
AY-BEE Scale (Total 106)
Quadrant 1: Total 50
Asst 9, Assoc 15, Full 1-5 11, Full 6+ 15
Econ 17, CMPS 14, Ele 5, CMPE 5, AMSD 4, BME 3, ENG 2

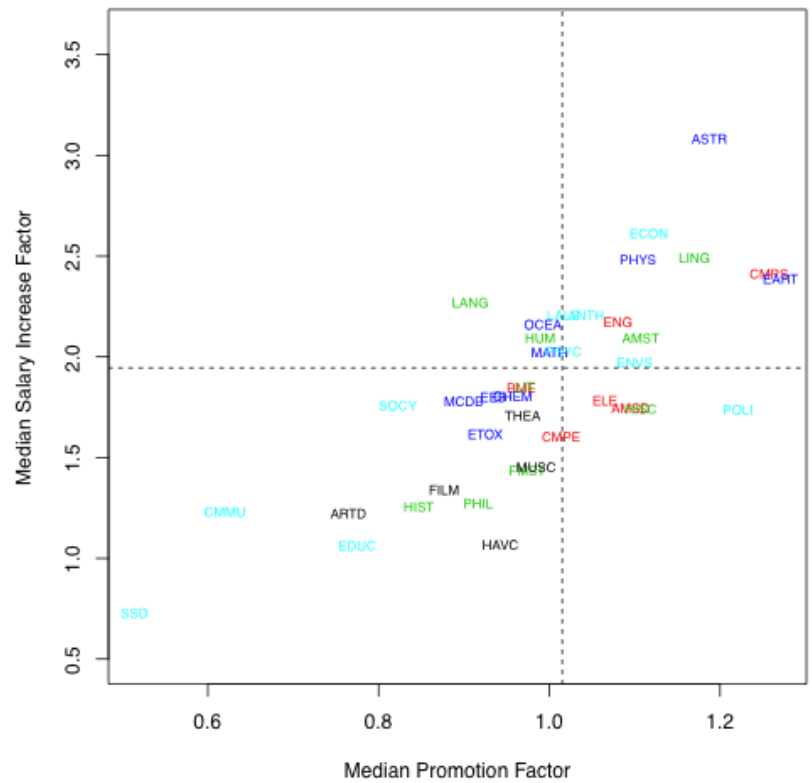
Quadrant 2: Total 20
Asst 0, Assoc 4, Full 1-5 12, Full 6+ 4
CMPS 5, CMPE 4, AMSD 4, ELE 3 ECON 2, BME 2

Quadrant 3: Total 35
Asst 5, Assoc 8, Full 1-5 17, Full 6+ 5
ELE 7, CMPE 7, ECON 5, CMPS 5, BME 5, AMSD 4, ENG 2

Quadrant 4: Total 1
Assoc 1
Econ

Promotion Growth vs. Salary Growth by Department





• Left (right) panel uses means (medians) to summarize over each department. Lines correspond to mean (median) values over all faculty studied. Colors represent Division.

Division	Mean Salary Growth	Rank: Salary Growth	Mean: Promotion Growth	Rank: Promotion Growth	Median: Salary Growth	Median: Promotion Growth
PBSCI	2.247	1	1.073	1	2.164	1.021
SSD	1.950	2	1.011	2	1.856	1.016
HUM	1.932	3	0.993	3	1.881	1.013
ARTS	1.567	4	0.914	4	1.408	0.925
Econ	3.611	1	1.098	1	2.614	1.117
Eng	2.094	2	1.133	2	1.921	1.100

	Mean Salary Growth	Rank: Salary Growth	Mean Promotion Growth	Rank: Promotion Growth	Median Salary Growth	Median Promotion Growth
Economics	3.611	1	1.098	3	2.614	1.117
CS	2.535	2	1.307	1	2.411	1.257
BME	2.097	3	1.011	5	1.850	0.967
AMS	2.039	4	1.169	2	1.745	1.095
EE	1.905	5	1.060	4	1.785	1.065
CE	1.644	6	0.991	6	1.606	1.014

	Mean Salary Growth	Rank: Salary Growth	Mean Promotion Growth	Rank: Promotion Growth	Median Salary Growth	Median Promotion Growth
Astronomy	3.592	1	1.256	2	3.084	1.188
Earth Sciences	2.581	2	1.279	1	2.386	1.271
Physics	2.384	3	1.068	8	2.483	1.104
Linguistics	2.371	4	1.164	4	2.491	1.170
American St	2.311	5	1.103	6	2.096	1.107
Languages	2.273	6	1.005	14/15	2.270	0.907
LALS	2.245	7	1.037	12/13	2.206	1.017
Anthropology	2.213	8	1.047	11	2.206	1.043
Political Sc	2.184	9	1.209	3	1.739	1.221
Env Sc	2.160	10	1.162	5	1.973	1.100
Math	2.123	11	1.037	12/13	2.022	1.000
Psychology	2.116	12	0.992	16/17	2.027	1.017
Ocean Sci	2.074	13	1.060	9	2.163	0.993
Literature	2.044	14	0.986	18	1.850	0.971
History of C	2.005	15	1.101	7	1.741	1.107
MCD Biology	1.980	16	0.962	20	1.782	0.900
EEBiology	1.978	17	1.050	10	1.803	0.935
Chemistry	1.958	18	1.005	14/15	1.805	0.957
ETox	1.843	19	0.944	21	1.616	0.925
Sociology	1.815	20	0.918	25	1.758	0.823
Theater Arts	1.711	21	0.930	23	1.709	0.969
Feminist St	1.648	22	0.925	24	1.438	0.974
History	1.588	23	0.887	28	1.256	0.847
History AVC	1.578	24	0.942	22	1.070	0.943
Arts	1.552	25	0.845	29	1.224	0.765
Music	1.523	26	0.992	16/17	1.454	0.985
Film	1.503	27	0.903	26	1.340	0.877
Philosophy	1.477	28	0.983	19	1.273	0.917
Education	1.315	29	0.895	27	1.064	0.775
Community St	1.280	30	0.820	30	1.231	0.620

At-Large (Salary Growth only)

Eng 2.123; Hum 2.096; SSD 0.728

Future Direction: What is the right metric?

Current Metric

- Off-scale Salary
  - Compares off-scale salary at same rank-step; but faculty with very similar performance may be advanced to different rank/steps

Proposed Metrics

- Salary Growth
- Promotion Growth
  - Becomes important because there may be a tradeoff between promotion and salary growth

Pair of metrics – promotion and salary – provide better insights than offscale salary alone. Future faculty salary policy recommendations to take into account both of these metrics rather than only one or off-scale salary alone. Certain cohorts may benefit more by focusing on promotion rather than salary or vice-versa.

Questions?/Discussion

SEGAL

Benefits, Compensation and HR Consulting

University of California Retirement Plan

Actuarial Valuation Report
as of July 1, 2010

SEGAL

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October 20, 2010

Mr. Dwaine B. Duckett
Vice President, Human Resources
University of California
1111 Franklin Street, 5th Floor
Oakland, California 94607

Dear Vice President Duckett:

We are pleased to submit this Actuarial Valuation Report as of July 1, 2010 for the University of California Retirement Plan ("UCRP" or "Plan"). It summarizes the actuarial data used in the valuation, determines total funding policy contribution rates for the 2011-2012 Plan Year and analyzes the preceding year's experience.

The census and financial information on which our calculations were based was provided by the UC HR Staff. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion the assumptions as approved by the Regents are reasonably related to the experience of and future expectations for the Plan.

We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

We look forward to reviewing this report at the November 2010 Regents meeting and to answering any questions.

Sincerely,

THE SEGAL COMPANY

By: _____
Paul Angelo, FSA, EA, MAAA
Senior Vice President and Actuary

_____
John Monroe, ASA, EA, MAAA
Vice President and Associate Actuary

MYM/kek

SECTION 1

EXECUTIVE SUMMARY

SECTION 2

VALUATION RESULTS

SECTION 3

SUPPLEMENTAL INFORMATION

SECTION 4

REPORTING INFORMATION

SECTION 1: Executive Summary for the University of California Retirement Plan

Purpose

This report has been prepared by The Segal Company to present a valuation of the University of California Retirement Plan ("UCRP" or "Plan") as of July 1, 2010. The valuation was performed to determine if the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Plan,
- The characteristics of covered active members, terminated vested members, retired members, disabled members and beneficiaries as of July 1, 2010,
- The assets of the Plan as of June 30, 2010,
- The funding policy adopted by the Regents,
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding member terminations, retirement, death, etc.

Significant Issues in Valuation Year

CONTRIBUTIONS

Reference: Pg. 10

- The total funding policy contribution rate increased from 20.40% of covered payroll to 23.25% of covered payroll. The increase in the total funding policy contribution rate was mainly due to the investment loss on the actuarial value of assets and to the approved contributions being less than the funding policy contributions during 2009-2010, offset to some extent by the change to the Regents funding policy. This total funding policy contribution rate is for the 2011-2012 Plan Year and applies to the non-laboratory segment of UCRP (i.e., campuses, medical centers and Hastings College of Law). Contributions for the laboratories are subject to the terms of the University's contracts with the Department of Energy. More information on the various UCRP segments can be found in Section 1, page vii. Unless otherwise noted, results shown in this report are for all of UCRP.

Reference: Pg. 51

- The Regents have approved increasing the amortization period used for any actuarial experience gains or losses from 15 years to 30 years. All amortization bases as of July 1, 2010 were combined and the combined base was amortized as a level dollar amount over 30 years.

Significant Issues in Valuation Year (continued)

Reference: Pg. 49

- The Regents approved restarting contributions on or about April 15, 2010. The initial University contribution rate was 4% of covered payroll and the initial member rate was the same as the amount that was previously redirected to the Defined Contribution Plan (approximately 2% of covered payroll). In September 2010, the Regents approved increases in these rates for the Plan Years beginning July 1, 2011 and July 1, 2012. The University rate will increase to 7% of covered payroll and 10% of covered payroll for those Plan Years while the rate for most members will increase to 3.5% of covered payroll and 5% of covered payroll (less $19 per month for all member rates). Member rates are subject to collective bargaining for represented employees.

ASSETS

Reference: Pgs. 7 and 8

- During the 2009-2010 Plan Year, the rate of return on the market value of assets was approximately 13%. Based on a partial recognition of this return as well as prior investment experience, the rate of return on the actuarial value of assets was 0.6%, which is less than the expected return of 7.5%.

Reference: Pg. 4

- The total unrecognized investment loss as of July 1, 2010 is about $6.6 billion. This investment loss will be recognized in the determination of the actuarial value of assets for valuation purposes over the next few years. This implies that, if the Plan earns the assumed rate of investment return of 7.50% per year (net of investment expenses) on a **market value** basis, there will be investment losses on the actuarial value of assets in the next few years. Unless there are offsetting future experience gains, we anticipate that this will lead to increases in the future total funding policy contributions.
- This actuarial valuation report as of July 1, 2010 is based on financial information as of that date. Changes in the value of assets subsequent to that date, to the extent that they exist, are not reflected. Declines in asset values will increase the actuarial cost of the Plan, while increases will decrease the actuarial cost of the Plan.

FUNDED RATIO

Reference: Pg. 11

Reference: Pg. 21

- The Plan's funded ratio on an actuarial value basis decreased from 95% as of July 1, 2009 to 87% as of July 1, 2010. This decrease in funded ratio is mainly a result of the investment loss on the actuarial value of assets and the fact that the approved contributions were less than the funding policy contributions during 2009-2010. The Plan is in an unfunded position as the actuarial accrued liability exceeds the actuarial value of assets by $6.3 billion. Information on the funded ratio and unfunded actuarial accrued liability for each UCRP segment can be found on page vii.

Significant Issues in Valuation Year (continued)

CHANGE IN PLAN PROVISIONS

- This valuation report reflects the temporary Furlough/Salary Reduction Plan approved by the Regents in July 2009 and the amendment to UCRP adopted by the Regents to ensure that the Furlough/Salary Reduction Plan has no impact on the calculation of member benefits. This amendment did not result in any increase in benefits above those on which the valuation would have been based if the Furlough/Salary Reduction Plan had not been in place. However, about $5 million less in UCRP employer and member contributions is estimated to be made from April 15, 2010 through August 31, 2010 as a result of the Furlough/Salary Reduction Plan.

FUTURE EXPECTATIONS

- The unrecognized investment losses of $6.6 billion represent about 19% of the market value of assets. Unless offset by future investment gains or other favorable experience, the future recognition of the $6.6 billion in market losses is expected to have a significant impact on the Plan's future funded ratio and future total funding policy contributions. This potential impact may be illustrated as follows:
  - If the deferred losses were recognized immediately in the actuarial value assets, the funded percentage would decrease from 86.7% to 72.8%.
  - If the deferred losses were recognized immediately in the actuarial value of assets, the total funding policy contribution would increase from 23.25% of covered payroll to 28.97% of covered payroll.

Reference: Pg. 55

- Since the approved contributions are less than the total funding policy contributions, contributions at the approved level will create additional future actuarial losses that will lead to further increases in future total funding policy contributions. Since the total funding policy contributions are reported as the Annual Required Contribution (ARC) under Governmental Accounting Standards (GAS) 25 and 27, the accumulated total of these contribution losses are also reported under GAS 27 as a Net Pension Obligation (NPO).
- The last actuarial experience study covered the period from July 1, 2002 through June 30, 2006. We anticipate performing another actuarial experience study during the first half of 2011. As part of this study, recommendations for changes in actuarial assumptions may be made. For each of UCRP's demographic actuarial assumptions, these recommendations will generally be based on a comparison of actual experience versus that which was expected to occur.

Significant Issues in Valuation Year (continued)

DEMOGRAPHIC EXPERIENCE

Reference: Pgs. 12 and 13

- Overall, the number of active members decreased by 0.7% from 115,745 as of July 1, 2009 to 114,928 as of July 1, 2010. The Plan has 53,902 members currently receiving benefits, an increase of 4.4% from 2009. Total annual benefits in pay status increased by 8.3%, to a level of $1.8 billion. There are also 55,037 terminated members in the Plan who are entitled to future benefits. Within this group of terminated members there are 31,623 terminated vested members who are entitled to a deferred or immediate vested benefit and 15,916 terminated nonvested members who are entitled to a refund of member contributions or payment of their Capital Accumulation Provision (CAP) balance. There are also 7,498 members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate from employment with LANS or LLNS.
- The actual average increase in salary for UCRP members that were active in both this valuation and the previous valuation was 2.6%. When compared to the average assumed increase of approximately 5.5%, this produced an actuarial gain due to salary increases less than expected.

Summary of Key Valuation Results

	2010 ($ in 000s)	2009 ($ in 000s)
Total funding policy contributions:		
Percentage of payroll*	23.25%	20.40%
Estimated annual dollar amount**	$1,867,921	$1,620,665
Funding elements for Plan Year beginning July 1:		
Normal cost (beginning of year)	$1,354,302	$1,338,726
Percentage of payroll (beginning of year)	16.94%	17.00%
Percentage of payroll (middle of year)	17.56%	17.63%
Market value of assets (MVA)	$34,574,454	$32,258,542
Actuarial value of assets (AVA)	41,195,318	42,798,773
Actuarial accrued liability (AAL)	47,504,309	45,160,525
Unfunded/(Overfunded) actuarial accrued liability	6,308,991	2,361,752
Funded ratio on actuarial value basis (AVA / AAL)	86.7%	94.8%
Funded ratio on market value basis (MVA / AAL)	72.8%	71.4%
Governmental Accounting Standard (GAS) 25 for Plan Year beginning July 1:		
Annual required contributions	$1,812,546	$1,695,137
Actual contributions	- -	148,445
Percentage contributed	N/A	8.8%
Demographic data for Plan Year beginning July 1:		
Number of retired members and beneficiaries	53,902	51,653
Number of vested terminated members***	55,037	54,883
Number of active members	114,928	115,745
Average covered compensation (actual dollars)	$77,172	$75,506

* *Total funding policy contributions are for the Plan Year starting one year after the date of the actuarial valuation. The total funding policy contributions shown are for the non-laboratory segment of UCRP and exclude contributions for the Lawrence Berkeley National Laboratory Segment, the Lawrence Livermore National Laboratory Retained Segment and the Los Alamos National Laboratory Retained Segment of UCRP. Page vii shows those contributions by each segment. The Normal Cost plus interest on the July 1, 2010 UAAL represents 22.60% of covered payroll.*

** *Based on estimated covered payroll of $8,034,068 (also in thousands) for the 2011-2012 Plan Year and $7,944,437 for the 2010-2011 Plan Year. Actual contributions are set by the Regents and will be made based on actual payroll.*

*** *Includes terminated nonvested members due a refund of member contributions or CAP balance payment and members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate from employment with LANS or LLNS.*

FIVE-YEAR HISTORY OF TOTAL FUNDING POLICY CONTRIBUTIONS AND FUNDED STATUS

Effective with the July 1, 2008 valuation, a funding policy was adopted that determines total funding policy contributions based on the Plan's normal cost adjusted by an amortization of any surplus or underfunding.

The total funding policy contribution rate is effective for the Plan Year starting one year after the date of the actuarial valuation and applies to the non-laboratory segment of UCRP. The total funding policy contribution rate for the 2011-2012 Plan Year is based on this valuation and is 23.25% of payroll.

The Regents approved restarting contributions on or about April 15, 2010. The initial University contribution rate was 4% of covered payroll and the initial member rate was the same as the amount that was previously redirected to the Defined Contribution Plan. In September 2010, the Regents approved increases in these rates for the Plan Years beginning July 1, 2011 and 2012.

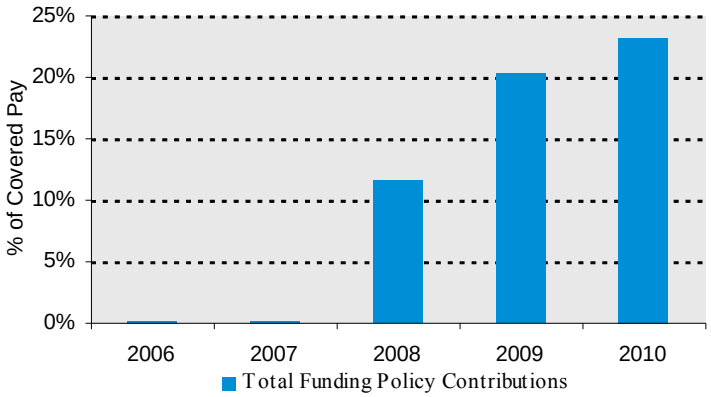
The Plan's funded percentage (actuarial value of assets divided by actuarial accrued liability) over the past five years is shown below:

Plan Year Beg. 7/1	AAL $ in Billions	AVA $ in Billions	Funded Percentage
2006	$40.3	$42.0	104%
2007	41.4	43.4	105
2008	42.6	43.8	103
2009	45.2	42.8	95
2010	47.5	41.2	87

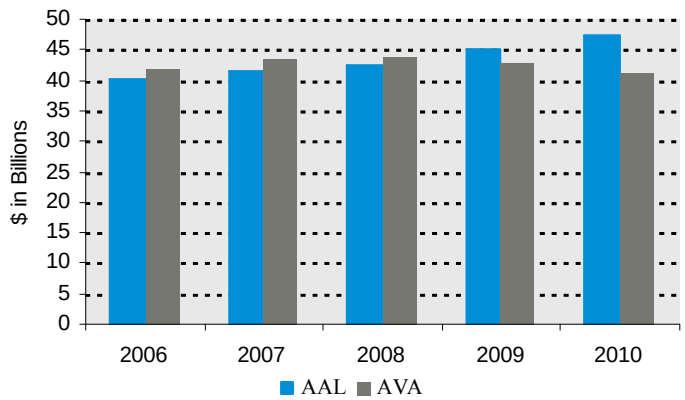
The actuarial accrued liability has shown a steady increase while the actuarial value of assets has remained relatively level as prior investment losses are recognized over a five-year period and contributions are just restarting.

The first graph shows a five-year history of the total funding policy contributions (non-laboratory segment of UCRP). The second graph shows the five-year history of the funded status – actuarial accrued liability versus the actuarial value of assets.

Five-Year History of Total Funding Policy Contributions Based on July 1 Actuarial Valuation Date



Five-Year History of Actuarial Accrued Liability and Actuarial Value of Assets for Plan Years Beginning July 1



Summary of UCRP July 1, 2010 Valuation Results by Segment ($ in 000s)

	Total UCRP	Campus and Medical Centers*	Lawrence Berkeley National Laboratory (LBNL)	Lawrence Livermore National Laboratory (LLNL)	Los Alamos National Laboratory (LANL)
Normal Cost (beginning of year)	$1,354,302	$1,311,636	$42,666	$0	$0
Market value of assets	34,574,454	28,312,060	1,412,821	2,528,604	2,320,970
Actuarial value of assets (AVA)	41,195,318	33,733,692	1,683,364	3,012,820	2,765,442
Actuarial accrued liability (AAL)	47,504,309	39,123,578	1,542,914	3,718,185	3,119,631
Unfunded/(Overfunded) actuarial accrued liability	6,308,991	5,389,886	(140,450)	705,365	354,189
Funded Ratio (AVA/AAL)	86.7%	86.2%	109.1%	81.0%	88.6%
Estimated Covered Payroll for 2011-2012 Plan Year	$8,295,249	$8,034,068	$261,181	$0	$0
Total funding policy contributions**					
Percent of payroll***		23.25%	23.25%	N/A	N/A
Estimated dollar amount in 000s		$1,867,921	$60,725	N/A	N/A
Required Contractual Contributions****					
Estimated dollar amount in 000s		N/A	N/A	$153,941	$70,114

* *Includes Hasting College of Law*

** *All total funding policy contributions are based on valuation results as of July 1, 2010. Please see Section 2, page 10 for more detailed information on this calculation.*

*** *The total funding policy contributions shown for the campus and medical centers and LBNL segments are for the Plan Year beginning July 1, 2011. Actual contributions for these two segments will be set by the Regents.*

**** *The contributions shown for the LLNL and LANL Retained Segments are required for the Plan Year beginning July 1, 2010 under the terms of the University's contracts with the Department of Energy, and are due by February 29, 2012.*

Note: Results may not add due to rounding.

SECTION 2: Valuation Results for the University of California Retirement Plan

A. MEMBER DATA

The Actuarial Valuation and Review considers the number and demographics of covered members, including active members, vested terminated members, retired members, disabled members and beneficiaries.

This section presents a summary of significant statistical data on these participant groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B and C.

A historical perspective of how the participant population has changed over the past ten valuations can be seen in this chart.

CHART 1

Member Population: 2001 – 2010

Year Beginning July 1	Active Members	Terminated Vested Members*	Retired Members, Disabled Members and Beneficiaries	Ratio of Retirees to Actives
2001	109,848	23,278	34,684	0.32
2002	117,776	25,198	36,165	0.31
2003	121,351	31,262	37,867	0.31
2004	123,717	39,874	39,738	0.32
2005	124,642	47,123	41,477	0.33
2006	122,317	52,548	45,442	0.37
2007	118,885	59,056	47,682	0.40
2008	114,242	64,566	50,171	0.44
2009	115,745	54,883	51,653	0.45
2010	114,928	55,037	53,902	0.47

* *Includes terminated nonvested members due a refund of member contributions or CAP balance payment and members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate from employment with LANS or LLNS.*

Active Members
Plan costs and liabilities are affected by the age, service credit and covered compensation of active members. In this year's valuation, there are 114,928 active members with an average age of 44.8 years, average service credit of 9.4 years and average covered compensation of $77,172.

Inactive Members
In this year's valuation, there were 55,037 terminated members. Within this group of terminated members there are 31,623 members with a vested right to a deferred or immediate vested benefit and 15,916 terminated nonvested members who are entitled to a return of their member contributions or a distribution of their CAP balance. There are also 7,498 members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate from employment with LANS or LLNS.

These graphs show a distribution of active members by age and by service credit. In Chart 3 there are 220 members who have 40 or more years of service credit.

CHART 2

Distribution of Active Members by Age as of July 1, 2010

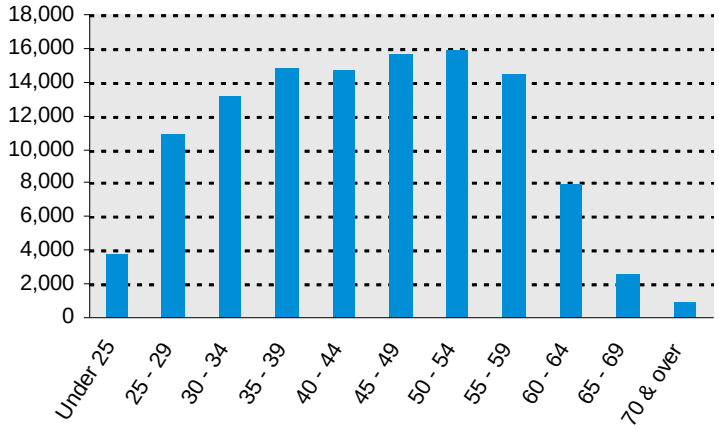
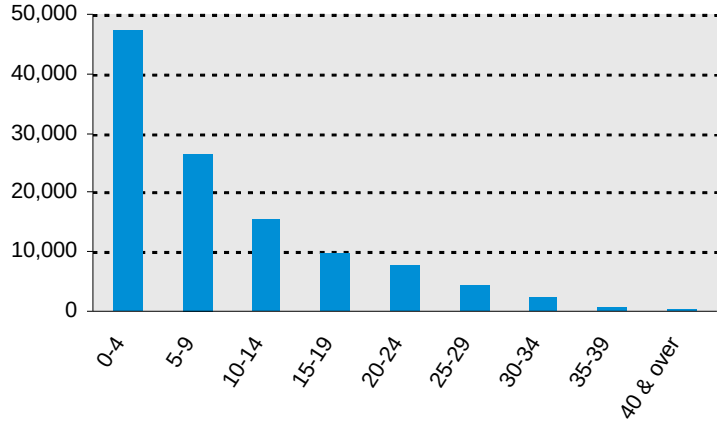


CHART 3

Distribution of Active Members by Service Credit as of July 1, 2010



Retired Members, Disabled Members and Beneficiaries
As of July 1, 2010, 45,111 retired members, 2,110 disabled members and 6,681 beneficiaries were receiving total monthly benefits of $150,997,658.

These graphs show a distribution of the current retired members, disabled members and beneficiaries based on their monthly benefit and age.

CHART 4

Distribution of Retired Members, Disabled Members and Beneficiaries by Monthly Benefit as of July 1, 2010

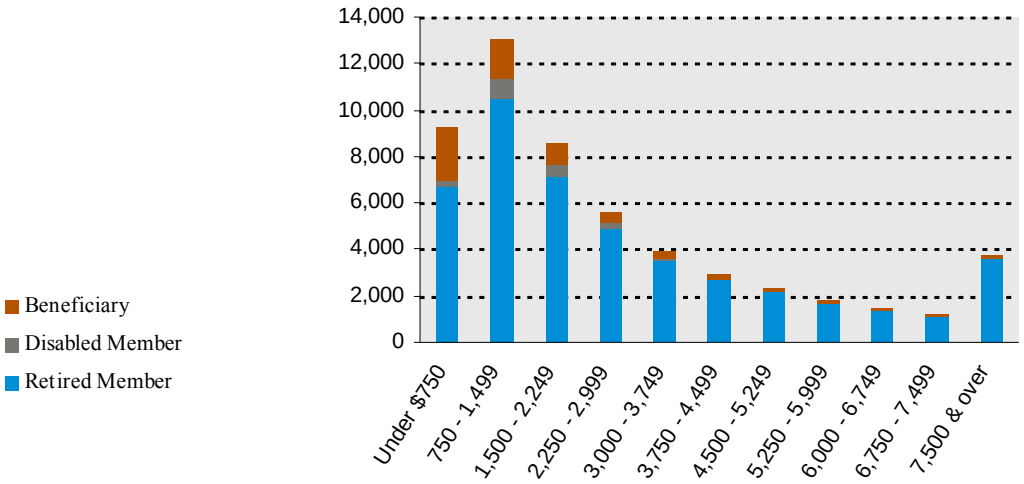
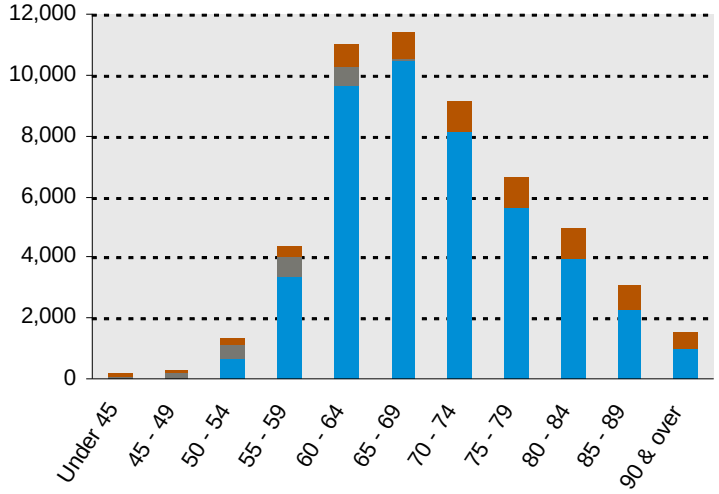


CHART 5

Distribution of Retired Members, Disabled Members and Beneficiaries by Age as of July 1, 2010



B. FINANCIAL INFORMATION

Retirement plan funding anticipates that, over the long term, both net contributions (less administration expenses) and net investment earnings (less investment fees) will be needed to cover benefit payments.

Retirement plan assets change as a result of the net impact of these income and expense components. Additional financial information for UCRP, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits D and E.

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Regents have approved an asset valuation method for UCRP that smoothes market value investment gains and losses over a five-year period. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset values and the plan costs are more stable.

The chart shows the determination of the actuarial value of assets as of the valuation date.

CHART 6

Determination of Actuarial Value of Assets for Year Ended June 30, 2010

			($ in 000s)
1. Market value of assets			$34,574,454
2. Calculation of unrecognized return*	Original Amount*	Unrecognized Return**	
(a) Year ended June 30, 2010	$1,803,846	$1,443,076	
(b) Year ended June 30, 2009	(10,986,902)	(6,592,141)	
(c) Year ended June 30, 2008	(6,070,876)	(2,428,350)	
(d) Year ended June 30, 2007	4,782,754	956,551	
(e) Year ended June 30, 2006	(106,416)	0	
(f) Total unrecognized return***			(6,620,864)
3. Actuarial value of assets: (1) - (2f)			41,195,318
4. Actuarial value as a percentage of market value: (3) ÷ (1)			119.1%

* *Total return minus expected return on a market value basis*

** *Recognition at 20% per year over 5 years*

****Deferred return as of June 30, 2010 recognized in each of the next four years:*

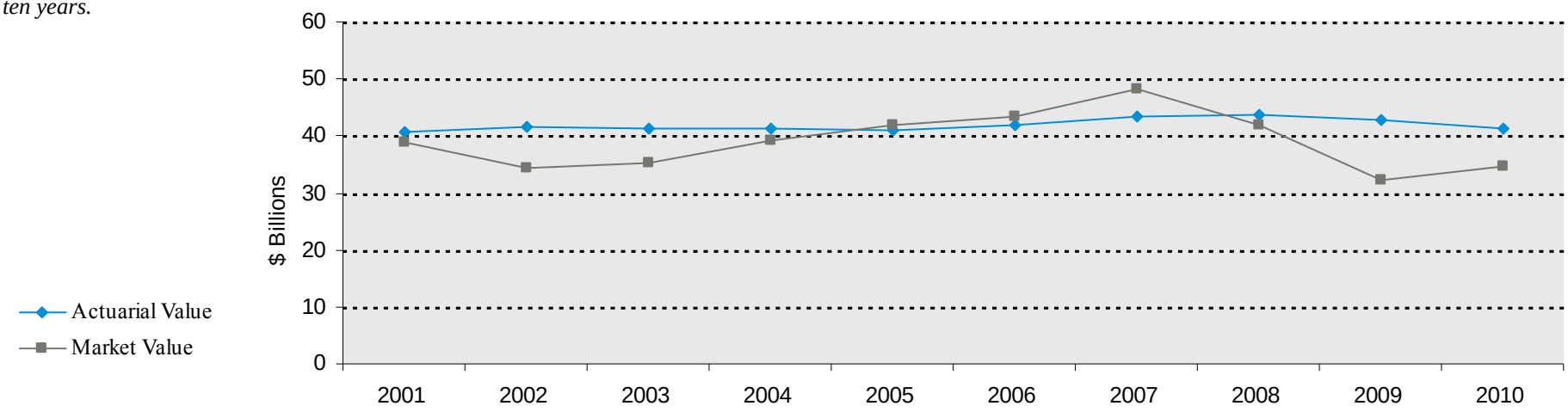
(a) Amount recognized during 2010/2011	*$(2,094,236)*
(b) Amount recognized during 2011/2012	*(3,050,786)*
(c) Amount recognized during 2012/2013	*(1,836,611)*
(d) Amount recognized during 2013/2014	*360,769*
	($6,620,864)

Both the actuarial value and market value of assets are representations of the Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial value of assets is significant because UCRP's liabilities are compared to the actuarial value of assets to determine what portion, if any, remains unfunded or overfunded. Amortization of any unfunded or overfunded liability is an important element in determining future contribution rates.

This chart shows the change in the actuarial value of assets versus the market value over the past ten years.

CHART 7

Actuarial Value of Assets vs. Market Value of Assets for Years Ended June 30, 2001 – 2010



C. ACTUARIAL EXPERIENCE

To calculate contribution rates, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the contribution rate will decrease from the previous year. On the other hand, the contribution rate will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution rates to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution rate is adjusted to take into account a change in experience anticipated for all future years.

The components of the total loss of $4.1 billion are shown below. The net experience gain from sources other than investments and contributions was 0.8% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

This chart provides a summary of the actuarial experience during the past year.

CHART 8

Actuarial Experience for Year Ended June 30, 2010

		($ in 000s)
1.	Net (loss) from contributions less than expected	($1,634,964)
2.	Net (loss) from investments*	(2,906,036)
3.	Net gain from salary increases less than assumed	494,838
4.	Net (loss) from other experience	(98,040)
5.	Net experience (loss): (1) + (2) + (3) + (4)	($4,144,202)

** Details in Chart 9*

Investment Rate of Return

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on UCRP's investment policy. For valuation purposes, the assumed rate of return is 7.50%. As shown below, the actual rate of return on the actuarial value of assets for the 2009-2010 Plan Year was 0.56%.

Since the actual return for the year was less than the assumed return, the Plan experienced an actuarial loss during the year ended June 30, 2010 with regard to its investments, when measured based on the actuarial value of assets. The amount of this gain is derived below.

This chart shows the gain due to investment experience.

CHART 9

Investment Experience for Year Ended June 30, 2010

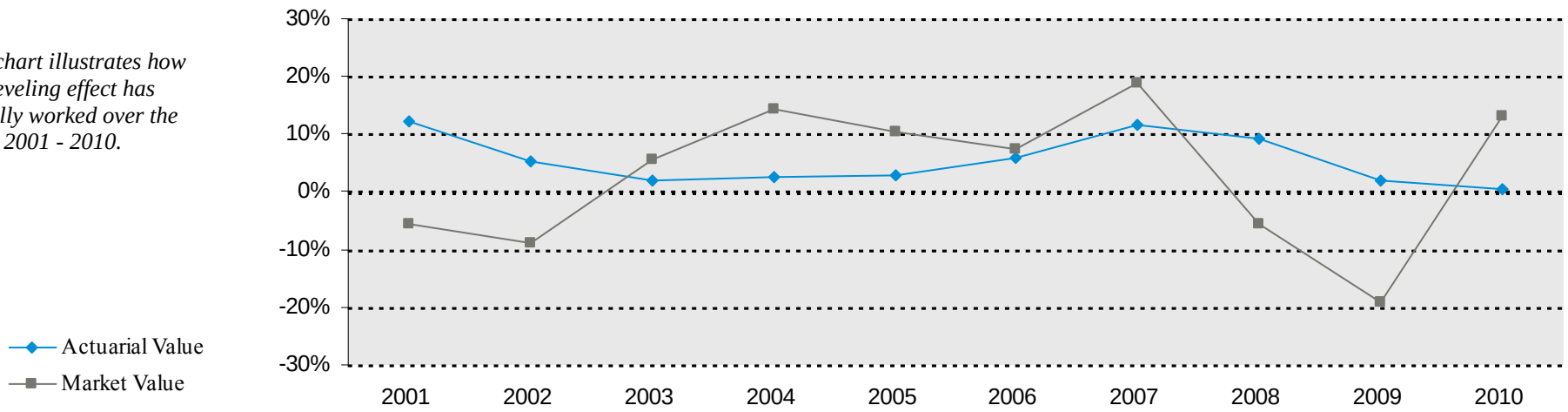
	June 30, 2010 ($ in 000s)
1. Actual return on actuarial value of assets	$234,932
2. Average actuarial value of assets	41,879,579
3. Actual rate of return: (1) ÷ (2)	0.56%
4. Assumed rate of return	7.50%
5. Expected return: (2) x (4)	3,140,968
6. Actuarial gain: (1) – (5)	($2,906,036)

In the preceding subsection B we described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this method is to stabilize the actuarial rate of return, which contributes to leveling pension plan costs. This effect is clear in the chart below, where the year-to-year returns on actuarial value are less volatile than the returns on market value.

CHART 10

Market and Actuarial Rates of Return for Years Ended June 30, 2001 - 2010

This chart illustrates how this leveling effect has actually worked over the years 2001 - 2010.



Other Experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among the members,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),
- the number of disability retirements, and
- salary increases different than assumed.

The net gain from this other experience for the year ended June 30, 2010 amounted to $397 million which is 0.8% of the actuarial accrued liability. Further details may be found in Section 3, Exhibit F.

D. TOTAL FUNDING POLICY CONTRIBUTION

Effective with the July 1, 2008 valuation, a funding policy was adopted that determines total funding policy contributions based on the Plan's normal cost adjusted by an amortization of any surplus (overfunding) or underfunding, with contributions starting for the Plan Year beginning July 1, 2009.

The total funding policy contribution for the 2010-2011 Plan Year is based on a 15-year amortization period for the unfunded actuarial accrued liability (UAAL) as of July 1, 2009.

The total funding policy contribution for the 2011-2012 Plan year is based on a 30-year amortization period for the UAAL as of July 1, 2010.

The calculation of the total funding policy contribution rates for the current and prior valuation are shown below.

This total funding policy contribution rate applies to the non-laboratory segment of UCRP (i.e., campuses, medical centers and Hastings College of Law). Contributions for the laboratories are subject to the terms of the University's contracts with the Department of Energy. For more information on the various UCRP segments please see Section 1, page vii. For more details on the UCRP funding policy please see Section 4, Exhibit VI, page 51.

The total funding policy contribution rates as of July 1, 2010 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4 and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

The chart shows the calculation of the total funding policy contribution for the non-laboratory segment of UCRP.

CHART 11
Total Funding Policy Contribution (Non-Laboratory Segment of UCRP)

	Actuarial Valuation Date			
	July 1, 2010 ($ in 000s)		July 1, 2009 ($ in 000s)	
	Amount	% of Payroll	Amount	% of Payroll
1. Normal cost (beginning of year)	$1,311,636	16.94%	$1,303,163	17.02%
2. Actuarial value of assets	33,733,692		34,948,781	
3. Actuarial accrued liability	39,123,578		36,878,421	
4. Unfunded/(Overfunded) actuarial accrued liability	5,389,886		1,929,640	
5. Amortization of Unfunded/(Overfunded) actuarial accrued liability*	424,529	5.48%	203,352	2.66%
6. Total funding policy contribution rate, before timing adjustment: (1) + (5)		22.42%		19.68%
7. Total funding policy contribution rate, adjusted for timing**		23.25%		20.40%
8. Estimated total funding policy contribution amount***	$1,867,921		$1,620,665	

* *Thirty year amortization of the unfunded actuarial accrued liability (UAAL) as of July 1, 2010. Fifteen year amortization of the UAAL as of July 1, 2009. See Section 3, Exhibit H for more details.*

** *Total funding policy contribution includes an adjustment to account for contributions being made throughout the year. No additional adjustment is included to account for contributions not starting until the beginning of the next Plan Year.*

*** *Based on estimated covered payroll of $8,034,068 (also in thousands) for the 2011-2012 Plan Year and $7,944,437 for the 2010-2011 Plan Year. Actual contributions are set by the Regents and will be made based on actual payroll.*

E. INFORMATION REQUIRED BY THE GASB

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes of governmental pension plans. The information required is set forth in Governmental Accounting Standards (GAS) 25 and 27. This information allows a reader of the financial statements to compare the funding status of one governmental plan to another on relatively equal terms.

Critical information to the GASB is the historical comparison of the GASB required contributions to the actual contributions. This comparison demonstrates whether a plan is being funded on an actuarially sound basis and in accordance with the GASB funding requirements. Chart 12 below presents a graphical representation of this information for the Plan.

The other critical piece of information regarding the Plan's financial status is the funded ratio. This ratio compares the assets of the Plan to the liabilities of the Plan as calculated under GASB Standards. High ratios indicate a well-funded plan with assets sufficient to cover the Plan's accrued liabilities. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other changes. This information is shown in Chart 13.

The details regarding the calculations of these values and other GASB numbers may be found in Section 4, Exhibits I through III and VII.

These graphs show key elements of the GASB information.

CHART 12

Required Versus Actual Contributions

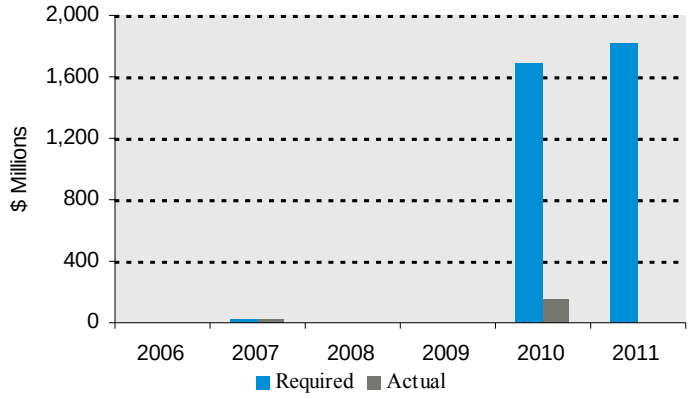
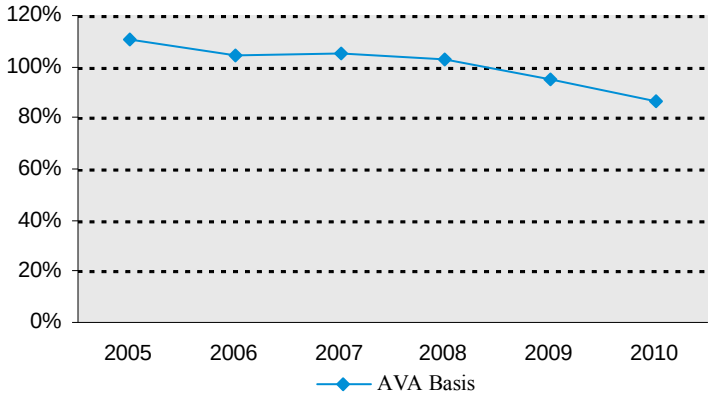


CHART 13

Funded Ratio (Plan Year Beginning July 1)



SECTION 3: Supplemental Information from the Valuation of the University of California Retirement Plan

EXHIBIT A

Table of Plan Coverage
i. Active Members

Category	Year Beginning July 1 2010	Year Beginning July 1 2009	Change From Prior Year
Active members with Social Security:			
Number	112,705	113,129	-0.4%
Average age	44.6	44.3	N/A
Average service credit	9.1	8.8	3.4%
Total covered compensation	$8,638,749,175	$8,470,183,198	2.0%
Average covered compensation	$76,649	$74,872	2.4%
Active members without Social Security:			
Number	1,805	2,199	-17.9%
Average age	57.0	57.7	N/A
Average service credit	26.1	27.4	-4.7%
Total covered compensation	$191,502,212	$231,322,247	-17.2%
Average covered compensation	$106,095	$105,194	0.9%
Safety members:			
Number	418	417	0.2%
Average age	41.8	41.0	N/A
Average service credit	9.9	9.5	4.2%
Total covered compensation	$39,013,890	$37,927,838	2.9%
Average covered compensation	$93,335	$90,954	2.6%
All active members:			
Number	114,928	115,745	-0.7%
Average age	44.8	44.5	N/A
Average service credit	9.4	9.2	2.2%
Total covered compensation	$8,869,265,277	$8,739,433,283	1.5%
Average covered compensation	$77,172	$75,506	2.2%

EXHIBIT A

Table of Plan Coverage
ii. Nonactive Members

Category	Year Beginning July 1* 2010	2009	Change From Prior Year
Terminated vested members:			
Number	31,623	31,215	1.3%
Average age	48.6	48.2	N/A
Total monthly benefit**	$44,505,642	$44,312,526	0.4%
Average monthly benefit	$1,407	$1,420	-0.9%
Terminated nonvested members:* **			
Number	23,414	23,668	-1.1%
Average member refund and CAP balance	$7,486	$7,032	6.5%
Retired members:			
Number in pay status	45,111	42,969	5.0%
Average age	70.0	69.8	N/A
Total monthly benefit	$135,350,694	$124,462,877	8.7%
Average monthly benefit	$3,000	$2,897	3.6%
Disabled members:			
Number in pay status	2,110	2,157	-2.2%
Average age	56.4	56.2	N/A
Total monthly benefit	$3,520,653	$3,506,426	0.4%
Average monthly benefit	$1,669	$1,625	2.7%
Beneficiaries (includes Eligible Survivors, Contingent Annuitants, and Spouses/Domestic Partners):			
Number in pay status	6,681	6,527	2.4%
Average age	73.9	73.5	N/A
Total monthly benefit	$12,126,311	$11,454,299	5.9%
Average monthly benefit	$1,815	$1,755	3.4%

Note: Monthly benefits shown include temporary Social Security Supplement

* *CAP balances total $1.26 billion as of July 1, 2010 and $1.25 billion as of July 1, 2009 for all members.*

** *Benefit is calculated based on assumed retirement age (age 59 or current age if later).*

*** *For July 1, 2010, includes 7,498 members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate employment with LANS or LLNS. For July 1, 2009, 7,601 members were included.*

EXHIBIT B

Members in Active Service and Average Covered Compensation as of July 1, 2010
By Age and Service Credit

i. All Active Members

	Service Credit									
Age	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	3,785	3,762	23	- -	- -	- -	- -	- -	- -	- -
	$41,466	$41,505	$35,148	- -	- -	- -	- -	- -	- -	- -
25 - 29	10,924	9,776	1,123	24	1	- -	- -	- -	- -	- -
	53,832	54,109	51,604	$45,584	$40,626	- -	- -	- -	- -	- -
30 - 34	13,176	8,857	3,669	644	6	- -	- -	- -	- -	- -
	64,986	66,255	63,048	58,587	62,323	- -	- -	- -	- -	- -
35 - 39	14,834	7,730	4,840	1,902	349	13	- -	- -	- -	- -
	73,216	73,259	75,473	68,396	67,610	$63,254	- -	- -	- -	- -
40 - 44	14,644	5,365	4,847	2,847	1,193	381	11	- -	- -	- -
	77,061	73,013	79,573	81,829	76,389	69,090	$60,167	- -	- -	- -
45 - 49	15,647	4,232	4,184	3,231	2,188	1,439	356	17	- -	- -
	78,924	71,409	76,735	85,340	90,420	76,335	75,932	$71,615	- -	- -
50 - 54	15,904	3,208	3,243	2,929	2,432	2,371	1,259	448	14	- -
	83,570	73,764	76,960	85,033	95,366	92,836	84,894	75,937	$62,773	- -
55 - 59	14,440	2,437	2,599	2,214	2,068	2,248	1,666	991	213	4
	88,989	77,996	78,020	85,747	95,506	98,753	104,366	92,390	80,585	$52,094
60 - 64	7,972	1,402	1,519	1,261	1,126	1,006	807	621	212	18
	94,977	80,674	81,751	86,819	93,705	102,207	116,858	130,263	118,880	92,427
65 - 69	2,641	428	445	366	297	287	220	284	246	68
	118,907	94,585	91,105	99,043	114,367	125,824	148,558	161,060	153,282	155,137
70 & over	961	154	116	104	102	109	72	75	99	130
	138,612	102,193	99,883	104,543	114,377	146,051	167,781	183,699	183,343	180,118
Total	114,928	47,351	26,608	15,522	9,762	7,854	4,391	2,436	784	220
	$77,172	$66,063	$74,819	$82,020	$91,534	$93,450	$101,917	$109,691	$126,408	$162,894

Average Age: 44.8

Average Service Credit: 9.4

EXHIBIT B

Members in Active Service and Average Covered Compensation as of July 1, 2010
By Age and Service Credit

ii. Members with Social Security

	Service Credit									
Age	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	3,752	3,729	23	- -	- -	- -	- -	- -	- -	- -
	$41,412	$41,451	$35,148	- -	- -	- -	- -	- -	- -	- -
25 - 29	10,747	9,606	1,116	24	1	- -	- -	- -	- -	- -
	53,819	54,120	51,416	$45,584	$40,626	- -	- -	- -	- -	- -
30 - 34	13,015	8,731	3,639	639	6	- -	- -	- -	- -	- -
	64,997	66,367	62,889	58,304	62,323	- -	- -	- -	- -	- -
35 - 39	14,678	7,619	4,816	1,889	341	13	- -	- -	- -	- -
	73,211	73,350	75,432	68,227	66,738	$63,254	- -	- -	- -	- -
40 - 44	14,547	5,324	4,828	2,828	1,180	376	11	- -	- -	- -
	77,019	73,077	79,501	81,754	76,119	68,664	$60,167	- -	- -	- -
45 - 49	15,560	4,217	4,165	3,221	2,176	1,419	345	17	- -	- -
	78,824	71,374	76,701	85,300	90,401	75,927	74,298	$71,615	- -	- -
50 - 54	15,795	3,182	3,237	2,923	2,427	2,356	1,239	428	3	- -
	83,553	73,610	76,920	85,045	95,385	92,760	84,945	75,705	$76,359	- -
55 - 59	13,990	2,416	2,587	2,208	2,060	2,213	1,610	859	35	2
	89,105	77,840	77,840	85,722	95,545	98,934	104,770	93,525	85,021	$56,300
60 - 64	7,572	1,390	1,515	1,255	1,115	988	764	494	46	5
	93,846	80,514	81,636	86,642	93,394	102,319	116,957	131,865	132,289	93,120
65 - 69	2,282	408	438	359	292	276	200	211	73	25
	114,486	93,730	90,804	98,582	114,243	126,167	147,394	163,478	161,274	157,033
70 & over	767	150	115	101	99	105	67	53	26	51
	129,596	101,597	100,552	103,559	114,240	148,084	168,316	188,251	188,661	178,804
Total	112,705	46,772	26,479	15,447	9,697	7,746	4,236	2,062	183	83
	$76,649	$66,075	$74,738	$81,934	$91,454	$93,381	$101,589	$108,424	$141,903	$164,133

Average Age: 44.6

Average Service Credit: 9.1

EXHIBIT B

Members in Active Service and Average Covered Compensation as of July 1, 2010
By Age and Service Credit

iii. Members without Social Security

	Service Credit									
Age	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	26	26	- -	- -	- -	- -	- -	- -	- -	- -
	$40,437	$40,437	- -	- -	- -	- -	- -	- -	- -	- -
25 - 29	126	126	- -	- -	- -	- -	- -	- -	- -	- -
	44,869	44,869	- -	- -	- -	- -	- -	- -	- -	- -
30 - 34	102	100	2	- -	- -	- -	- -	- -	- -	- -
	54,130	53,498	$85,728	- -	- -	- -	- -	- -	- -	- -
35 - 39	81	77	4	- -	- -	- -	- -	- -	- -	- -
	59,286	58,980	65,175	- -	- -	- -	- -	- -	- -	- -
40 - 44	33	27	1	5	- -	- -	- -	- -	- -	- -
	59,811	52,951	160,425	$76,730	- -	- -	- -	- -	- -	- -
45 - 49	20	8	9	- -	1	1	1	- -	- -	- -
	75,373	74,335	77,743	- -	$49,740	$70,566	$92,774	- -	- -	- -
50 - 54	56	6	1	1	1	4	13	19	11	- -
	75,648	79,330	67,881	55,516	45,982	126,683	69,411	$80,637	$59,068	- -
55 - 59	414	9	5	4	6	29	51	130	178	2
	82,926	75,618	98,670	91,112	81,679	82,791	90,677	84,559	79,713	$47,888
60 - 64	397	12	3	6	11	17	42	127	166	13
	116,280	99,293	112,782	123,833	125,228	96,351	114,465	124,032	115,164	92,161
65 - 69	356	20	7	6	4	10	20	73	173	43
	147,346	112,023	109,974	118,096	131,689	120,048	160,200	154,072	149,910	154,035
70 & over	194	4	1	3	3	4	5	22	73	79
	174,261	124,522	22,985	137,662	118,874	92,680	160,611	172,732	181,449	180,966
Total	1,805	415	33	25	26	65	132	371	601	137
	$106,095	$57,126	$90,444	$106,727	$109,488	$95,191	$109,350	$116,777	$121,691	$162,144

Average Age: 57.0

Average Service Credit: 26.1

EXHIBIT B

Members in Active Service and Average Covered Compensation as of July 1, 2010
By Age and Service Credit

iv. Safety Members

	Service Credit									
Age	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	7	7	- -	- -	- -	- -	- -	- -	- -	- -
	$74,255	$74,255	- -	- -	- -	- -	- -	- -	- -	- -
25 - 29	51	44	7	- -	- -	- -	- -	- -	- -	- -
	78,579	78,100	$81,590	- -	- -	- -	- -	- -	- -	- -
30 - 34	59	26	28	5	- -	- -	- -	- -	- -	- -
	81,208	77,681	82,058	$94,792	- -	- -	- -	- -	- -	- -
35 - 39	75	34	20	13	8	- -	- -	- -	- -	- -
	89,195	85,192	87,311	92,983	$104,764	- -	- -	- -	- -	- -
40 - 44	64	14	18	14	13	5	- -	- -	- -	- -
	95,698	87,482	94,429	98,791	100,871	$101,164	- -	- -	- -	- -
45 - 49	67	7	10	10	11	19	10	- -	- -	- -
	103,322	89,312	89,846	98,201	97,762	107,113	$130,642	- -	- -	- -
50 - 54	53	20	5	5	4	11	7	1	- -	- -
	97,045	96,632	104,712	83,995	96,394	96,663	104,624	$85,957	- -	- -
55 - 59	36	12	7	2	2	6	5	2	- -	- -
	113,835	111,209	130,041	102,710	96,070	109,439	114,095	114,294	- -	- -
60 - 64	3	- -	1	- -	- -	1	1	- -	- -	- -
	132,074	- -	162,920	- -	- -	90,918	142,383	- -	- -	- -
65 - 69	3	- -	- -	1	1	1	- -	- -	- -	- -
	106,901	- -	- -	150,083	81,502	89,119	- -	- -	- -	- -
70 & over	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total	418	164	96	50	39	43	23	3	- -	- -
	$93,335	$85,302	$91,770	$96,466	$99,591	$103,277	$119,637	$104,849	- -	- -

Average Age: 41.8

Average Service Credit: 9.9

EXHIBIT C

Reconciliation of Member Data

	Active Members	Terminated Vested Members*	Retired Members	Disabled Members	Beneficiaries	Total
Number as of July 1, 2009	115,745	54,883	42,969	2,157	6,527	222,281
New members	10,469	0	0	0	474	10,943
Terminations – with vested rights	(2,840)	2,840	0	0	0	0
Terminations – without vested rights**	(6,285)	(905)	0	0	0	(7,190)
Retirements	(2,495)	(559)	3,034	20	0	0
Lump Sum Cashouts	(347)	(403)	(2)	(25)	(17)	(794)
Return to work	773	(755)	(18)	0	0	0
Died with or without beneficiary	(94)	(69)	(888)	(40)	(298)	(1,389)
Data adjustments	2	5	16	(2)	(5)	16
Number as of July 1, 2010	114,928	55,037	45,111	2,110	6,681	223,867

* *Includes terminated nonvested members due a refund of member contributions or CAP balance payment and members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate employment with LANS or LLNS.*

** *Includes those members who terminated and received a refund of member contributions or a distribution of their CAP balance.*

EXHIBIT D

Summary Statement of Income and Expenses

	Year Ended June 30, 2010 ($ in 000s)		Year Ended June 30, 2009 ($ in 000s)	
Contribution income:				
Employer contributions	$148,445		$454	
Members contributions	23,373		1,300	
Less administration expense	(32,656)		(32,453)	
Net contribution income		$139,162		($30,699)
Investment income:				
Interest and dividends	$807,916		$1,041,872	
Recognition of capital appreciation	(608,284)		(299,503)	
Securities lending income	51,006		149,064	
Securities lending fees and rebates	(15,706)		(73,216)	
Net investment income		234,932		818,217
Other income		0		0
Total income available for future benefits		$374,094		$787,518
Less benefit payments		($1,977,549)		($1,829,017)
Change in assets available for future benefits		($1,603,455)		($1,041,499)

EXHIBIT E

Summary Statement of Assets

	Year Ended June 30, 2010 ($ in 000s)		Year Ended June 30, 2009 ($ in 000s)	
Cash equivalents		$74,163		$229,916
Accounts receivable:				
Contributions	$163,167		$59,449	
Interest and dividends	75,459		78,275	
Investment of cash collateral	6,363,777		6,596,311	
Securities sales and other	53,885		681,259	
Total accounts receivable		6,656,288		7,415,294
Investments:				
Equity securities	$18,550,988		$18,292,542	
Fixed income securities	8,793,278		7,633,734	
Real estate	948,640		980,370	
Commingled funds	5,963,492		5,148,901	
Real assets	161,114		0	
Derivative investments	648,325		424,231	
Total investments at market value		35,065,837		32,479,778
Total assets		$41,796,288		$40,124,988
Less accounts payable:				
Payable for securities purchased	($650,348)		($1,057,760)	
Member withdrawals, refunds and other payables	(204,809)		(188,862)	
Collateral held for securities lending	(6,366,677)		(6,619,824)	
Total accounts payable		($7,221,834)		($7,866,446)
Net assets at market value		$34,574,454		$32,258,542
Net assets at actuarial value (for comparison purposes)		$41,195,318		$42,798,773

EXHIBIT F

Development of Unfunded/(Overfunded) Actuarial Accrued Liability ($ in 000s)

		Year Ended June 30, 2010
1. Unfunded/(Overfunded) actuarial accrued liability at beginning of year		$2,361,752
2. Normal cost at beginning of year		1,338,726
3. Expected total funding policy and required contractual contributions		(1,747,687)
4. Interest		
(a) For whole year on (1) + (2)	$277,536	
(b) For half year on (3)	(65,538)	
(c) Total interest		211,998
5. Expected Unfunded/(Overfunded) actuarial accrued liability		$2,164,789
6. Changes due to:		
(a) Loss from contributions less than expected under funding policy	$1,634,964	
(b) Loss from investments	2,906,036	
(c) Gain from salary increases	(494,838)	
(d) Loss from other experience	98,040	
(e) Total changes		4,144,202
7. Unfunded/(Overfunded) actuarial accrued liability at end of year		$6,308,991

EXHIBIT G

Actuarial Liabilities

	July 1, 2010 ($ in 000s)	July 1, 2009 ($ in 000s)
Actuarial Accrued Liability		
Members in pay status		
Retirees*	$18,686,297	$17,301,102
Beneficiaries	1,325,427	1,267,399
Disableds	711,432	704,828
Total in pay status	$20,723,156	$19,273,329
Active members		
With Social Security	$21,050,750	$19,952,224
Without Social Security	1,354,846	1,680,045
Safety	135,689	126,924
Total actives	$22,541,285	$21,759,193
Terminated members		
Vested	$4,064,592	$3,961,565
Nonvested	175,276	166,438
Total terminated	$4,239,868	$4,128,003
Total actuarial accrued liability	$47,504,309	$45,160,525
Actuarial Present Value of Projected Benefits		
Members in pay status*	$20,723,156	$19,273,329
Active members	33,585,304	32,684,279
Terminated members	4,239,868	4,128,003
Total present value of projected benefits	$58,548,328	$56,085,611

* *For July 1, 2010, includes a liability of $29.3 million for Lump Sum Cashouts, CAP balance payments and refunds of member contributions that were paid on or after July 1, 2010. For July 1, 2009, includes a liability of $33.7 million for Lump Sum Cashouts, CAP balance payments and refunds of member contributions that were paid on or after July 1, 2009.*

EXHIBIT H

Table of Amortization Bases (Non-Laboratory Segment of UCRP - $ in 000s)

Type	Date Established	Initial Years	Initial Amount	Annual Payment*	Years Remaining	Outstanding Balance**
Actuarial Loss	07/01/2010	30	$5,389,886	$424,529	30	$5,389,886
Total				$424,529		$5,389,886

* *Level dollar amount. Payment shown is as of beginning of year. The amounts shown are based on results for the non-laboratory segment of UCRP (i.e., campuses, medical centers and Hastings College of Law). They are used in the determination of the total funding policy contribution shown in Section 2, Chart 11, page 10. For more details on the UCRP funding policy please see Section 4, Exhibit VI, page 51.*

** *The July 1, 2010 amortization bases were combined into a single amortization base and amortized over 30 years as a level dollar amount.*

EXHIBIT I

Reconciliation of Total Funding Policy Contribution Rate from July 1, 2009 to July 1, 2010

Total Funding Policy Contribution Rate as of July 1, 2009	20.40%
Effect of contributions less than expected under funding policy	2.37%
Effect of investment loss	4.21%
Effect of gains on salary experience	-0.70%
Effect of other experience*	-0.63%
Effect of change in funding policy	-2.40%
Total change	2.85%
Total Funding Policy Contribution Rate as of July 1, 2010	23.25%

* *Includes effect of increase in total payroll, as well as other differences in actual versus expected experience including mortality, disability, withdrawal and retirement experience*

EXHIBIT J

Section 415 Limitations

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit indexed for inflation. That limit is $195,000 for 2009 and 2010. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, form of benefits chosen and after tax contributions.

The University pays benefits in excess of the limits through a 415(m) Restoration Plan. These costs are excluded in this valuation.

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

EXHIBIT K

Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Assumptions or Actuarial Assumptions: The estimates on which the cost of the Plan is calculated including:

(a) Investment return — the rate of investment yield that the Plan will earn over the long-term future;

(b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;

(c) Retirement rates — the rate or probability of retirement at a given age; and

(d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

Normal Cost: The amount required to fund the level cost allocated to the current year of service.

Actuarial Accrued Liability for Actives: The accumulated value of normal costs allocated to the years before the valuation date.

Actuarial Accrued Liability for Pensioners: The single sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and of the interest which the sum is expected to earn before it is entirely paid out in benefits.

Unfunded (Overfunded) Actuarial Accrued Liability: The extent that the actuarial accrued liability of the Plan exceeds (or is exceeded by) the assets of the Plan.

Amortization of the Unfunded (Overfunded) Actuarial Accrued Liability:	Payments made over a period of years equal in value to the Plan's unfunded or overfunded actuarial accrued liability.
Investment Return:	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return reflects a smoothing of market gains and losses to avoid significant swings in the value of assets from one year to the next.
Beneficiary:	Used for statistical purposes only; includes Eligible Survivors, Contingent Annuitants and Spouses/Domestic Partners

SECTION 4: Reporting Information from the Valuation of the University of California Retirement Plan

EXHIBIT I

Supplementary Information Required by GAS 25 – Schedule of Employer Contributions ($ in 000s)

Plan Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2006	$0	$0	100.00%
2007	23,934	23,934	100.00%
2008	2,657	2,657	100.00%
2009	454	454	100.00%
2010	1,695,137	148,445	8.76%
2011	1,812,546	- -	N/A

The Annual Required Contribution (ARC) shown for Plan Years ending June 30, 2010 and later includes interest until the end of the Plan Year. This interest includes interest on expected or, if known, actual employer contributions made throughout the year. The ARC for the Plan Year ending June 30, 2011 is based on projected covered payroll for the 2010/2011 Plan Year. It will be updated at the end of the Plan year based on actual covered payroll.

EXHIBIT II

Supplementary Information Required by GAS 25 – Schedule of Funding Progress ($ in 000s)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Projected Covered Payroll (c)	UAAL as a Percentage of Projected Covered Payroll [(b) - (a)] / (c)
07/01/2005	$41,084,862	$37,252,384	($3,832,478)	110.3%	$8,149,640	(47.0%)
07/01/2006*	41,972,476	40,301,708	(1,670,768)	104.1%	8,258,985	(20.2%)
07/01/2007**	43,433,936	41,436,576	(1,997,360)	104.8%	7,612,726	(26.2%)
07/01/2008	43,840,272	42,576,822	(1,263,450)	103.0%	7,468,809	(16.9%)
07/01/2009	42,798,773	45,160,525	2,361,752	94.8%	7,873,694	30.0%
07/01/2010	41,195,318	47,504,309	6,308,991	86.7%	7,995,421	78.9%

* *Does not reflect the transfer of assets and liabilities to the LANS defined benefit plan.*

** *Beginning in 2007, covered payroll is reduced to anticipate members who leave active status during the year.*

EXHIBIT III

Supplementary Information Required by GAS 25

Valuation Date	July 1, 2010
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level dollar, Closed
Remaining Amortization Period	The July 1, 2010 amortization bases were combined into a single amortization base and amortized over 30 years. Any changes in UAAL due to actuarial experience gains or losses after July 1, 2010 will be separately amortized over a fixed (closed) 30-year period effective with that valuation. Any changes in UAAL due to a change in actuarial assumptions or plan provisions will be separately amortized over a fixed (closed) 15-year period.
Asset Valuation Method	The market value of asset less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and the expected returns on a market value basis and is recognized over a five-year period.
Actuarial Assumptions:	
Investment Rate of Return*	7.50%
Projected Salary Increases*	4.35% to 7.00%
Cost of Living Adjustments	2.00%
Membership of the Plan	
Retirees, disableds and beneficiaries receiving benefits	53,902
Terminated Plan members entitled to, but not yet receiving benefits**	55,037
Active Plan members	114,928
Total	223,867

* *Includes inflation at 3.50%*

** *Includes terminated nonvested members due a refund of member contributions or CAP balance payment and members that transferred to the LANS or LLNS defined benefit plans who will be entitled to a CAP balance payment from UCRP after they separate employment with LANS or LLNS.*

EXHIBIT IV

Actuarial Assumptions and Methods

Demographic Assumptions

Post – Retirement Mortality Rates:

Healthy: 1994 Group Annuity Reserving Mortality Table unloaded, projected with scale AA to 2002. Ages are set back two years for males (from the male table) and set back one year for females (from the female table).

Disabled: RP-2000 Disabled Retiree Mortality Table. Ages are set back two years for males (from the male table) and set back one year for females (from the female table).

Sample Termination Rates Before Retirement:

	Rate (%)					
	Healthy Mortality		Disabled Mortality*		Disability Incidence	
Age	Male	Female	Male	Female	Male	Female
20	0.04	0.03	2.26	0.75	0.10	0.06
25	0.06	0.03	2.26	0.75	0.10	0.08
30	0.08	0.03	2.26	0.75	0.12	0.10
35	0.09	0.04	2.26	0.75	0.17	0.16
40	0.10	0.06	2.26	0.75	0.22	0.25
45	0.13	0.09	2.26	0.75	0.28	0.36
50	0.20	0.12	2.64	1.06	0.36	0.53
55	0.33	0.21	3.29	1.55	0.47	0.75
60	0.60	0.40	3.93	2.08	0.54	0.86
65	1.10	0.79	4.66	2.66	0.54	0.86

***** *Assumed to apply only while receiving UCRP Disability Income.*

Sample Termination Rates Before Retirement (continued):

	Rate (%)					
	Withdrawal – Faculty					
	Less than one Year of Service	At least one, but less than two Years of Service	At least two, but less than three Years of Service	At least three, but less than four Years of Service	At least four, but less than five Years of Service	Five or more Years of Service
Age	Unisex	Unisex	Unisex	Unisex	Unisex	Unisex
20	24.00	22.00	21.00	21.00	13.00	9.00
25	23.00	20.00	19.00	17.00	11.00	8.00
30	22.00	14.00	12.00	11.00	10.00	7.00
35	19.00	11.00	9.00	7.00	7.00	6.00
40	16.00	10.00	8.00	6.00	5.00	4.00
45	15.00	8.00	6.00	5.00	4.00	3.00
50	14.00	6.00	5.00	4.00	3.00	2.00
55	13.00	5.00	4.00	3.00	3.00	1.00
60	12.00	4.00	3.00	3.00	2.00	1.00
65	11.00	3.00	2.00	2.00	1.00	1.00

Sample Termination Rates Before Retirement (continued):

	Rate (%)					
	Withdrawal – Staff and Safety					
	Less than one Year of Service	At least one, but less than two Years of Service	At least two, but less than three Years of Service	At least three, but less than four Years of Service	At least four, but less than five Years of Service	Five or more Years of Service
Age	Unisex	Unisex	Unisex	Unisex	Unisex	Unisex
20	27.00	24.00	21.00	16.00	15.00	13.00
25	26.00	23.00	20.00	15.00	14.00	12.00
30	24.00	21.00	17.00	14.00	13.00	10.00
35	22.00	17.00	14.00	11.00	10.00	8.00
40	19.00	14.00	11.00	8.00	7.00	6.00
45	17.00	11.00	9.00	6.00	5.00	4.00
50	14.00	9.00	7.00	5.00	4.00	2.00
55	12.00	7.00	6.00	4.00	3.00	2.00
60	11.00	6.00	5.00	3.00	2.00	1.00
65	10.00	5.00	4.00	2.00	1.00	1.00

Retirement Rates:

Retirement Probability – Unisex			
Age	**Faculty**	**Staff**	**Safety**
50	2.00%	4.00%	15.00%
51	1.00	4.00	10.00
52	1.00	4.00	10.00
53	1.00	4.00	10.00
54	1.00	5.00	10.00
55	2.00	5.00	25.00
56	2.00	6.00	25.00
57	2.00	6.00	25.00
58	2.00	8.00	25.00
59	3.00	14.00	25.00
60	5.00	20.00	25.00
61	5.00	20.00	25.00
62	5.00	20.00	50.00
63	5.00	20.00	50.00
64	7.00	25.00	75.00
65	8.00	30.00	100.00
66	9.00	25.00	100.00
67	10.00	25.00	100.00
68	12.00	25.00	100.00
69	15.00	25.00	100.00
70	15.00	20.00	100.00
71	12.00	20.00	100.00
72	12.00	20.00	100.00
73	12.00	20.00	100.00
74	12.00	20.00	100.00
75	100.00	100.00	100.00

Retirement Age and Benefit for Deferred Vested Members:	Deferred vested members are assumed to retire at age 59.
Form of Payment:	For those members not electing a Lump Sum Cashout: Life annuity for members without a survivor; 25% contingent annuity for members with Social Security who have a survivor; 50% contingent annuity for members without Social Security who have a survivor; 50% contingent annuity for Safety members who have a survivor. It is also assumed that some members elect a Lump Sum Cashout (see Lump Sum Assumptions).
Future Benefit Accruals:	1.0 year of service per year for the full-time employees. Part-time employees are assumed to earn full-time service for all future years.
Definition of Active Members:	All members of UCRP who are not separated from active employment as of the valuation date or have not started receiving a monthly pension on or before the valuation date.
Percent with Survivors:	85% of male members and 65% of female members are assumed to have survivors at time of decrement.
Survivor Ages:	Members assumed to have an opposite sex spouse or domestic partner, with females three years younger than males.

Number of Survivors (Samples):

	Number of Survivors per Active Member with Survivors	
Age	**Male**	**Female**
20	1.0	1.0
25	1.8	2.1
30	2.2	2.7
35	2.7	2.8
40	3.0	2.4
45	2.8	2.1
50	2.5	1.7
55	2.0	1.4
60	1.5	1.2
65	1.3	1.1

Economic Assumptions

Net Investment Return: 7.50% (including 3.50% for inflation)

Consumer Price Index: Increase of 3.50% per year.

Administrative Expenses: 0.50% of payroll added to normal cost.

Salary Increases:

Annual Rate of Compensation Increase		
Inflation: 3.50% per year, plus "across the board" salary increases of 0.25% per year, plus the following merit and promotional increases:		
Years of Service	**Faculty**	**Staff and Safety**
Less than 1	3.25%	3.25%
1	3.25	3.00
2	3.25	2.80
3	3.25	2.50
4	3.25	2.20
5	3.25	2.00
6	3.20	1.80
7	3.10	1.70
8	3.00	1.60
9	2.90	1.50
10	2.80	1.40
11	2.70	1.30
12	2.60	1.20
13	2.50	1.10
14	2.40	1.00
15	2.30	0.90
16	2.20	0.80
17	2.10	0.75
18	2.00	0.70
19	1.75	0.65
20 & over	1.50	0.60

Actuarial Methods	
Actuarial Value of Assets:	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and the expected returns on a market value basis and is recognized over a five-year period.
Actuarial Cost Method:	Entry Age Normal Actuarial Cost Method. Entry Age is calculated as the valuation date minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salaries, as if the current benefit accrual rate has always been in effect.
Covered Payroll:	Covered payroll for a Plan Year is determined by annualizing actual payroll for the prior Plan Year increased by the assumed rate of salary growth. Covered payroll is then reduced to anticipate members who leave active status during the year.
Other Actuarial Assumptions	
Lump Sum Assumptions:	
Discount Rate:	7.50%
COLA:	2.00%
Mortality:	1994 Group Annuity Reserving Mortality Table unloaded for males set back three years, projected with scale AA to 2002.
Take-rate:	For those members retiring from active employment and for those who were receiving a disability income and now retiring, we are assuming that 12% elect a Lump Sum Cashout. For those members retiring from inactive (deferred vested) status, we are assuming that 45% elect a Lump Sum Cashout.

Approximations:	
Sick Leave	Service has been increased by 0.15% for Faculty, 1.40% for Staff, and 2.25% for Safety members to account for unused sick leave. This assumption applies only for members retiring from active employment and not electing a Lump Sum Cashout. For all other benefits there is assumed to be no conversion of unused sick leave to service credit.
Changes in Actuarial Assumptions and Methods:	There were no changes to the actuarial assumptions or methods since the prior valuation.

EXHIBIT V

Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all Plan provisions.

Effective Date:	April 24, 1954. Includes amendments through July 1, 2010.
Covered Employees:	Generally all employees who are not members of another retirement system to which the Regents contribute, and who: a. Are appointed to work 50% time or more for one year or longer or b. Have generally accumulated at least 1,000 hours in a 12-month period.
Highest Average Plan Compensation (HAPC):	Highest average monthly full-time-equivalent base compensation rate received during any period of 36 consecutive months.

Age Factor: Percentage of HAPC per year of service credit (interpolated for fractional ages).

Nonsafety Members

Age	Factor	Age	Factor
50	1.10%	56	1.94%
51	1.24	57	2.08
52	1.38	58	2.22
53	1.52	59	2.36
54	1.66	60+	2.50
55	1.80		

Safety Members 3.0% at all ages 50 and above.

Tier II Members Equal to one-half of the Age Factor for Nonsafety Members.

Benefit Percentage: Age Factor multiplied by years of service credit; not to exceed 100%.

Basic Retirement Income (BRI):

Members without Social Security Benefit Percentage x HAPC.

Members with Social Security Benefit Percentage x HAPC in excess of $133 per month.

Safety Members Benefit Percentage x HAPC.

Service Retirement:	
Eligibility	Age 50 with 5 years of service credit, or Age 62 regardless of service credit if membership began on or before July 1, 1989, or Retirement on Normal Retirement Date.
Benefit	BRI.
Form of Payment	Single Life Annuity.
Payment Options	Full continuance to contingent annuitant; two-thirds continuance to contingent annuitant; one-half continuance to contingent annuitant; one-half continuance (including postretirement survivor continuance) to surviving spouse or domestic partner (for members with Social Security only).
Lump Sum Cashout	May be elected in lieu of monthly retirement income.
Temporary Social Security Supplement:	
Eligibility	For members with Social Security only and retirement must occur before age 65.
Benefit	Temporary annuity payable to age 65 in the amount of $133 per month multiplied by Benefit Percentage.
Form of Payment	Single Life Annuity.
Payment Options	None.

Disability:	
Eligibility	Disablement after five years of service credit; safety members are eligible for duty disability without regard to years of service credit. Service credit continues to accrue during disabled period.
Benefit	
Member without Social Security	25% of final salary, plus 5% of final salary per year of service credit greater than two, total not to exceed 40% of final salary, plus 5% of final salary for each eligible child, total not to exceed 20% of final salary.
Member with Social Security	15% of final salary, plus 2.5% of final salary per year of service credit greater than two, total not to exceed 40% of final salary, less $106.40 per month.
Safety Members(Non-duty)	Same as for members without Social Security; includes eligible child's benefit.
Safety Members(Duty)	50% of HAPC, or non-duty disability benefit if greater.
Form of Payment	Single life annuity payable until end of disability income period or retirement date if earlier.
Disability Income Period	
Members disabled before November 5, 1990	To earliest of:
	Date member is eligible to retire and retirement income equals or exceeds disability income;
	Age 62 (age 67 for members without Social Security); or
	Date member retires.
Members disabled on or after November 5, 1990	If under age 65 at disablement:
	Members with Social Security: to age 65 or five years if longer.
	Members without Social Security: to age 67 or five years if longer.
	If age 65 or older at disablement: to age 70 or 12 months if longer.
	Disability income ends if member is no longer disabled.

Vested Termination:	
Eligibility	Five years of service credit, or age 62 regardless of service credit if membership began on or before July 1, 1989.
Benefit	BRI beginning at age 50 or later, calculated using HAPC at termination date, adjusting for CPI changes (see Cost-of-Living Adjustment), and benefit formula in effect when benefits commence.
Form of Payment	As for retirement.
Payment Options	As for retirement.
Refund Option	Member may elect a refund of contributions with interest, thereby forfeiting all other benefits.
Lump Sum Cashout	May be elected in lieu of retirement income, available only if at least age 50 with five years service credit at date of termination.

Preretirement Survivor Income:

Eligibility

Eligible survivor of deceased active or disabled member with two or more years of service credit; no service requirement for duty-related death of Safety member.

Benefit

Member without Social Security

Percent of final salary as follows:

Eligible Survivors	Percent	Minimum Benefit
1	25%	$200
2	35	$300
3	40	$300 plus 5% of final salary
4	45	$300 plus 10% of final salary
5+	50	$300 plus 15% of final salary

Member with Social Security

25% of final salary less $106.40 per month.

Safety Members, non-duty death

As for members without Social Security.

Safety Members, duty death

Percentage of HAPC as follows, but not less than benefit for non-duty death.

Eligible Survivors	Percent of HAPC
1	50.0%
2	62.5
3	70.0
4+	75.0

Death while eligible to retire

Eligibility

Surviving spouse or surviving domestic partner of active, disabled or inactive member who dies while eligible to retire.

Benefit

Greater of benefit described above or monthly benefit to eligible spouse or eligible domestic partner assuming member had retired on date of death and elected full continuance option with spouse or domestic partner as contingent annuitant.

Postretirement Survivor Continuance:	
Eligibility	Eligible surviving spouse, eligible surviving domestic partner, eligible children or eligible dependent parent of deceased retired member.
Benefit	
Member without Social Security	50% of BRI including COLA.
Member with Social Security	25% of BRI including COLA, plus 25% of Temporary Social Security Supplement (ends when member would have reached age 65).
Safety Members	50% of BRI including COLA.
Lump Sum Death Benefit:	
Eligibility	Beneficiary of active, inactive, disabled, or retired member.
Basic Benefit	
Active member who became a member before October 1, 1990	Greater of :
	$1,500 plus one month's final salary, or $7,500.
All others	$7,500
Residual Benefit	Refund of member contributions plus interest, reduced by a portion of benefits received (100% of retirement income, 50% of preretirement survivor income or disability income) payable to beneficiary if no survivor, surviving spouse, domestic partner, or contingent annuitant.
Appendix E:	Appendix E incorporates an alternative benefit formula that is intended to restore benefits that would be accrued under UCRP but for the application of the compensation limit established in IRC Section 401(a)(17). Appendix E has not been implemented and no benefits have been paid under the provision.
Normal Retirement Age:	
Safety Members	Attainment of age 50 with five years of service credit.
All Other Members	Attainment of age 60 with five years of service credit.

Eligible Survivor:	
Eligible Spouse or Domestic Partner	Spouse or domestic partner of deceased active or disabled member in relationship for at least one year before date of death and who is:
	Responsible for care of eligible child, disabled, or age 60 (age 50 if spouse of member without Social Security and in Plan prior to October 19, 1973).
Eligible Child	Child that is either under age 18, under age 22 and a full-time student, or disabled, if disability occurred prior to age 18 or age 22 if a full-time student.
Eligible Dependent Parent	Parent of deceased active, disabled or retired member, supported by 50% or more by member for one year prior to earliest of death, disablement or retirement.
Inactive Member:	Former UCRP member who retains right to vested benefits.
Cost-of-Living Adjustment:	
Basic	100% of annual Consumer Price Index (CPI) increase up to 2% per year.
Supplemental	Generally 75% of annual CPI increase above 4%.
	The sum of the Basic and Supplemental COLA's cannot exceed 6% in a year.
COLA applies to:	
Retired members, survivors, disabled members, and contingent annuitants receiving retirement income	Benefits in pay status one or more years on July 1.
Inactive members	HAPC (used to calculate retirement income) adjusted for COLA up to 2% per year from separation date to retirement date; retirement income adjusted using COLA formula.
Disabled members receiving disability income since before November 5, 1990	HAPC (used to calculate retirement income) adjusted for COLA up to COLA formula above for years from disablement to retirement date.

Capital Accumulation Provision (CAP):	
Eligibility	Active member on specified date; benefits immediately vested.
Allocation Dates	
April 1, 1992	Active member from December 31, 1991 through April 1, 1992: 5.0% of 1991 calendar year covered compensation.
July 1, 1992	Active member on July 1, 1992: 2.5% of 1991-1992 fiscal year covered compensation.
July 1, 1993	Active member on July 1, 1993: 2.5% of 1992-1993 fiscal year covered compensation.
November 1, 1993	Active member on October 1, 1993 and subject to 1993-1994 salary plan: 5.26% of July through October 1993 covered compensation. Not applicable for laboratory members.
July 1, 1994	Active member on June 1, 1994 and subject to 1993-1994 salary plan: 2.67% of November 1993 through June 1994 covered compensation. Not applicable for laboratory members.
May 1, 2002	Active member on April 1, 2002: 3.0% of April 2001 through March 2002 covered compensation.
May 1, 2003	Active member on April 1, 2003: 5.0% of April 2002 through March 2003 covered compensation.
Interest Credit	Regent's approved interest rate; currently 8.5% per year for pre-2002 CAPs and 7.5% for 2002 and later CAPs (CAP II).
Payment	Lump sum payment upon termination, retirement or death.

University Contributions:	Each year the Regents will determine the actual total contributions and the split between Member Contributions and University Contributions based on the total funding policy contribution and various other factors, including the availability of funds, the impact of employee contributions on the competitiveness of UC's total remuneration package, and collective bargaining. In no event would the University Contributions be lower than the Member Contributions. The total funding policy contribution is based on the Regents funding policy as described in Exhibit VI. The Regents approved an employer contribution rate of 4% of covered compensation effective on or about April 15, 2010. This rate will increase to 7% of covered compensation on July 1, 2011 and 10% of covered compensation on July 1, 2012.
Member Contributions:	
Members without Social Security	3.0% of covered compensation through June 30, 2011; 3.5% of covered compensation from July 1, 2011 through June 30, 2012; 5.0% of covered compensation starting July 1, 2012.
Members with Social Security	2.0% of covered compensation up to the Social Security wage base, plus 4.0% of excess covered compensation through June 30, 2011; 3.5% of covered compensation from July 1, 2011 through June 30, 2012; 5.0% of covered compensation starting July 1, 2012.
Safety Members	3.0% of covered compensation through June 30, 2011; 4.5% of covered compensation from July 1, 2011 through June 30, 2012; 6.0% of covered compensation starting July 1, 2012.
Offset	All member contributions are reduced by $19 per month.
Interest Credit	Regents' approved interest rate; currently 6.0% per year.

Changes in Plan Provisions:

The following changes in Plan provisions have been recognized since the prior valuation:

- The Regents approved an amendment to ensure that the Furlough/Salary Reduction Plan has no impact on the calculation of UCRP benefits. This amendment allows the use of the members' pre-furlough/salary reduction rate of covered compensation or rate of accrual of service credit in the calculation of UCRP benefits. This amendment did not result in any increase in benefits above those on which this valuation would have been based if the Furlough/Salary Reduction Plan had not been in place.
- The Regents approved rates for University and Member contributions to UCRP for Plan Years beginning July 1, 2011 and July 1, 2012. These rates are shown on the prior page.

EXHIBIT VI
UCRP Funding Policy

UCRP Funding Policy:

Effective with the July 1, 2008 valuation, a funding policy was adopted that determines total funding policy contributions based on the Plan's Normal Cost adjusted by an amortization of any surplus or underfunding. The funding policy was amended in September 2010, effective with the July 1, 2010 actuarial valuation.

The UCRP funding policy has the following structure and parameters:

(1) The funding policy is effective with the July 1, 2008 actuarial valuation and determines total funding policy contributions starting with the Plan Year beginning July 1, 2009.

(2) Each year the funding policy contributions would be effective for the Plan Year starting one year after the date of the actuarial valuation.

(3) Each year the Regents will determine the actual total contributions and the split between Member Contributions and University Contributions based on the total funding policy contributions and various other factors, including the availability of funds, the impact of employee contributions on the competitiveness of UC's total remuneration package, and collective bargaining. In no event shall the University Contributions be lower than the Member Contributions.

(4) The funding policy determines total funding policy contribution rates based on an actuarial valuation of the non-laboratory segment of UCRP (i.e., campuses, medical centers and Hastings College of the Law). The Lawrence Berkeley National Laboratory contributes on the same basis as determined for the non-laboratory segment of UCRP, subject to the terms of the University's contract with the Department of Energy. The Lawrence Livermore National Laboratory and Los Alamos National Laboratory Retained Segments in UCRP are subject to the funding policies outlined in the University's contracts with the Department of Energy. Throughout this funding policy, the term "UCRP" refers to the non-laboratory segment of UCRP.

(5) The total funding policy contributions to UCRP consists of the Normal Cost plus an amortization charge for any Unfunded Actuarial Accrued Liability (UAAL) or minus an amortization credit for any surplus.

(6) The Regents' Consulting Actuary conducts an annual actuarial valuation of UCRP. The Normal Cost and the Actuarial Accrued Liability (AAL) in each actuarial valuation is determined under the Entry Age Normal Actuarial Cost Method, using actuarial assumptions adopted by the Regents.

(7) The asset smoothing method used to determine the Actuarial Value of Assets is based on the Market Value of Assets adjusted for "unrecognized returns" in each of the last five years. Unrecognized return is the difference between actual and expected returns on a market value basis and is recognized over a five-year period.

(8) As of the effective date of this policy, any initial surplus as of that date is amortized as a level dollar amount over a period of three years.

a. Any changes in surplus after the effective date due to actuarial gains and losses (including contribution gains and losses) would be amortized as a level dollar amount over 15 years.

b. Any change in surplus due to a change in actuarial assumptions, cost method or asset smoothing method would be amortized as a level dollar amount over 15 years.

c. Any change in surplus due to a Plan amendment would be amortized as a level dollar amount over 15 years.

d. In the first year after the effective date when UCRP has a UAAL all amortization bases would be considered fully amortized and contributions would be determined under the remaining provisions of this policy.

(9) For any year when UCRP has a UAAL, the calculation of the UAAL would be maintained by source (as listed below) and each new portion of or change in UAAL would be amortized as a level dollar amount over a fixed amortization period.

a. Any initial UAAL (after a period of surplus) or change in UAAL due to actuarial gains and losses (including contribution gains and losses) would be amortized over 30 years.

b. Any change in UAAL due to a change in actuarial assumptions, cost method or asset smoothing method would be amortized over 15 years.

c. Any change in UAAL due to a Plan amendment would be amortized over 15 years, unless a shorter period is adopted by the Regents reflecting the nature of the Plan amendment.

(10) For any year in which UCRP has a surplus, such surplus would be amortized as a level dollar amount over 30 years, and all prior UAAL amortization bases would be considered fully amortized.

(11) Effective July 1, 2010, all UAAL amortization bases as of July 1, 2010 will be combined and the combined base will be amortized as a level dollar amount over 30 years.

(12) This funding policy supersedes any previous funding policies.

EXHIBIT VII

Information for the University of California Annual Financial Report

The following tables are for the University of California Annual Financial Report and satisfy the reporting requirements of Statement No. 27 of the Governmental Accounting Standards Board (GAS 27). There is also a table that contains various other information needed for the University of California Annual Financial Report. The information shown in these tables excludes Hastings College of Law unless specifically noted.

Table 1 shows the Annual Required Contribution (ARC), Annual Pension Cost (APC) and the Net Pension Obligation (NPO) for the fiscal years ending June 30, 2010 and June 30, 2011. The ARC shown for the year ending June 30, 2011 is based on normal cost plus a 30-year amortization of any UAAL. There is an NPO at the end of the 2010 fiscal year for all UCRP segments.

Table 2 is a three-year history of the APC, the percentage of APC contributed, and the NPO at the end of the year.

Table 3 is a schedule of funding progress for the prior three fiscal years.

Table 4 contains the notes to the trend data. For the current fiscal year, these notes summarize the actuarial cost method used to measure the liabilities and normal cost, the amortization method and period used to calculate the ARC, the asset valuation method, and the actuarial assumptions.

Table 5 contains various other information needed to complete the UC Annual Financial Report.

Table 6 shows the schedule of amortization payments used in the determination of the ARC.

Table 1

University of California Retirement Plan

July 1, 2010 Actuarial Valuation
Annual Pension Cost and Net Pension Obligation
($ in 000s)

		Campus and Medical Centers		DOE National Laboratories		University of California Subtotal	
		Year Ended June 30		Year Ended June 30		Year Ended June 30	
		2011	2010	2011	2010	2011	2010
1.	Annual required contribution (ARC)	$1,697,508	$1,600,164	$109,929	$89,845	$1,807,437	$1,690,009
2.	Interest on net pension obligation	120,105	5,152	482	0	120,587	5,152
3.	Adjustment to ARC	135,592	7,782	544	0	136,136	7,782
4.	Annual Pension Cost (APC), 1+2-3	1,682,021	1,597,534	109,867	89,845	1,791,888	1,687,379
5.	Contributions made		64,833		83,421		148,254
6.	Increase/(decrease) in NPO, 4-5		1,532,701		6,424		1,539,125
7.	NPO at beginning of year		68,696		0		68,696
8.	NPO at end of year, 6+7		1,601,397		6,424		1,607,821

Note: *ARC and APC amounts shown include interest until the end of the Plan Year. This interest includes interest on expected or, if known, actual employer contributions made throughout the year. The ARC for the Plan Year ending June 30, 2011 is based on projected covered payroll for the 2010/2011 Plan Year. It will be updated at the end of the Plan Year based on actual covered payroll.*

Table 2

University of California Retirement Plan

July 1, 2010 Actuarial Valuation
Three-Year Trend Information
($ in 000s)

Fiscal Year Ending	Campuses and Medical Centers	DOE National Laboratories	University of California Subtotal
Annual Pension Cost:			
June 30, 2010	$1,597,534	$89,845	$1,687,379
June 30, 2009	69,138	12	69,150
June 30, 2008	2,646	11	2,657
Percentage of APC Contributed:			
June 30, 2010	4.06%	92.85%	8.79%
June 30, 2009	0.64%	100.00%	0.66%
June 30, 2008	100.00%	100.00%	100.00%
Net Pension Obligation:			
June 30, 2010	$1,601,397	$6,424	$1,607,821
June 30, 2009	68,696	0	68,696
June 30, 2008	0	0	0

Table 3

University of California Retirement Plan

July 1, 2010 Actuarial Valuation
Schedule of Funding Progress
($ in 000s)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Excess Assets (1) – (2)	Funded Ratio (1) / (2)	Annual Covered Payroll	Ratio of Excess Assets to Annual Covered Payroll (3) / (5)
University of California Subtotal						
July 1, 2010	$41,088,381	$47,380,285	($6,291,904)	86.7%	$7,974,073	(78.9%)
July 1, 2009	42,685,564	45,041,066	(2,355,502)	94.8%	7,853,419	(30.0%)
July 1, 2008	43,727,521	42,467,742	1,259,779	103.0%	7,449,796	16.9%
Campuses and Medical Centers						
July 1, 2010	$33,626,755	$38,999,554	($5,372,799)	86.2%	$7,722,332	(69.6%)
July 1, 2009	34,835,572	36,758,962	(1,923,390)	94.8%	7,637,064	(25.2%)
July 1, 2008	35,496,354	34,340,516	1,155,838	103.4%	7,245,447	16.0%
DOE National Laboratories						
July 1, 2010	$7,461,626	$8,380,731	($919,105)	89.0%	$251,741	(365.1%)
July 1, 2009	7,849,992	8,282,104	(432,112)	94.8%	216,355	(199.7%)
July 1, 2008	8,231,167	8,127,226	103,941	101.3%	204,349	50.9%

Table 4

University of California Retirement Plan

July 1, 2010 Actuarial Valuation
Notes to Trend Data

	Campuses and Medical Centers	DOE National Laboratories
Valuation Date	July 1, 2010	July 1, 2010
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Dollar, Closed	Level Dollar, Closed
Remaining amortization period*	30 Years	30 Years
Asset valuation method	5-year smoothed market	5-year smoothed market
Actuarial Assumptions		
Investment rate of return**	7.50%	7.50%
Projected salary increases**	4.35-7.00%	4.35-7.00%
Cost-of-living adjustments	2.00%	2.00%
* The July 1, 2010 amortization bases were combined into a single amortization base and amortized over 30 years. Any changes in UAAL due to actuarial experience gains or losses after July 1, 2010 will be separately amortized over a fixed (closed) 30-year period effective with that valuation. Any changes in UAAL due to a change in actuarial assumptions or Plan provisions will be separately amortized over a fixed (closed) 15-year period.		
** Includes inflation at	3.50%	3.50%

Table 5

University of California Retirement Plan

July 1, 2010 Actuarial Valuation
Various Information for
University of California
Annual Financial Report

University of California Retirement Plan	Campuses and Medical Centers	DOE National Laboratories	University of California Subtotal	Hastings	University of California Total
Retirees and beneficiaries receiving benefits	41,345	12,433	53,778	124	53,902
Inactive members entitled to, but not yet receiving benefits*	41,597	13,360	54,957	80	55,037
Active members:					
Vested	65,671	1,787	67,458	129	67,587
Nonvested	46,319	924	47,243	98	47,341
Total	111,990	2,711	114,701	227	114,928
Total membership	**194,932**	**28,504**	**223,436**	**431**	**223,867**
University of California PERS Plus 5 Plan Retirees and Beneficiaries					695

* *Includes terminated nonvested members due a refund of contributions or CAP balance payment from UCRP after they separate from employment with LANS or LLNS.*

Table 6

University of California Retirement Plan

July 1, 2010 Actuarial Valuation
Schedule of Amortization Payments Used in Determination of ARC
($ in 000s)

Campus and Medical Centers

Type	Date Established	Initial Years	Initial Amount	Annual Payment	Years Remaining	Outstanding Balance
Actuarial Loss	7/1/2010	30	$5,372,800	$423,183	30	$5,372,800
Total				$423,183		$5,372,800

DOE National Laboratories

Type	Date Established	Initial Years	Initial Amount	Annual Payment	Years Remaining	Outstanding Balance
Actuarial Loss	7/1/2010	30	$919,105	$72,392	30	$919,105
Total				$72,392		$919,105

Hastings College of Law

Type	Date Established	Initial Years	Initial Amount	Annual Payment	Years Remaining	Outstanding Balance
Actuarial Loss	7/1/2010	30	$17,086	$1,345	30	$17,086
Total				$1,345		$17,086

Total for University of California Retirement Plan

Type	Date Established	Initial Years	Initial Amount	Annual Payment	Years Remaining	Outstanding Balance
Actuarial Loss	7/1/2010	30	$6,308,991	$496,920	30	$6,308,991
Total				$496,920		$6,308,991

The July 1, 2010 amortization bases were combined into a single amortization base and amortized over 30 years.

Annual payments are level dollar amounts and shown as of beginning of year.

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FACULTY EXECUTIVE COMMITTEES (FECs)
FACULTY WELFARE COMMITTEE (FWC)
COUNCIL ON PLANNING AND BUDGET (CPB)
COMMITTEE ON DIVERSITY AND EQUAL OPPORTUNITY (CODEO)

Dear All,

We have received the Faculty Salaries Task Force Report from the Systemwide Senate Office, which has asked for campus review. The report makes three recommendations to address faculty salary competitiveness over the next several years: (1) Maintain funding for merit actions based on existing merit and CAP review processes, to ensure that faculty who advance to a new rank and/or step receive a salary at least equal to the average of campus colleagues at the same rank and step; (2) appoint a follow-up task force to assess particular issues facing professional schools throughout the UC; and (3) contingent on funding, resume regular scale adjustments in order to ensure that individual faculty salaries reach at least the median of University faculty at the same rank and step.

Responses are most helpful when they include the committee's (1) clear endorsement of the report and its recommendations, (2) an endorsement contingent upon specific revisions (clearly state the rationale for the revisions), or (3) opposition to the report and its recommendations. Minority reports are always welcome.

The Systemwide Senate has set an April 19 due date. In order for the Executive Board to review and synthesize all responses in a timely manner, **please submit your response to me by Friday, April 13, 2012**. The Executive Board will meet and review the matter at its April 19 board meeting and respond immediately.

Sincerely,
Jaime

_____

Jaime Ronaldo Balboa, Ph.D.
Chief Administrative Officer, UCLA Academic Senate
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T. (310) 825-3852
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UNIVERSITY OF CALIFORNIA, ACADEMIC SENATE

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Martha Kendall Winnacker, J.D.
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Executive Director
Universitywide Academic Senate
University of California
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

February 24, 2012

CHAIRS OF SENATE DIVISIONS
CHAIRS OF SENATE STANDING COMMITTEES

Dear Division and Committee Chairs:

On behalf of Academic Council Chair Bob Anderson I am forwarding for full Senate review the report of the joint Senate-Administration Faculty Salaries Task Force, which was forwarded for Senate review on February 21.

The report makes three recommendations to address faculty salary competitiveness over the next several years. (1) Maintain funding for merit actions based on existing merit and CAP review processes, such that faculty who advance to a new rank and/or step receive a new salary at least equal to the average of campus colleagues at the same rank and step. (2) Appoint a follow-on task force to assess particular issues facing UC professional schools. (3) Contingent on funding, resume regular scale adjustments such that individual faculty salaries reach at least the median of University faculty at the same rank and step.

Although the Provost requested comment by March 23 to facilitate Senate input into scheduled March discussions with campus administrators of possible 2012-13 salary actions, the Senate leadership has determined that it is not possible for all relevant Senate bodies to opine by that date. Your comments are requested by April 19 in order to allow discussion at the April 25 meeting of the Academic Council. As always, every committee is invited to opine on this report, but no committee is obligated to do so if the committee views the report as outside the scope of its charge.

Sincerely,

Martha Kendall Winnacker, J.D.
Executive Director, Academic Senate

Encl. (1)

Cc: Division directors
Committee analysts

University of California
Senate-Administration Taskforce on Faculty Salaries
Executive Summary
February 2012

The Senate-Administration Taskforce on Faculty Salaries recommends that the funding of faculty salaries be a continuing priority of the University. In an effort to assure market salaries that match those of our peer universities, we recommend a "reformulation" of the faculty salary process. FY12 faculty salaries were increased by 3% for meritorious faculty as a first-step towards more competitive salaries, and the Taskforce recommends that in the next two fiscal years (FY13 and FY14) the University establish a set of actions to support faculty salaries. While one Taskforce member abstained from endorsing the final recommendations, all remaining Taskforce members are in complete agreement on the first two recommendations:

1. **The Taskforce is committed to the value of regular merit and CAP reviews and recommends that when faculty advance to a new rank and/or step, they move, at a minimum, to the average salary of their campus colleagues at the new rank and step. The Taskforce agrees that funding for merit actions should continue in all budget scenarios.**

2. **The Taskforce recommends that the Provost appoint a subsequent Taskforce to assess the particular salary issues facing many UC professional schools (Law, Business and Management in particular) where special salary scales are not meeting current salary needs, and recommends that he task that group with assessing the most effective salary practices for those faculty.**

3. **The Taskforce proposes a return to regular scale adjustments and recommends that individual faculty salaries should be, at a minimum, at the median of University faculty at the same given rank and step. Our hallmark salary scale process presumes annual adjustments to salary, but the lack of state funds has suspended adjustments for several years. Such adjustments would allow the University to reduce the percentage of salaries that are off-scale. The Taskforce consensus about this recommendation is contingent on availability of state funds for salary. If such funds for salary are not distributed to campuses, some Taskforce members would still recommend that the campuses make these salary adjustments a priority; other Taskforce members would not support these adjustments without specific state funding dedicated to salaries (see Section 5).**

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OFFICE OF THE VICE PROVOST --
ACADEMIC PERSONNEL

OFFICE OF THE PRESIDENT
1111 Franklin Street, 11th Floor
Oakland, California 94607-5200

February 3, 2012

To: Executive Vice President and Provost Lawrence Pitts

From: Senate-Administration Taskforce on Faculty Salaries[1]
Robert Anderson, Chair, Academic Senate
Susan Carlson, Vice Provost for Academic Personnel, UCOP, convener
Susan Gillman, Divisional Chair, UCSC
Michael Gottfredson, EVC and Provost, UCI
William Hodgkiss, Associate Vice Chancellor, UCSD
Katja Lindenberg, Chair, UCAP
Sally Marshall, Vice Provost for Academic Affairs, UCSF
Rachel Moran, Dean, School of Law, UCLA
William Parker, Chair, UCFW
Robert Powell, Vice Chair, Academic Senate
Scott Waugh, Executive Vice Chancellor and Provost, UCLA

Subject: Recommendation on long-term faculty salaries

On March 14, 2011 you appointed the Senate-Administration Taskforce on Faculty Salaries to recommend "priorities and processes that can guide future decision making when funds are allocated for faculty salaries." We reported to you on June 9 with a set of recommendations for faculty salary increments for FY2012 (report attached), and these became the basis of actions President Yudof took in August 2011. That memo discharged the first of our three Taskforce responsibilities.

In this memo, the Taskforce reports on its second and third charges:

- "Recommendations for long-term salary policy planning. How can the University position itself now to remain competitive in salary into the future? How can processes related to the award of salary increases be strengthened?"

[1] Three members of the Taskforce cycled off on September 1, 2011, when Academic Senate Leadership changed: Dan Simmons, 2010-2011 Chair of the Academic Senate, Evan Heit, 2010-2011 Divisional Chair, UCM, and Ahmed Palazoglu, 2010-2011 Chair of University Committee on Academic Personnel (UCAP). They were replaced with three new members: William Powell, Vice Chair of the Academic Senate, Susan Gilman, Divisional Chair, UCSC, and Katja Lindenberg, Chair of UCAP. Dave Miller, Associate Vice Chancellor at UCSD, served on the Taskforce until his retirement and was replaced by William Hodgkiss, Associate Vice Chancellor at UCSD. Melvin Oliver, Dean of Social Sciences, UCSB, was appointed to the Taskforce but unable to serve.

- "Recommendations on possible policy review. What parts of current policy and practice are fundamental to faculty salary practice? What changes to salary policy or practice could improve faculty recruitment and retention? The Taskforce should consider the supplemental salary plan currently being drafted and make suggestions for changes and improvements made to that plan."

The committee has met seven times since the June 9 memo was completed: 1) six times by phone: on June 17, 2011 to review the CPEC methodology for calculating the faculty salaries of our Comparison 8 universities and to review the proposed draft policy, APM – 668, on October 25 to review costing of a long-term salary plan, on December 5, January 9, January 20, and January 24 to develop final recommendations and 2) once in person on August 30 to develop our recommendations on long-term faculty salary planning.

1.0 Taskforce review of CPEC faculty salary methodology

During its June 17 meeting, the Taskforce reviewed the CPEC faculty salary methodology, considering whether a new set of data should be developed for comparative purposes. Taskforce members agreed that the CPEC methodology--a long-standing method approved originally by UCOP, the State Department of Finance, and the Legislative Analyst's Office to report UC faculty salaries--allows UC to compare and report salary data using a methodology which over time has developed credibility with its audiences. The CPEC methodology provides one measure for all campuses and all disciplines that presents an easily understood systemwide comparison.

2.0 Taskforce review of APM – 668

In June 2011, Taskforce members discussed briefly the merits of proposed APM – 668, Negotiated Salary Program. Members agreed that the negotiated salary program offers an additional recruitment and retention tool which, potentially, can save state salary dollars. One member reported that APM – 668 could have been used this past year for several high-profile retention cases for faculty with outside offers. The Taskforce did not make specific suggestions about the policy and did not review the revised version circulated in Fall 2011.

3.0 Principles, values, and contributing factors in the Taskforce discussions

The Taskforce spent the majority of its deliberations since June in reviewing possible recommendations for long-term salary policy; the remainder of this memo will outline the issues involved in this discussion before concluding with recommendations for your consideration.

In the course of its work, the Taskforce reviewed wide-ranging information on faculty salaries. Academic Personnel (AP) developed a history of policy development and review that showed the same issues have faced UC for decades. AP staff also compiled information on various past solutions to salary competitiveness, including the four-year plan to improve salaries that was implemented in 2007-08 and meant to conclude in 2010-11. The suspension of that plan after one year was a constant caution to the Taskforce in considering any multiple-year plans.

At key points in deliberations over long-term recommendations, the Taskforce affirmed these common values and goals:

- The University must remain competitive in recruitment and retention of faculty, seeking to provide competitive total remuneration (salaries and benefits).

- Current faculty salary scales are inadequate and do not meet market demands for a majority of faculty. Campuses are often meeting current market needs through retention offers; those faculty not seeking retention offers are often at a disadvantage.

- Regular peer review and the attendant salary scales are effectively designed to encourage faculty productivity for an entire career.

- Current faculty salaries suggest that we have "campus pluralism," a set of system-wide values played out with a variety of campus practices. The salary scales have effectively become a salary floor, a set of common expectations.

- Health Sciences faculty covered under the Health Sciences Compensation Plan (HSCP) are affected differently than other faculty by the salary scales. The Taskforce recognizes that an increase in the salary scales raises the amount of covered compensation for HSCP faculty and that this increase could lead to adjustments in future Y and Z components.

4.0 Key data influencing the Taskforce's long-term salary recommendations

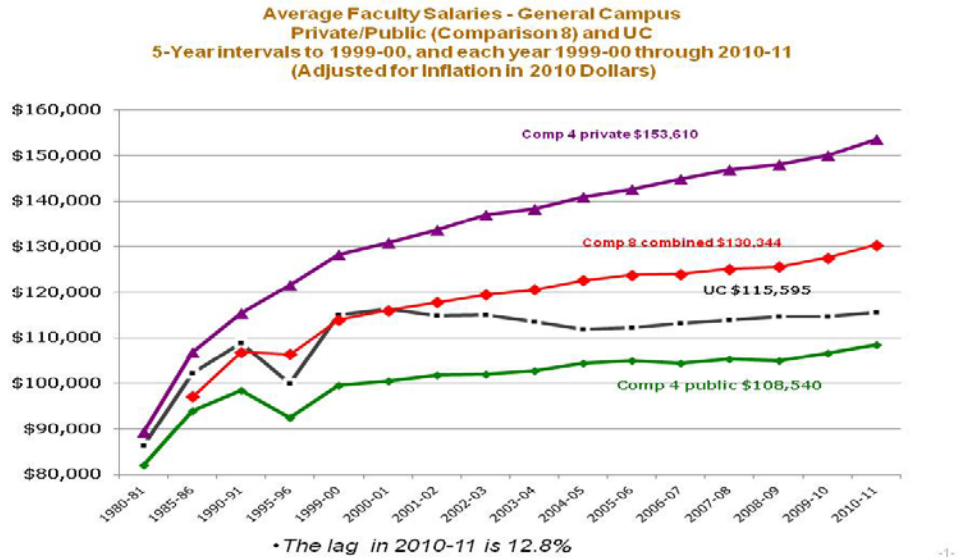
The Taskforce also reviewed data on faculty salaries, data which helped shape the recommendations to follow in section 5. We include here some key elements of the data that were most particularly relevant (other information is available upon request). Notable in the data are the persistent lag in salary relative to our Comp 8 universities and the differences in General Campus off-scales by campus, discipline, and rank.

4.1 Lag in faculty salary against Comp 8

For the most recent year available, the CPEC faculty salary study shows a 12.8% lag in average general campus faculty salaries (excluding Law and Health Sciences)[2] between the Comparison 8 and UC's overall average salaries, a gap which has increased over time. Faculty salaries at each rank lag the average salaries at the Comparison 8 institutions, and have done so for many years (see Figure 1).

[2] Law and Health Sciences are excluded since there is not comparable data on these disciplines at all Comp 8 Universities.

Figure 1: Average Professorial Series Faculty Salaries (Assistant, Associate, Full)*
(Adjusted for Inflation in 2010 Dollars)



* Note: To provide direct comparisons, equivalent ranks are excluded from this table.
Source: Faculty Competitiveness Report, January 2011

4.1.1 Cumulative five-year cost of closing the gap with the Comp 8

It has been a long-term University goal to match the average salaries of our Comp 8 "Peer" Universities (represented by the red line in Figure 1). As noted above, UC faculty salaries currently are 12.8% behind the Comp 8 average. Depending on the salary increases at our peer universities over a five year period, estimates for the total five-year cost of meeting the Comp 8 average, using the CPEC methodology, are as follows:

Projected rate of Comp 8 annual salary increments	Increased UC payroll cost in the fifth year to close the resulting gap with Comp 8 (baseline FY2010)	Average annual increase to ladder-rank faculty payroll
3% for each of 5 years	$283M	5.51% annually for each of 5 years
4% for each of 5 years	$372M	6.54% annually for each of 5 years

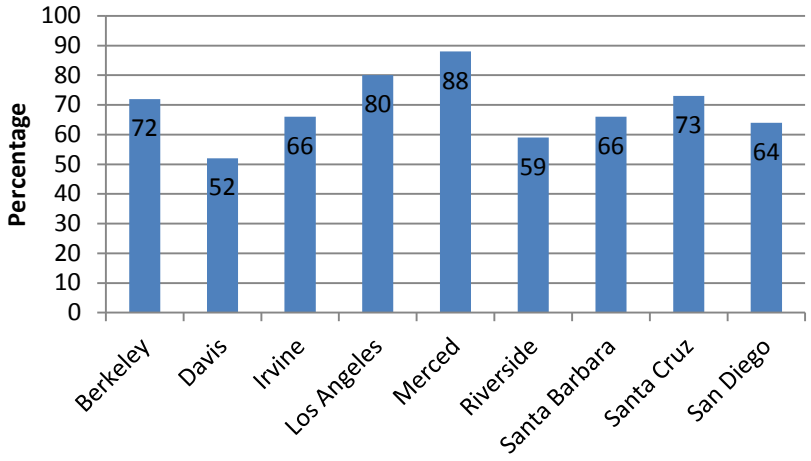
The five years INCLUDE the current year (FY 2012), in which UC raised salaries for meritorious faculty by 3% in addition to merit actions (until spring 2012, we will not know the average salary increment for

FY2011, the dollars committed, nor the progress we have made vis-a-vis the Comp 8). In sum, these data indicate that—to match Comp 8 salaries—the annual payroll for General Campus ladder-rank faculty would be $283M more at the end of the five year period, if our peers raised salaries by an average of 3%; $372M more if the peers raised salaries by 4% for each of five years.

4.2 Use of off-scales by campus, discipline, and rank

The Taskforce reviewed data showing the use of off-scales by campus, discipline, and rank, for General Campus, academic year faculty, based on the October 2010 payroll snapshot. On average, 67% of systemwide, General Campus faculty have off-scale salaries, although single campus percentages vary from 52 to 88 (Figure 2, UC San Francisco is excluded from figures 2-6 since faculty are in the Health Sciences Compensation Plan where there are not off-scales).

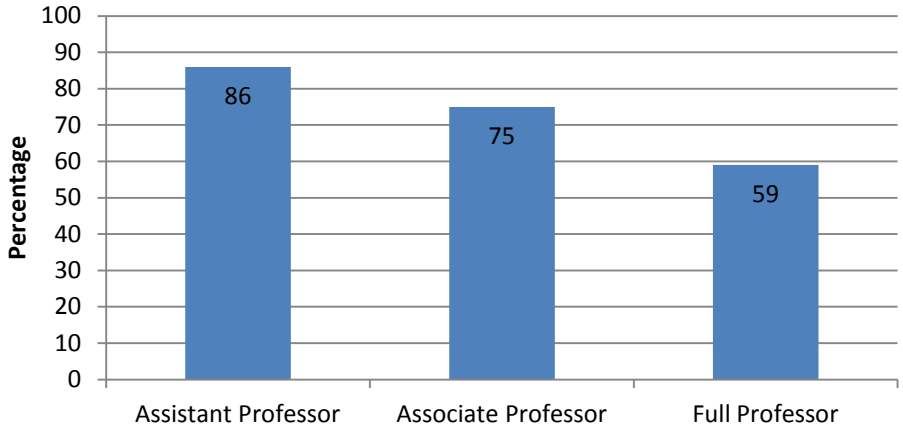
Figure 2: Percentages of Faculty with Off-Scale Salaries By Campus
General Campus Only
October 2010



Source: UCOP Academic Personnel

Off-scale salaries also vary widely by rank. As shown in Figure 3, a review of off-scale salaries by rank shows that assistant professors, those with the least time at UC, have the highest percentage of off-scale salaries; this reflects our practice of hiring new faculty at a "market" rate. Taskforce review of new appointments (General Campus only) in the five year period between 2005-06 and 2009-2010, revealed that 91% of assistant professors are hired off-scale, 94% of associate professors, and 80% of full professors. On average, 89% of new hires were off-scale. Such data show us that newly hired faculty are off-scale in higher percentages than current faculty (89% v 67%), underlining the "loyalty penalty" paid by faculty who remain at UC for their careers, with salaries based on a lagging set of salary scales.

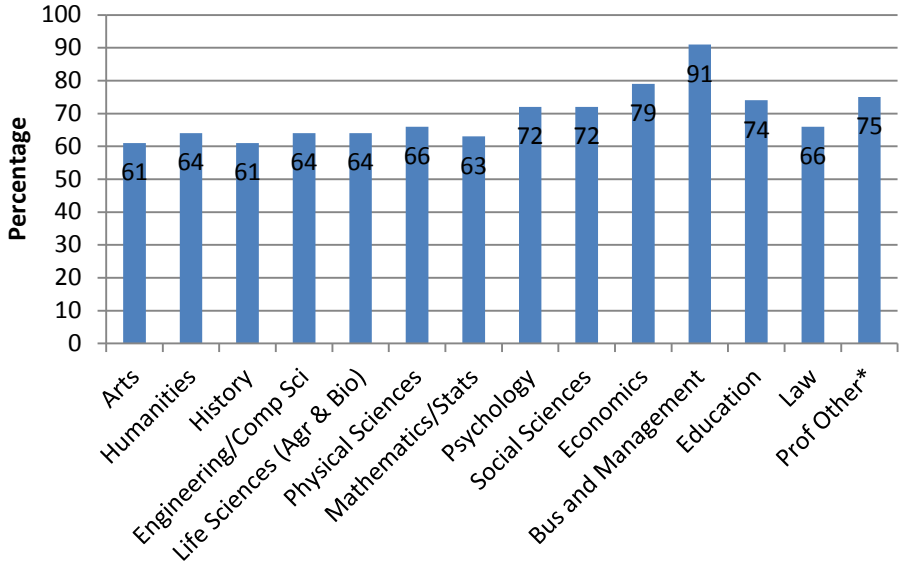
Figure 3: Percentages of Faculty Systemwide with Off-Scale Salaries By Rank
General Campus Only
October 2010



Source: UCOP Academic Personnel

Finally, in Figures 4 and 5, systemwide differences by discipline are presented. Figure 4 shows the data for selected disciplines, demonstrating the distribution of off-scales by discipline.

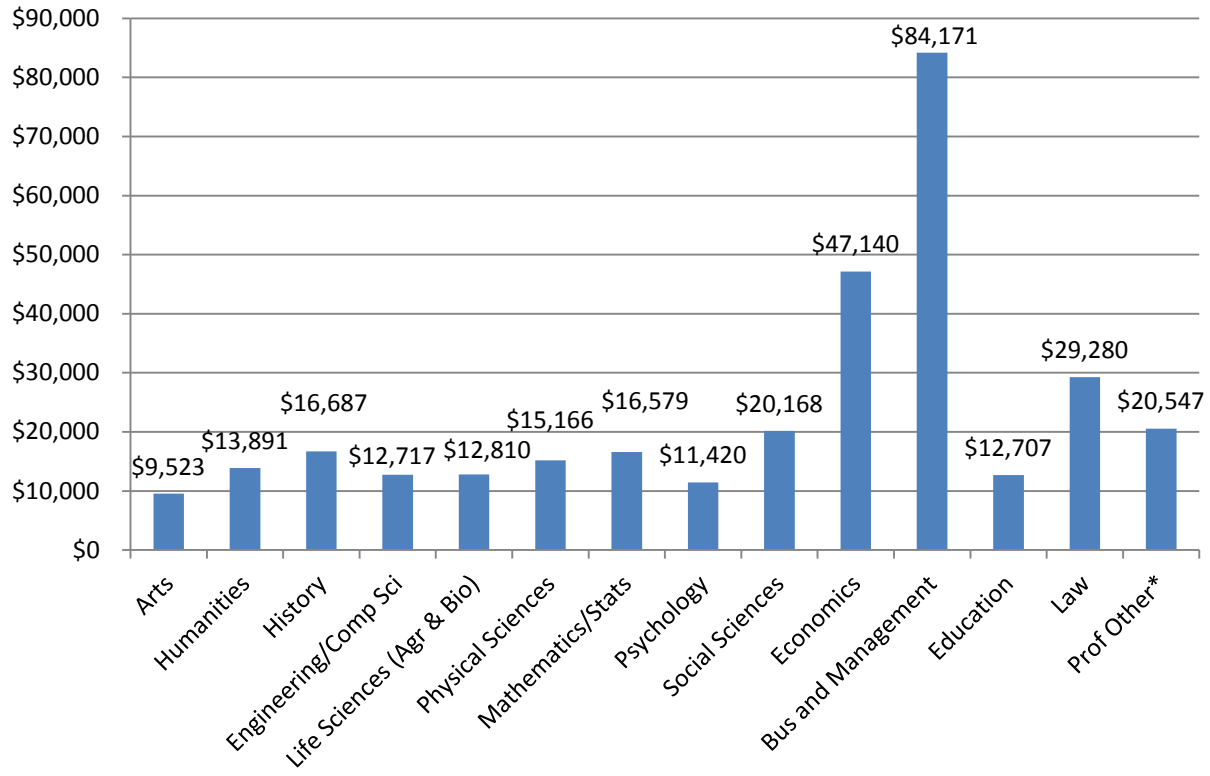
Figure 4: Percentages of Faculty Systemwide with Off-Scale Salaries By Discipline
General Campus Only
October 2010



*Includes: Architecture, Communications, Information Sciences, and Social Welfare
Source: UCOP Academic Personnel

These figures show that there are generally small differences in the use of off-scale salaries across disciplines with, for example, faculty in the Humanities (64% off-scale) as likely to have an off-scale salary as those in the Life Sciences (64% off-scale). The notable exception is in Business and Management where the percentage of off-scale salaries is greater than in all other fields at 91%. Figure 5 provides additional data on these disciplinary differences, charting the mean (average size) of off-scale salary by disciplines.

Figure 5: Mean (Average Size) Off-Scale Salary Systemwide By Discipline
General Campus Only
October 2010



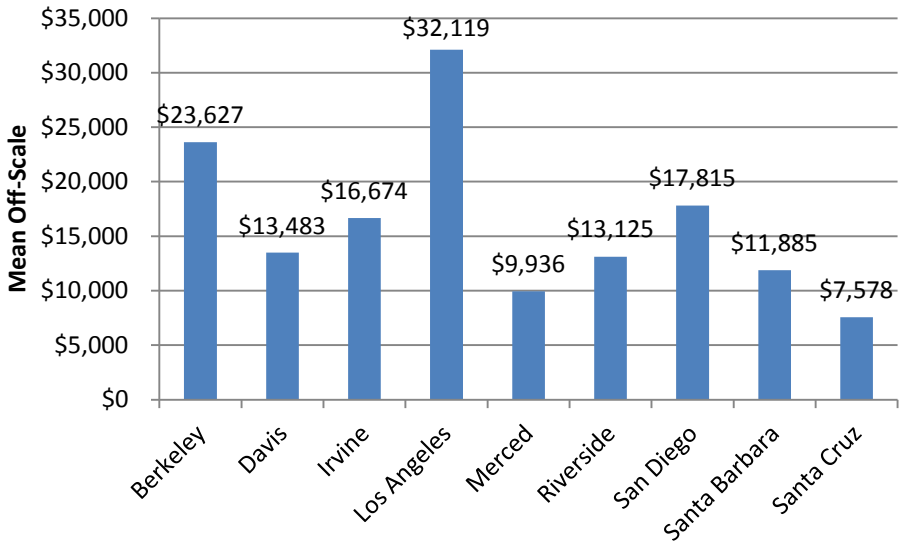
*Includes: Architecture, Communications, Information Sciences, and Social Welfare
Source: UCOP Academic Personnel

As of October 2010, the systemwide mean off-scale increment of a faculty member with an off-scale salary was $19,350. Most of the off-scale salary increment means are in the $13,000 to $21,000 range. The outlier is Business and Management where the mean off-scale salary increment is $84,171, which is 83% of the actual scale in Business and Management. While there are substantial dollars dedicated to off-scale increments, the Taskforce also reviewed data indicating that 44% of off-scale salary amounts are between 0 and 10% of the actual scale. In other words, returning to scale may be achievable for a large number of the faculty, with continued adjustments to the scales.

Figure 6 provides data on one of the many differences by campus, in this case the mean off-scale salary increment. In October 2010 data, the mean off-scale salary increment at Los Angeles is on the high end

with a mean off-scale salary increment of $32,119. The next highest is Berkeley with a mean of $23,627. Santa Cruz is at the low end with a mean of $7,578 and the next lowest is Merced with a mean of $9,936.

Figure 6: Mean Off-Scale Increment By Campus
General Campus Only
October 2010



Source: UCOP Academic Personnel

The data in these six figures are reflective of the complex distribution of salaries at the University. In the absence of regular, systematic adjustment of the salary scales (until Fall 2011, they had not been adjusted since 2007), campuses have increasingly resorted to off-scale salaries to move individuals closer to market, as a result of either recruitment or retention. This ad hoc process has resulted in wide variations in salaries across the system. If our goal is to reward all productive faculty through a more workable scale across the University, then it would be desirable to reduce the variation by bringing salary scales closer to the median.

Analysis of these data led the Taskforce to develop a set of recommendations that acknowledges current differences by campus as well as a common foundation in the salary scales. The Taskforce recommendations (below) combine a salary process that accommodates campus and rank/step differences at the same time preserving a university-wide approach to competitive faculty salaries.

5.0 Recommendations for a long-term faculty salary plan

The Taskforce agreed that the University has major issues with competitive faculty salaries and also—given such factors as those outlined in Section 4 above—that a single solution will not allow the University to remain competitive. We need to be more creative.

Other current conversations in the University have provided an important, dynamic context for Taskforce discussions and have influenced our recommendations. While the Taskforce agreed that enhancing faculty salaries is a fundamental University goal, its members were not of a single mind about how to proceed if state support is not available. Should the state provide funds necessary to rebuild salary competitiveness, including the normal merit component and a restoration program, then the ideas outlined below would be endorsed by Taskforce members. Should needed additional funds not be provided by the state, or if the salary restoration program does not receive priority in the expenditure plan for the University, then members differ on the preferred approach.[3]

For recent periods in which the state provided no funds for salary increases to UC faculty, the University has, nevertheless, remained committed to funding the merit system for faculty. Each campus was left to generate the necessary funds for the merit pools from its own resources and each has done so. So too have the individual campuses self-funded retention and market salaries for newly hired faculty during this period. Analysis done by the Office of the President shows that campuses provided over 3% in salary raises annually during a two-year period. The Taskforce recommends that UC continue its historic commitment to the faculty merit process, requiring the program to continue, whether new resources are provided by the state for that purpose or not. This commitment has variable consequences for campuses, but should be among the highest priorities for system salary policy since the merit process is at the heart of the UC commitment to faculty quality. (Given this recommendation, funding the merit process should be among the very highest priorities for the University, even in the face of serious financial problems.) Self-funded merits, retention, and market hires result in some variability among the campuses in faculty salaries. It is the view of some members of the Taskforce that the level of variability while not optimal is, however, not overly harmful to the ability of the individual campuses to maintain their quality. The commitment of the University, in this view, should be to the merit system, not to a rigid scale adhered to by everyone. "Step 2" outlined below contains specific Taskforce recommendations on the merit salary process.

Taskforce members differ on the priority they would place on the scale restoration program in the absence of new state resources. Some members of the committee would not obligate the campuses to a systemwide restoration program without new funds and would place this need lower on the list of priorities for the campuses (against, for example, hiring additional faculty or staff or against reducing staff further.) Other members would prioritize the restoration program against other needs and require the implementation of a systemwide program using existing campus resources, including increased tuition dollars. The failure of the state to fund faculty salaries over time has limited the University's ability to adjust the systemwide salary scales, producing a situation in which off-scale salaries have proliferated, and resulting in dramatic differences among individuals as well as campuses. "Step 1" outlined below contains Taskforce recommendations about restoration of the salary scales in a new way that fits current circumstances.

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[3] There was a difference of opinion among Taskforce members on this issue of funding. Some members felt that "core instructional funds, including state allocations and student tuition [net of return to aid]" and not simply "state funding" should be identified as the source of support for faculty salary actions. Others insisted that tuition dollars should be allocated only through campus-based decision-making processes. In Section 5, we have used the more restrictive phrase, "state funds" with the understanding that there is not agreement about the source(s) of funding for faculty salary.

In addition to the situation with reduced state funding, University adoption of Funding Streams and discussions about Rebenching have meant long-standing assumptions about faculty salary may not be operative in the same way in future years. Again and again, the Taskforce found that discussions of particular salary issues were affected by such University-wide issues: could we expect an infusion of funds to rebuild the scales systemwide or would campuses have to reallocate funds for increases? How do current differences in campus recruitment and retention factor into our design of future salaries? How will increasing contributions for UCRP affect the availability of dollars for salaries? Should we focus on market competitiveness by discipline since dollars are limited? Most importantly, we recognized that decisions about funding faculty salaries are now as likely to occur at the campus level as at the systemwide level. The Taskforce proceeded under the assumption that the President is ready to support increased faculty salaries, a priority he has consistently stated over the last year.

Bearing all this in mind, the Taskforce proposes a plan to affirm core policy and shared practice (the salary scales and attendant regular peer review) and to align with the current situation in which much fiscal responsibility is being moved to the campuses.

Below, we outline a two-part "scale reformulation" which builds on current effective policies and practices while proposing a set of variations that would be determined at the campus level. We have proposed two interlocking salary adjustments, one of which assumes some funding coming centrally to provide more uniformity to salaries systemwide and one of which assumes individual campuses will have to generate the salary increase dollars and will need to award the salary within their norms at the time of annual merit review. Both adjustments work within the current salary policy and review processes. We would propose that any of these changes be implemented on July 1 of the affected year.

The recommendations and projections would need additional refinement if you agree to the concepts they encapsulate.

Professional School salaries. The Taskforce finds that some aspects of current faculty salary will not be adequately addressed by our recommendations and thus we recommend that the Provost appoint a follow up Taskforce to pursue optimal ways of ensuring competitive salaries in professional disciplines (non-Health Sciences). In reviewing the data on faculty salaries disaggregated by discipline, the Taskforce recognized that our proposed plan may have limited effect in some of the professional schools, where there are already discipline-based salary scales. We found this problematic. As we reviewed the situation for law faculty, for instance, we acknowledged major differences in scales (the law scales have nine steps compared to twenty in the General Campus scales) and in the use of fees in support of faculty salaries. We also found that faculty in business and in economics have little predictable relationship between the published scales and their salaries. This Taskforce did not have the appropriate expertise to pursue this issue of professional faculty salaries further.

This follow-up Taskforce is essential. In this report, we have dealt with the current professional school faculty in a couple of ways. For law faculty salaries, we have made the decision to exclude them from the costing models. While competitive law faculty salaries are a continuing priority, the recommendations of this Taskforce do not speak directly to the situation of law schools. For faculty on

the Business/Economics/Engineering scales as well as for other professional faculty on the General Campus scales, we have included them in the costing materials (detailed assumptions are in the notes of Appendix A and B). Since subsets of professional school faculty are substantially off-scale (business, for example), their inclusion did not add significant costs in our Year 2 and 3 estimates (these business salaries were NOT used in computing the campus averages, expressly because they are so far from current scales already).

5.1 Two-part scale reformulation

We propose that the University support its goal of competitive faculty salaries through a combination of two adjustments to salary, as described below. The adjustments are described separately, since the cost is necessarily calculated in two steps. Examples to explain this effect on individual faculty members follow in 5.1.3. The following tables are attached as appendices to offer details of how this plan would work in Years 2 and 3 (FY 13 and FY14), for General Campus and health sciences faculty. The Taskforce was wary of making calculations beyond the next two years, since there are too many unknowns to allow confidence that far into the future.

Appendix A:	"Costing Models—Based on the Median Average: Year 2"
Appendix B:	"Costing Models—Based on the Median Average: Year 3"
Appendix C:	"Health Sciences Compensation Plan APU Scales, using Median Average as Scale 0" (Year 2)
Appendix D:	"Health Sciences Compensation Plan APU Scales, using Median Average as Scale 0" (Year 3)
Appendix E:	"Campus Mean Scales—After Adjusting Oct. 2010 by +3%" (Year 2)
Appendix F:	"Campus Mean Scales—For 3rd Year Costing"
Appendix G:	"Note about Costing for Above Scale Faculty"

The significant detail in these attachments contain the assumptions and calculations behind the discussion below.

5.1.1 Step 1: Salary scale adjustments based on the median systemwide average at each rank and step

We propose that determination of faculty salaries in Years 2 and 3 begin with a recalculation of the systemwide salary scales.[4] This recommendation is based on our consensus that faculty salaries should be, at a minimum, at the "median campus average" at each rank and step.

In this first mechanism, scale adjustments would be made annually or at other (longer) intervals as determined by the President. The systemwide scale is set at the "median campus average" (of the nine

[4] In the mechanisms proposed below, we are focused on what we refer to as Year 2 (FY13) and Year 3 (FY14). Year 1 (FY12) is the current year, in which 3% was awarded on all salary dollars (on, above, and off scale) to all faculty with positive reviews in the preceding four years. If these proposals for Year 2 and 3 are adopted, the salary mechanisms could be used in Years 4 and 5 as well. We assume that a review of years 1-3 should occur preceding any decisions about Years 4 and 5.

General Campus locations) for each rank and step to allow for modest but consistent adjustments to the scales. For each campus, the average salary rate for General Campus ladder-rank faculty at each rank and step will be calculated and the middle (median) value of the nine campus averages will be used as the systemwide rate for each rank and step. Setting the new scale at the median campus average means that the systemwide scale can take into account hiring and retention actions across the system, and thus more accurately represent competitive salaries. In other words, this mechanism assumes that actual salaries should be factored into setting the baseline University scale and that scales should NOT be adjusted by a simple increment, as has been the case in the past.[5] If the adjustment is made each year, the cost is likely to be relatively modest each year, after the first couple of years. Adjustments made at longer intervals (every two or three years) would be more expensive. Appendices A-D contain detailed information on the cost for Years 2 and 3 of such an adjustment. In Year 2, the General Campus cost would be $23.3M; this cost covers all General Campus faculty (academic and fiscal year), on all scales except law.[6] The cost in Year 3 would be $25M.

Step 1

Cost in Year 2:	$23,347,277 (General Campus)
Cost in Year 3:	$25,004,501 (General Campus)

Health Sciences. The Taskforce recommends that scale 0 for the Health Science faculty be based on this "median" baseline University scale. See Appendices C and D for new HSCP/APU scales in Years 2 and 3. When this baseline scale goes up, the HSCP salary scales also go up as is currently the case under APM policy, meaning that more of the faculty salary (X, X') is covered compensation under UCRP. This scale adjustment may or may not result in an overall salary increase for individual faculty members, since the HSCP salary is a negotiated combination of X, X', Y, and Z. The Taskforce considered but rejected the idea of separate "median" baseline scales for each campus participating in HSCP, but decided that this would add needless complexity when the APU range of scales (0-9) already provides ample flexibility.

5.1.2 Step 2: "Scale Reformulation" correlated to campus averages for each rank and step at the time of merit advancement

Step 2 is an affirmation of the merit and CAP review of faculty performance. We propose that when a faculty member is advanced to a new rank and/or step, s/he is moved—at a minimum—to the average of her/his *campus* faculty salaries at the new rank and step. This is a mechanism that has been in place at UC Irvine for several years, has provided equitable salaries to productive faculty, and has proved effective in faculty retention.

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[5] While the general campus means were calculated excluding the Business/Economics/Engineering scales and faculty, the salary adjustment costing does include the BEE faculty. Law school scales and faculty are not included in the means or the costing since this adjustment would have almost no effect on the competitiveness of their salaries. See recommendation for a separate taskforce on Professional School salaries in section 5.0.

[6] Law faculty were left out of these calculations because of significant differences in the number of scales and funding sources. To understand the total cost of implementing this plan, campuses with law faculty would need to take into account additional costs for those faculty salaries.

General Campus faculty would move, at a minimum, to the average campus salary at their new rank and step; for example, a faculty member moving from Professor IV to Professor V would have a new salary at the average of all other faculty members at Professor V on his/her campus. This mechanism ensures that at the moment peer review certifies strong performance, the University would move the faculty member to a new salary at least equal to his/her campus peers at the new rank/step. This mechanism also provides campus flexibility in setting salaries that meet local market conditions and resources. Off-scale amounts would continue to be managed as needed according to campus policy and practice.[7]

Faculty at barrier steps with a satisfactory review—but not an advancement—would be awarded a salary adjustment as well. We recommend that such faculty be advanced at least to the new campus scale at their continuing rank and step.

Appendices A and B detail the individual campus costs of this calculation, listed under "Step 2." We have calculated the costs assuming that only the 1/3 of faculty will have been awarded a merit advancement to be effective in Year 2 and again in Year 3 and that only this portion of the faculty would be brought to this new average.[8] Costs are estimated as follows: for example, at UCSB in Year 3, Step 2 would cost $2,560,212 to bring 1/3 of the faculty to the campus mean at the new rank and step (see Appendix B). Systemwide costs for the second adjustment (Step 2) are as follows for Years 2 and 3:

Step 2 costs: Years 2 and 3

Year 2:	$23,236,209 (cost for the roughly 1/3 faculty advanced in a given year) (General Campus) See Appendix A
Year 3:	$26,179,823 (cost for the roughly 1/3 faculty advanced in a given year) (General Campus) See Appendix B

Appendices E and F offer additional detail about the development of campus-based means and related costs of advancing faculty at merit review. Information is included for General Campus scales and for Business/Economics/Engineering scales, for academic year and fiscal year faculty.

[7] In developing the costs for this model, mechanisms for off-scales were simplified. In Step 1, the Taskforce assumed that the off-scale amounts would be subsumed in the scale adjustments; in other words, some or all of a faculty member's off-scale amount would transfer from off-scale dollars to on-scale dollars. In Step 2, we assumed that any off-scale dollars remaining after Step 1 would remain at the same dollar amount. In actual practice, the procedure for Step 2 would vary by campus, as is currently the case. Some Taskforce members voiced a concern that faculty members with current off-scales may not like the "return-to-scale" in Step 1.

[8] Bringing ALL faculty to the "Step 2" new campus average (including the roughly 2/3 who remain in their current step) in Year 2 would also be an option and would ensure that those recently advanced (in the two prior years) would profit from this salary adjustment along with those advancing in Year 2. The Taskforce decided against recommending this, since it would add significant costs in Year 2.

Above Scale Faculty. Above Scale faculty (UC currently has 821 Above Scale faculty) offer a special case in this proposed salary plan, since they do not have official steps, are reviewed on a longer time frame, and are awarded salary increments in different ways among the campuses. Still, it is necessary to factor the cost of salary increments to Above Scale faculty in our calculations. To calculate the costs for Above Scale faculty in Years 2 and 3, we used the same average percentage increase for them that would accrue to faculty at Professor Step 9 in this plan: 4.8% in Years 2 and 3. Appendix G details the assumptions used in calculating salary costs for Above Scale faculty in Appendices A and B. Note that these costs are already included in the total costs listed above. We understand that campuses would continue with current practice for Above Scale faculty, even in the new plan. It was, however, important to estimate the costs.

Health Sciences. The Taskforce recommends that HSCP scales be set at the University scale, not the campus specific scales described in this section, since this second mechanism is not needed for calculating HSCP faculty salaries. See Appendices C and D.

UCRP. Taskforce members noted that during Years 2 and 3 there will also be additional University costs for contributions to UCRP. The cost goes up from 7% to 10% in FY13 and to 12% in FY14. This is an additional cost that must be funded on all salary dollars, whether or not these recommendations are accepted. For example, the new UCRP cost of Steps 1 and 2 in year 2 would be 3% of $46.6M or$1,398,000. The President is discussing with the Governor and legislature the allocation of state funding for some of the University's UCRP costs.

5.1.3. Examples of how the scale reformulations would affect individual faculty members

Six scenarios from the General Campus faculty and two from Health Sciences Compensation Plan (HSCP) faculty show how individual faculty would be affected by the proposed salary plan in FY13 (Year 2); these scenarios use the new scales in Appendix E. The new salary is determined by whether or not the faculty member has had an advancement in the prior year (see "Approved for Merit?" column where a "Y" means the faculty member has a new step and/or rank and where "N" means the faculty member remains in the current rank and step). If the faculty member is not advanced (A, C, D, and G), the new salary is determined by the adjustments of Step 1. Parts or all of the off-scale amount could be subsumed in Step 1. *In no case would a faculty member's salary go down*. If the faculty member is advanced, the new salary is determined by the calculations of Step 2 as well as Step 1 (B, E, F, and H). To simplify the details, the examples in Step 2 assume that the off-scale amount does not change with Step 2 advancement but is maintained at the same dollar amount as after Step 1 (the off-scale could just as easily increase [or be absorbed]; those decisions about off-scales would continue to be managed according to campus policy and practice). Individual campuses are identified in the examples (UCD, UCI) since the adjustments of Step 2 are determined by individual campus averages. For the HSCP, UCSF is listed, although the individual campus does not matter in this calculation, since there would be one systemwide scale.

GENERAL CAMPUS FACULTY: YEAR 2										
Scenario	**Campus**	**Current Rank & Step**	**Current Base Salary**	**On or Off-Scale**	**Current Total Salary**	**Approv-ed for Merit?**	**Step 1 Increment**	**Step 2 Increment**	**New Off-Scale**	**New Salary Year 2**
A	UCD	Associate Professor II	$71,400	On-Scale	$71,400	N	$7,300	n/a	n/a	$78,700
B	UCD	Associate Professor II	$71,400	On-Scale	$71,400	Y	$7,300	$5,500	n/a	$84,200
C	UCI	Professor IV	$99,300	On-Scale	$99,300	N	$8,300	n/a	n/a	$107,600
D	UCI	Professor IV	$99,300	$3,000 Off-Scale	$102,300	N	$5,300	n/a	$0	$107,600
E	UCI	Professor IV	$99,300	$3,000 Off-Scale	$102,300	Y	$5,300	$12,000	$0	$119,600
F	UCI	Professor IV	$99,300	$10,000 Off-Scale	$109,300	Y	$0	$10,300[9]	$1,700	$121,300

HEALTH SCIENCES COMPENSATION PLAN FACULTY: YEAR 2										
Scenario	**Campus**	**Rank, Step & APU**	**X,X'**	**On or Off-Scale**	**Current Total Salary**	**Approv-ed for Merit?**	**Step 1 Increment (X,X')**	**Step 2 Increment (X,X')**	**New Off-Scale**	**New Salary Year 2 (X,X')**
G	UCSF	Assistant Professor II, Scale 5	$101,100	On-scale	$101,100	N	$16,500	n/a	n/a	$117,600
H	UCSF[10]	Assistant Professor II, Scale 5	$101,100	On-Scale	$101,100	Y	$16,500	$2,900	n/a	$120,500

5.1.4 Cost of Proposed Faculty Salary Plan for Years 1-3 (FY 12, 13, 14)

If the University were to adopt the two-step "Scale Reformulation" Plan proposed by this Taskforce, we estimate the costs for Years 1 (FY12), 2 (FY13) and 3 (FY14) as follows (see Appendices A and B for further detail). [11]

[9] In the example of faculty member F, the original off-scale of $10K is adjusted in Step 1. As the salary scale base of $99,300 is first raised to the average median of $107,600, $8300 of the off-scale is transferred to on-scale dollars. This leaves an off-scale of $1700 which remains constant in Step 2 as the faculty member is moved to the campus average at the new rank and step ($119,600). The off-scale of $1700 is added to this amount for a final salary of $121,300.

[10] Since the Health Sciences scales are the same at all campuses in this set of recommendations (as is currently the case), the campus does not matter.

[11] The estimate for Year 1 (FY12) is roughly 3% of current payroll ($1B). Actual salary increments for FY12 are not yet available but are likely to be higher than this 3%.

Year	Combined cost, Steps 1 and 2	Percent of new salary dollars over "status quo" needed for Taskforce recommendations, Steps 1 and 2
Year 1 (FY12) (3% for faculty with positive reviews in last four years)	$30M	n/a
Year 2 (FY13)	$46,583,486 5.1% increase	3.2%
Year 3 (FY14)	$51,184,324 5.3% increase	3.3%
TOTAL (FY12-FY14)	**$127,767,810**[12]	

The possible costs of Years 4 and 5 are not included here; as noted above, the variables in the proposed plan and the major changes in University administration of budget suggest that making such estimates would be inaccurate at best.

The Taskforce felt it was important to understand the costs of this set of recommendations in comparison to costs the campuses already incur for salary actions. We defined the "status quo" as funds needed to move 1/3 of the faculty one step in the merit process during a given year. In Year 2, we estimated this cost to be 1.9% of payroll; in Year 3, we estimated a cost of 2.0%. Appendices A and B contain these estimates in the column labeled "Comparator, Simulated 'Status Quo' Merit Process (1/3 of faculty)". In the Table above, we have calculated the additional cost of our recommendations (Step 1 and 2) over and above this 1.9% or 2.0%. The proposed plan is 3.2% additional cost in Year 2 and 3.3% additional cost in Year 3. As noted earlier in this report, the Office of the President previously calculated the actual costs of merit advancement and retention for a subset of faculty, between FY08 and FY10; the cost was 3.1% per year.

The Taskforce believes these are reasonable costs to support faculty salaries. We also believe that these costs would likely leave the campuses with some flexibility to deal with other salary costs in recruitment and retention. Having a plan like the one we propose would be a key factor in improving faculty morale and improving recruitment and retention on a broad scale. This plan also adds new dimensions to our current salary processes by factoring market salaries directly into development of the scales and by acknowledging the need for campus variation in salary.

[12] Additional UCRP costs are not included in these figures.

6.0 Next Steps

These recommendations reflect the consensus of the Taskforce as it has worked to reflect the priorities and goals of both faculty and administration (one Taskforce member contributed to the development of this memo, but abstained from endorsing its final recommendations). The Taskforce would be pleased to meet with you to review these recommendations and next steps for determining faculty salary in the next two years.

cc: Current and past members, Senate-Administration Taskforce on Faculty Salaries
Executive Director Tanaka
Manager Lockwood
Coordinator Sykes

Attachments: June 9, 2011 memo to Executive Vice President and Provost Pitts from Taskforce
Appendices A through G

Year 2
(Subsequent to Approx. 3% increase in October 2011)

Bringing Faculty to Median Average (Systemwide), Then to Campus Mean After Merit Process
General Campus Ladder Rank Academic and Fiscal Year Faculty (Regular and B/E/E Scales)
Based on October 2010 Payroll Data, Adjusted with 3% increase for Oct. 2011

Year 2 (3% increase added to Oct 2010 salary data)	Total Salaries (3% increase over Oct. 2010)		Comparator Simulated "Status Quo" Merit Process (1/3 of faculty)		Step 1 Median Average	Step 2: Campus Merit Process (Sim. Merit Process using new model)	Step 1 + Step 2			
CAMPUS	FT Salary Rates	Total Faculty N	Cost	% of Total Salaries	Cost	(Cost of merits for 1/3 of faculty)	Total Cost	% of of Total Salaries	Difference between Model and Status Quo	Diff. in % of of Total Salaries
SYSTEM	**$916,638,725**	**7,541**	**$17,658,754**	**1.9%**	**$23,347,277**	**$23,236,209**	**$46,583,486**	**5.1%**	**$28,924,732**	**3.2%**
Prof.	$654,863,828	4,599	$13,599,654	2.1%	$15,269,589	$17,261,820	$32,531,409	5.0%	$18,931,755	2.9%
Assoc.	$148,022,920	1,601	$2,493,100	1.7%	$4,733,997	$3,713,760	$8,447,757	5.7%	$5,954,657	4.0%
Assistant	$113,751,977	1,341	$1,566,000	1.4%	$3,343,691	$2,260,630	$5,604,321	4.9%	$4,038,321	3.6%
BK	**$171,212,216**	**1,288**	**$3,196,787**	**1.9%**	**$2,576,535**	**$4,780,670**	**$7,357,205**	**4.3%**	**$4,160,417**	**2.4%**
Prof.	$123,230,332	808	$2,463,654	2.0%	$1,947,098	$3,274,366	$5,221,464	4.2%	$2,757,810	2.2%
Assoc.	$28,160,393	268	$478,833	1.7%	$356,762	$979,342	$1,336,104	4.7%	$857,271	3.0%
Assistant	$19,821,491	212	$254,300	1.3%	$272,675	$526,962	$799,637	4.0%	$545,337	2.8%
DV	**$138,601,614**	**1,197**	**$2,915,786**	**2.1%**	**$6,663,963**	**$3,257,603**	**$9,921,566**	**7.2%**	**$7,005,780**	**5.1%**
Prof.	$102,298,997	765	$2,325,386	2.3%	$4,678,614	$2,603,856	$7,282,470	7.1%	$4,957,084	4.8%
Assoc.	$19,785,110	228	$348,867	1.8%	$1,095,632	$418,623	$1,514,255	7.7%	$1,165,388	5.9%
Assistant	$16,517,507	204	$241,533	1.5%	$889,717	$235,125	$1,124,842	6.8%	$883,308	5.3%
IR	**$94,208,268**	**837**	**$1,831,510**	**1.9%**	**$3,071,517**	**$2,382,308**	**$5,453,825**	**5.8%**	**$3,622,315**	**3.8%**
Prof.	$62,266,420	463	$1,301,810	2.1%	$1,693,552	$1,687,085	$3,380,637	5.4%	$2,078,827	3.3%
Assoc.	$17,675,381	203	$329,067	1.9%	$764,818	$446,013	$1,210,831	6.9%	$881,764	5.0%
Assistant	$14,266,467	171	$200,633	1.4%	$613,147	$249,210	$862,357	6.0%	$661,724	4.6%
LA	**$177,127,376**	**1,267**	**$3,053,222**	**1.7%**	**$957,362**	**$4,933,106**	**$5,890,468**	**3.3%**	**$2,837,245**	**1.6%**
Prof.	$134,939,458	854	$2,513,989	1.9%	$710,789	$3,910,580	$4,621,369	3.4%	$2,107,380	1.6%
Assoc.	$24,118,388	227	$325,067	1.3%	$173,390	$614,559	$787,949	3.3%	$462,882	1.9%
Assistant	$18,069,530	186	$214,167	1.2%	$73,183	$407,966	$481,149	2.7%	$266,983	1.5%
MC	**$11,097,937**	**122**	**$190,840**	**1.7%**	**$307,268**	**$198,081**	**$505,349**	**4.6%**	**$314,509**	**2.8%**
Prof.	$3,691,447	29	$79,806	2.2%	$48,805	$77,325	$126,130	3.4%	$46,323	1.3%
Assoc.	$1,995,865	23	$31,900	1.6%	$62,732	$40,107	$102,839	5.2%	$70,939	3.6%
Assistant	$5,410,625	70	$79,133	1.5%	$195,731	$80,649	$276,380	5.1%	$197,246	3.6%
RV	**$71,077,274**	**653**	**$1,443,632**	**2.0%**	**$2,848,803**	**$1,738,158**	**$4,586,961**	**6.5%**	**$3,143,329**	**4.4%**
Prof.	$46,561,077	348	$1,027,799	2.2%	$1,730,733	$1,201,754	$2,932,487	6.3%	$1,904,688	4.1%
Assoc.	$12,759,939	153	$237,667	1.9%	$628,709	$310,695	$939,404	7.4%	$701,737	5.5%
Assistant	$11,756,258	152	$178,167	1.5%	$489,361	$225,709	$715,070	6.1%	$536,903	4.6%
SB	**$90,996,834**	**772**	**$1,858,430**	**2.0%**	**$2,365,159**	**$2,186,712**	**$4,551,871**	**5.0%**	**$2,693,440**	**3.0%**
Prof.	$69,239,458	509	$1,495,497	2.2%	$1,669,325	$1,719,839	$3,389,164	4.9%	$1,893,667	2.7%
Assoc.	$15,055,458	179	$267,567	1.8%	$538,803	$316,457	$855,260	5.7%	$587,693	3.9%
Assistant	$6,701,918	84	$95,367	1.4%	$157,031	$150,416	$307,447	4.6%	$212,080	3.2%
SC	**$54,198,787**	**512**	**$1,122,132**	**2.1%**	**$1,941,125**	**$1,199,503**	**$3,140,628**	**5.8%**	**$2,018,497**	**3.7%**
Prof.	$36,372,476	290	$824,332	2.3%	$1,238,635	$365,688	$1,604,323	4.4%	$779,992	2.1%
Assoc.	$9,745,174	116	$177,533	1.8%	$442,264	$119,128	$561,392	5.8%	$383,858	3.9%
Assistant	$8,081,137	106	$120,267	1.5%	$260,226	$128,217	$388,443	4.8%	$268,176	3.3%
SD	**$108,118,419**	**893**	**$2,046,414**	**1.9%**	**$2,615,545**	**$2,560,070**	**$5,175,615**	**4.8%**	**$3,129,200**	**2.9%**
Prof.	$76,264,163	533	$1,567,381	2.1%	$1,552,038	$1,898,598	$3,450,636	4.5%	$1,883,255	2.5%
Assoc.	$18,727,212	204	$296,600	1.6%	$670,887	$410,824	$1,081,711	5.8%	$785,111	4.2%
Assistant	$13,127,044	156	$182,433	1.4%	$392,620	$250,648	$643,268	4.9%	$460,834	3.5%

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Notes: Calculation of Means

The calculations in this costing model is based on October 2010 faculty salaries, plus 3% to approximate the faculty salary increases effective October 2011.
Therefore, "Year 1" was represented by the increases of October 2011 (3%), and this costing is for "Year 2" (effective October 2012)
Included in the calculation of means: Ladder Rank Faculty plus Agronomists and Astronomers
General Campus only
Regular Scale Only (excludes Business/Econ/Engineering and Law School Scales)
AY and FY Faculty (FY rates normalized to AY equivalent by dividing by a factor of 1.16)
Excludes Above Scale
Salary rate used is a calculated full time annual rate, based on regular pay and FTE in October 2010 (stipends, research pay, etc. were not included in the rate calculation).
For each rank and step, up to 5 outlier salary rates were removed if they were at least $10,000 higher than the next lower rate.
Campus Means used for costing Step 2 were calculated subsequent to bringing all faculty to Median of the Means value (Step 1)

Notes: Salary Adjustment Costing

Includes Ladder Ranks and Acting plus Astronomers and Agronomists
Includes Regular Scale and Business/Econ/Engineering Faculty
Excludes faculty paid on Law School Scales
Simulated Merit Process for both Status Quo and Model 2b:
- Faculty advanced one Step within rank
- Promotional advancement: advance to Step 3 of the new Rank (i.e., from Asst. 6 to Assoc. 3)
- The resulting cost was divided by 3 to simulate approximately 1/3 of faculty advancing in a given year.

Process for Status Quo merit increase for Above Scale:
- Faculty at Professor Step 9 were advanced to Above Scale and salaries increased by $11,400 (difference between Prof. 8 and 9 on current salary scale)
- Faculty already at Above Scale were increased by 4.8% (same as for Method 2b - see below)

Method 2b process for Off-Scale salary rates that were already above the Median of the Means:
- No Increase in Step 1
- In Step 2, if the salary rate prior to advancement was below the Campus Mean for the new step, the rate was increased to the Campus Mean (off-scale absorbed).
- In Step 2, if the salary rate prior to advancement was above the Campus Mean for the new step, the rate was increased by the difference in value between previous and new step on the Systemwide Median of the Means scale (off-scale partially retained).
- In Step 2, faculty at Professor Step 9 were advanced to Above Scale and salaries increased by $10,900 (difference between Prof. 8 and 9 on Median of the Means Scale)
- In Step 2, salaries for faculty already at Above Scale were increased by 4.8% (average of increase for faculty at Step 9 - determined in previous costing exercise)

Bringing Faculty to Median Average (Systemwide), Then to Campus Mean After Merit Process
General Campus Ladder Rank Academic and Fiscal Year Faculty (Regular and B/E/E Scales)
Based on October 2010 Payroll Data, Adjusted with 3% increase for Oct. 2011, adjusted for year 2

		Comparator				Step 1	Step 2: Campus Merit Process (Simulated using model)	Step 1 + Step 2			
		After Yr 2 Status Quo Merit Process	Simulated Yr 3 "Status Quo" Merit Process (1/3 of faculty)		After Yr 2	Median Average					
CAMPUS	Total Faculty N	FT Salary Rates	Cost	% of Total Salaries	FT Salary Rates	Cost	(Cost of merits for 1/3 of faculty)	Total Cost	% of of Total Salaries	Difference between Model and Status Quo	Diff. in % of of Total Salaries
SYSTEM	**7,541**	**$934,308,003**	**$18,549,606**	**2.0%**	**$963,176,983**	**$25,004,501**	**$26,179,823**	**$51,184,324**	**5.3%**	**$32,634,718**	**3.3%**
Prof.	4,650	$673,683,667	$14,073,706	2.1%	$693,165,232	$18,450,048	$19,533,757	$37,983,805	5.5%	$23,910,099	3.4%
Assoc.	1,577	$147,699,864	$2,865,700	1.9%	$153,222,061	$3,804,770	$4,418,380	$8,223,150	5.4%	$5,357,450	3.4%
Assistant	1,314	$112,924,472	$1,610,200	1.4%	$116,789,690	$2,749,683	$2,227,686	$4,977,369	4.3%	$3,367,169	2.8%
BK	**1,288**	**$174,278,738**	**$3,459,875**	**2.0%**	**$178,349,738**	**$3,206,046**	**$5,088,330**	**$8,294,376**	**4.7%**	**$4,834,501**	**2.7%**
Prof.	841	$129,044,454	$2,680,875	2.1%	$132,160,365	$2,619,066	$3,522,425	$6,141,491	4.6%	$3,460,616	2.6%
Assoc.	254	$26,897,608	$504,300	1.9%	$27,449,196	$350,134	$1,107,789	$1,457,923	5.3%	$953,623	3.4%
Assistant	193	$18,336,676	$274,700	1.5%	$18,740,177	$236,846	$458,116	$694,962	3.7%	$420,262	2.2%
DV	**1,197**	**$141,575,600**	**$3,097,254**	**2.2%**	**$148,625,310**	**$6,093,657**	**$5,494,882**	**$11,588,539**	**7.8%**	**$8,491,285**	**5.6%**
Prof.	768	$104,937,683	$2,419,854	2.3%	$109,973,303	$4,679,887	$4,416,493	$9,096,380	8.3%	$6,676,526	6.0%
Assoc.	228	$20,108,110	$421,300	2.1%	$21,266,610	$777,543	$675,204	$1,452,747	6.8%	$1,031,447	4.7%
Assistant	201	$16,529,807	$256,100	1.5%	$17,385,397	$636,227	$403,185	$1,039,412	6.0%	$783,312	4.4%
IR	**837**	**$95,986,408**	**$1,872,051**	**2.0%**	**$99,609,418**	**$2,855,853**	**$2,156,569**	**$5,012,422**	**5.0%**	**$3,140,371**	**3.1%**
Prof.	473	$64,468,463	$1,317,651	2.0%	$66,630,543	$1,866,872	$1,502,643	$3,369,515	5.1%	$2,051,864	3.0%
Assoc.	194	$17,158,804	$347,200	2.0%	$17,964,719	$533,457	$441,964	$975,421	5.4%	$628,221	3.4%
Assistant	170	$14,359,141	$207,200	1.4%	$15,014,156	$455,524	$211,962	$667,486	4.4%	$460,286	3.0%
LA	**1,267**	**$180,227,180**	**$3,246,167**	**1.8%**	**$183,116,796**	**$1,530,248**	**$5,216,551**	**$6,746,799**	**3.7%**	**$3,500,632**	**1.9%**
Prof.	854	$137,485,562	$2,637,267	1.9%	$139,613,636	$1,280,314	$4,061,700	$5,342,014	3.8%	$2,704,747	1.9%
Assoc.	227	$24,446,888	$404,700	1.7%	$24,912,793	$145,861	$751,919	$897,780	3.6%	$493,080	1.9%
Assistant	186	$18,294,730	$204,200	1.1%	$18,590,367	$104,073	$402,932	$507,005	2.7%	$302,805	1.6%
MC	**122**	**$11,300,937**	**$174,688**	**1.5%**	**$11,626,387**	**$423,533**	**$156,355**	**$579,888**	**5.0%**	**$405,200**	**3.4%**
Prof.	29	$3,774,847	$71,488	1.9%	$3,821,863	$149,388	$73,319	$222,707	5.8%	$151,219	3.9%
Assoc.	24	$2,109,148	$24,700	1.2%	$2,178,717	$67,827	$26,075	$93,902	4.3%	$69,202	3.1%
Assistant	69	$5,416,942	$78,500	1.4%	$5,625,807	$206,318	$56,961	$263,279	4.7%	$184,779	3.2%
RV	**653**	**$72,574,184**	**$1,412,672**	**1.9%**	**$75,702,885**	**$2,740,350**	**$2,030,702**	**$4,771,052**	**6.3%**	**$3,358,381**	**4.4%**
Prof.	350	$47,851,944	$948,972	2.0%	$49,765,105	$1,881,993	$1,449,751	$3,331,744	6.7%	$2,382,773	4.7%
Assoc.	154	$13,020,563	$301,600	2.3%	$13,721,610	$467,639	$382,979	$850,618	6.2%	$549,018	3.9%
Assistant	149	$11,701,677	$162,100	1.4%	$12,216,170	$390,718	$197,972	$588,690	4.8%	$426,590	3.4%
SB	**772**	**$92,882,511**	**$1,943,016**	**2.1%**	**$95,546,029**	**$2,942,871**	**$2,225,212**	**$5,168,083**	**5.4%**	**$3,225,067**	**3.3%**
Prof.	509	$70,745,235	$1,528,016	2.2%	$72,604,362	$2,336,227	$1,656,416	$3,992,643	5.5%	$2,464,627	3.3%
Assoc.	179	$15,328,558	$315,000	2.1%	$15,925,719	$471,697	$408,349	$880,046	5.5%	$565,046	3.5%
Assistant	84	$6,808,718	$100,000	1.5%	$7,015,948	$134,947	$160,447	$295,394	4.2%	$195,394	2.7%
SC	**512**	**$55,363,710**	**$1,099,048**	**2.0%**	**$57,383,600**	**$2,478,470**	**$1,118,935**	**$3,597,405**	**6.3%**	**$2,498,357**	**4.3%**
Prof.	291	$37,358,796	$748,848	2.0%	$38,663,616	$1,718,042	$775,249	$2,493,291	6.4%	$1,744,443	4.4%
Assoc.	115	$9,824,577	$225,600	2.3%	$10,256,096	$459,848	$225,813	$685,661	6.7%	$460,061	4.4%
Assistant	106	$8,180,337	$124,600	1.5%	$8,463,888	$300,580	$117,873	$418,453	4.9%	$293,853	3.4%
SD	**893**	**$110,118,735**	**$2,244,836**	**2.0%**	**$113,216,820**	**$2,733,473**	**$2,692,287**	**$5,425,760**	**4.8%**	**$3,180,924**	**2.8%**
Prof.	535	$78,016,683	$1,720,736	2.2%	$79,932,439	$1,918,259	$2,075,761	$3,994,020	5.0%	$2,273,284	2.8%
Assoc.	202	$18,805,608	$321,300	1.7%	$19,546,601	$530,764	$398,288	$929,052	4.8%	$607,752	3.0%
Assistant	156	$13,296,444	$202,800	1.5%	$13,737,780	$284,450	$218,238	$502,688	3.7%	$299,888	2.1%

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UC Faculty Salaries Task Force
Costing Models - Based on the Median Average: Year 3

Notes: Calculation of Means

The calculations in this costing model is based on October 2010 faculty salaries, plus 3% to approximate the faculty salary increases effective October 2011.
Therefore, "Year 1" was represented by the increases of October 2011 (3%), and this costing is for "Year 2" (effective October 2012)
Included in the calculation of means: Ladder Rank Faculty plus Agronomists and Astronomers
General Campus only
Regular Scale Only (excludes Business/Econ/Engineering and Law School Scales)
AY and FY Faculty (FY rates normalized to AY equivalent by dividing by a factor of 1.16)
Excludes Above Scale
Salary rate used is a calculated full time annual rate, based on regular pay and FTE in October 2010 (stipends, research pay, etc. were not included in the rate calculation).
For each rank and step, up to 5 outlier salary rates were removed if they were at least $10,000 higher than the next lower rate.
Campus Means used for costing Step 2 were calculated subsequent to bringing all faculty to Median of the Means value (Step 1)

Notes: Salary Adjustment Costing

Includes Ladder Ranks and Acting plus Astronomers and Agronomists
Includes Regular Scale and Business/Econ/Engineering Faculty
Excludes faculty paid on Law School Scales
Simulated Merit Process for both Status Quo and Model 2b:
- Faculty advanced one Step within rank
- Promotional advancement: advance to Step 3 of the new Rank (i.e., from Asst. 6 to Assoc. 3)
- The resulting cost was divided by 3 to simulate approximately 1/3 of faculty advancing in a given year.

Process for Status Quo merit increase for Above Scale:
- Faculty at Professor Step 9 were advanced to Above Scale and salaries increased by $11,400 (difference between Prof. 8 and 9 on current salary scale)
- Faculty already at Above Scale were increased by 4.8% (same as for Method 2b - see below)

Method 2b process for Off-Scale salary rates that were already above the Median of the Means:
- No Increase in Step 1
- In Step 2, if the salary rate prior to advancement was below the Campus Mean for the new step, the rate was increased to the Campus Mean (off-scale absorbed).
- In Step 2, if the salary rate prior to advancement was above the Campus Mean for the new step, the rate was increased by the difference in value between previous and new step on the Systemwide Median of the Means scale (off-scale partially retained).
- In Step 2, faculty at Professor Step 9 were advanced to Above Scale and salaries increased by $10,900 (difference between Prof. 8 and 9 on Median of the Means Scale)
- In Step 2, salaries for faculty already at Above Scale were increased by 4.8% (average of increase for faculty at Step 9 - determined in previous costing exercise)

APPENDIX C
UC Faculty Salaries Task Force
Costing Models - Based on the Median Average: Year 2

Health Sciences Compensation Plan APU Scales
Using the Median Average as Scale 0

				(Based on Oct 2010 +3%)	**APU Scale Number**								
System - 5th Lowest Mean				**Scale 0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
Type	**AYFY**	**Rank**	**STEP**	Median Average	**1.10**	**1.20**	**1.30**	**1.40**	**1.50**	**1.65**	**1.80**	**2.00**	**2.25**
Regular	FY	Asst.	1	$76,900	$84,600	$92,300	$100,000	$107,700	$115,400	$126,900	$138,400	$153,800	$173,000
Regular	FY	Asst.	2	$78,400	$86,200	$94,100	$101,900	$109,800	$117,600	$129,400	$141,100	$156,800	$176,400
Regular	FY	Asst.	3	$80,300	$88,300	$96,400	$104,400	$112,400	$120,500	$132,500	$144,500	$160,600	$180,700
Regular	FY	Asst.	4	$84,900	$93,400	$101,900	$110,400	$118,900	$127,400	$140,100	$152,800	$169,800	$191,000
Regular	FY	Asst.	5	$87,700	$96,500	$105,200	$114,000	$122,800	$131,600	$144,700	$157,900	$175,400	$197,300
Regular	FY	Asst.	6	$90,400	$99,400	$108,500	$117,500	$126,600	$135,600	$149,200	$162,700	$180,800	$203,400
Regular	FY	Assoc.	1	$88,000	$96,800	$105,600	$114,400	$123,200	$132,000	$145,200	$158,400	$176,000	$198,000
Regular	FY	Assoc.	2	$91,300	$100,400	$109,600	$118,700	$127,800	$137,000	$150,600	$164,300	$182,600	$205,400
Regular	FY	Assoc.	3	$96,600	$106,300	$115,900	$125,600	$135,200	$144,900	$159,400	$173,900	$193,200	$217,400
Regular	FY	Assoc.	4	$99,400	$109,300	$119,300	$129,200	$139,200	$149,100	$164,000	$178,900	$198,800	$223,700
Regular	FY	Assoc.	5	$107,400	$118,100	$128,900	$139,600	$150,400	$161,100	$177,200	$193,300	$214,800	$241,700
Regular	FY	Prof.	1	$102,300	$112,500	$122,800	$133,000	$143,200	$153,500	$168,800	$184,100	$204,600	$230,200
Regular	FY	Prof.	2	$113,300	$124,600	$136,000	$147,300	$158,600	$170,000	$186,900	$203,900	$226,600	$254,900
Regular	FY	Prof.	3	$117,400	$129,100	$140,900	$152,600	$164,400	$176,100	$193,700	$211,300	$234,800	$264,200
Regular	FY	Prof.	4	$124,800	$137,300	$149,800	$162,200	$174,700	$187,200	$205,900	$224,600	$249,600	$280,800
Regular	FY	Prof.	5	$133,400	$146,700	$160,100	$173,400	$186,800	$200,100	$220,100	$240,100	$266,800	$300,200
Regular	FY	Prof.	6	$141,800	$156,000	$170,200	$184,300	$198,500	$212,700	$234,000	$255,200	$283,600	$319,100
Regular	FY	Prof.	7	$155,000	$170,500	$186,000	$201,500	$217,000	$232,500	$255,800	$279,000	$310,000	$348,800
Regular	FY	Prof.	8	$164,800	$181,300	$197,800	$214,200	$230,700	$247,200	$271,900	$296,600	$329,600	$370,800
Regular	FY	Prof.	9	$177,500	$195,300	$213,000	$230,800	$248,500	$266,300	$292,900	$319,500	$355,000	$399,400

APPENDIX D
UC Faculty Salaries Task Force
Costing Models - Based on the Median Average: Year 3

Health Sciences Compensation Plan APU Scales
Using the Median Average as Scale 0

System - 5th Lowest Mean				Scale 0	APU Scale Number 1	2	3	4	5	6	7	8	9
Type	**AYFY**	**Rank**	**STEP**	Median Average	**1.10**	**1.20**	**1.30**	**1.40**	**1.50**	**1.65**	**1.80**	**2.00**	**2.25**
Regular	FY	Asst.	1	$80,300	$88,300	$96,400	$104,400	$112,400	$120,500	$132,500	$144,500	$160,600	$180,700
Regular	FY	Asst.	2	$82,400	$90,600	$98,900	$107,100	$115,400	$123,600	$136,000	$148,300	$164,800	$185,400
Regular	FY	Asst.	3	$85,700	$94,300	$102,800	$111,400	$120,000	$128,600	$141,400	$154,300	$171,400	$192,800
Regular	FY	Asst.	4	$89,700	$98,700	$107,600	$116,600	$125,600	$134,600	$148,000	$161,500	$179,400	$201,800
Regular	FY	Asst.	5	$92,300	$101,500	$110,800	$120,000	$129,200	$138,500	$152,300	$166,100	$184,600	$207,700
Regular	FY	Asst.	6	$94,700	$104,200	$113,600	$123,100	$132,600	$142,100	$156,300	$170,500	$189,400	$213,100
Regular	FY	Assoc.	1	$93,500	$102,900	$112,200	$121,600	$130,900	$140,300	$154,300	$168,300	$187,000	$210,400
Regular	FY	Assoc.	2	$94,900	$104,400	$113,900	$123,400	$132,900	$142,400	$156,600	$170,800	$189,800	$213,500
Regular	FY	Assoc.	3	$102,000	$112,200	$122,400	$132,600	$142,800	$153,000	$168,300	$183,600	$204,000	$229,500
Regular	FY	Assoc.	4	$106,000	$116,600	$127,200	$137,800	$148,400	$159,000	$174,900	$190,800	$212,000	$238,500
Regular	FY	Assoc.	5	$111,600	$122,800	$133,900	$145,100	$156,200	$167,400	$184,100	$200,900	$223,200	$251,100
Regular	FY	Prof.	1	$113,200	$124,500	$135,800	$147,200	$158,500	$169,800	$186,800	$203,800	$226,400	$254,700
Regular	FY	Prof.	2	$118,300	$130,100	$142,000	$153,800	$165,600	$177,500	$195,200	$212,900	$236,600	$266,200
Regular	FY	Prof.	3	$126,700	$139,400	$152,000	$164,700	$177,400	$190,100	$209,100	$228,100	$253,400	$285,100
Regular	FY	Prof.	4	$136,500	$150,200	$163,800	$177,500	$191,100	$204,800	$225,200	$245,700	$273,000	$307,100
Regular	FY	Prof.	5	$142,600	$156,900	$171,100	$185,400	$199,600	$213,900	$235,300	$256,700	$285,200	$320,900
Regular	FY	Prof.	6	$150,200	$165,200	$180,200	$195,300	$210,300	$225,300	$247,800	$270,400	$300,400	$338,000
Regular	FY	Prof.	7	$167,700	$184,500	$201,200	$218,000	$234,800	$251,600	$276,700	$301,900	$335,400	$377,300
Regular	FY	Prof.	8	$174,500	$192,000	$209,400	$226,900	$244,300	$261,800	$287,900	$314,100	$349,000	$392,600
Regular	FY	Prof.	9	$187,600	$206,400	$225,100	$243,900	$262,600	$281,400	$309,500	$337,700	$375,200	$422,100

APPENDIX E
UC Faculty Salaries Task Force
Costing Models - Based on the Median Average: Year 2

Campus Mean Scales
After Adjusting Oct. 2010 by + 3%

Scale Type	AYFY	Rank	STEP	(Based on Oct 2010 +3%) Median Average	Campus Means after Bringing Faculty to the Median Average BK	DV	IR	LA	MC	RV	SB	SC	SD
Regular	AY	Asst.	1	$66,300	$72,100	$69,200	$66,300	$72,100	$66,300	$66,300	$72,100	$66,300	$69,200
Regular	AY	Asst.	2	$67,600	$75,100	$70,800	$68,400	$74,500	$69,300	$68,600	$73,200	$68,800	$71,400
Regular	AY	Asst.	3	$69,200	$78,100	$72,700	$69,800	$80,200	$70,400	$71,400	$74,300	$70,600	$75,100
Regular	AY	Asst.	4	$73,200	$81,700	$74,600	$74,800	$82,400	$74,800	$74,800	$78,500	$75,400	$76,700
Regular	AY	Asst.	5	$75,600	$83,400	$76,400	$78,100	$87,000	$77,500	$78,700	$79,800	$76,500	$78,700
Regular	AY	Asst.	6	$77,900	$85,100	$77,900	$81,200	$88,700	$78,200	$80,600	$81,100	$80,300	$83,700
Regular	AY	Assoc.	1	$75,900	$83,500	$78,100	$78,200	$90,400	$77,600	$78,800	$79,900	$76,600	$80,200
Regular	AY	Assoc.	2	$78,700	$93,600	$81,300	$81,300	$93,300	$83,100	$81,200	$81,200	$80,400	$83,800
Regular	AY	Assoc.	3	$83,300	$94,400	$84,200	$85,600	$96,300	$85,900	$85,300	$87,500	$83,700	$87,300
Regular	AY	Assoc.	4	$85,700	$96,300	$87,600	$89,800	$99,300	$88,600	$89,100	$88,500	$87,500	$88,200
Regular	AY	Assoc.	5	$92,600	$98,200	$95,300	$94,000	$101,100	$90,500	$94,000	$91,600	$92,600	$92,600
Regular	AY	Prof.	1	$88,200	$103,200	$90,100	$89,900	$106,600	$92,400	$93,300	$94,700	$90,800	$93,100
Regular	AY	Prof.	2	$97,700	$108,200	$99,000	$101,400	$114,000	$97,700	$99,200	$103,600	$98,600	$103,300
Regular	AY	Prof.	3	$101,200	$112,600	$104,600	$104,300	$126,000	$105,900	$103,600	$105,600	$102,400	$107,100
Regular	AY	Prof.	4	$107,600	$119,500	$110,000	$116,600	$127,700	$108,000	$109,200	$108,800	$111,400	$111,200
Regular	AY	Prof.	5	$115,000	$124,100	$116,600	$119,600	$131,400	$115,100	$120,800	$119,400	$115,500	$120,400
Regular	AY	Prof.	6	$122,200	$133,700	$124,800	$128,700	$142,300	$122,200	$125,000	$124,100	$124,800	$127,900
Regular	AY	Prof.	7	$133,600	$141,300	$136,700	$139,200	$151,400	$133,600	$138,000	$137,700	$136,400	$143,300
Regular	AY	Prof.	8	$142,100	$148,500	$145,100	$149,600	$157,800	$151,000	$143,100	$145,200	$143,000	$144,600
Regular	AY	Prof.	9	$153,000	$157,500	$156,000	$158,400	$169,800	$155,200	$157,100	$161,200	$154,900	$156,600
Diff btwn Step 8 & 9				$10,900	$9,000	$10,900	$8,800	$12,000	$4,200	$14,000	$16,000	$11,900	$12,000

Scale Type	AYFY	Rank	STEP	(Based on Oct 2010 +3%) Median Average	BK	DV	IR	LA	MC	RV	SB	SC	SD
Regular	FY	Asst.	1	$76,900	$83,600	$80,300	$76,900	$83,600	$76,900	$76,900	$83,600	$76,900	$80,300
Regular	FY	Asst.	2	$78,400	$87,100	$82,100	$79,300	$86,400	$80,400	$79,600	$84,900	$79,800	$82,800
Regular	FY	Asst.	3	$80,300	$90,600	$84,300	$81,000	$93,000	$81,700	$82,800	$86,200	$81,900	$87,100
Regular	FY	Asst.	4	$84,900	$94,800	$86,500	$86,800	$95,600	$86,800	$86,800	$91,100	$87,500	$89,000
Regular	FY	Asst.	5	$87,700	$96,700	$88,600	$90,600	$100,900	$89,900	$91,300	$92,600	$88,700	$91,300
Regular	FY	Asst.	6	$90,400	$98,700	$90,400	$94,200	$102,900	$90,700	$93,500	$94,100	$93,100	$97,100
Regular	FY	Assoc.	1	$88,000	$96,900	$90,600	$90,700	$104,900	$90,000	$91,400	$92,700	$88,900	$93,000
Regular	FY	Assoc.	2	$91,300	$108,600	$94,300	$94,300	$108,200	$96,400	$94,200	$94,200	$93,300	$97,200
Regular	FY	Assoc.	3	$96,600	$109,500	$97,700	$99,300	$111,700	$99,600	$98,900	$101,500	$97,100	$101,300
Regular	FY	Assoc.	4	$99,400	$111,700	$101,600	$104,200	$115,200	$102,800	$103,400	$102,700	$101,500	$102,300
Regular	FY	Assoc.	5	$107,400	$113,900	$110,500	$109,000	$117,300	$105,000	$109,000	$106,300	$107,400	$107,400
Regular	FY	Prof.	1	$102,300	$119,700	$104,500	$104,300	$123,700	$107,200	$108,200	$109,900	$105,300	$108,000
Regular	FY	Prof.	2	$113,300	$125,500	$114,800	$117,600	$132,200	$113,300	$115,100	$120,200	$114,400	$119,800
Regular	FY	Prof.	3	$117,400	$130,600	$121,300	$121,000	$146,200	$122,800	$120,200	$122,500	$118,800	$124,200
Regular	FY	Prof.	4	$124,800	$138,600	$127,600	$135,300	$148,100	$125,300	$126,700	$126,200	$129,200	$129,000
Regular	FY	Prof.	5	$133,400	$144,000	$135,300	$138,700	$152,400	$133,500	$140,100	$138,500	$134,000	$139,700
Regular	FY	Prof.	6	$141,800	$155,100	$144,800	$149,300	$165,100	$141,800	$145,000	$144,000	$144,800	$148,400
Regular	FY	Prof.	7	$155,000	$163,900	$158,600	$161,500	$175,600	$155,000	$160,100	$159,700	$158,200	$166,200
Regular	FY	Prof.	8	$164,800	$172,300	$168,300	$173,500	$183,000	$175,200	$166,000	$168,400	$165,900	$167,700
Regular	FY	Prof.	9	$177,500	$182,700	$181,000	$183,700	$197,000	$180,000	$182,200	$187,000	$179,700	$181,700
Diff btwn Step 8 & 9				$12,700	$10,400	$12,700	$10,200	$14,000	$4,800	$16,200	$18,600	$13,800	$14,000

APPENDIX E
UC Faculty Salaries Task Force
Costing Models - Based on the Median Average: Year 2

Campus Mean Scales
After Adjusting Oct. 2010 by + 3%

Scale Type	AYFY	Rank	STEP	(Based on Oct 2010 +3%) Median Average	Campus Means after Bringing Faculty to 5th Lowest Mean BK	DV	IR	LA	MC	RV	SB	SC	SD
Bus/Econ/Eng	AY	Asst.	1	$88,400	$96,100	$92,200	$88,400	$96,100	$88,400	$88,400	$96,100	$88,400	$92,200
Bus/Econ/Eng	AY	Asst.	2	$89,400	$99,300	$93,600	$90,500	$98,500	$91,700	$90,700	$96,800	$91,000	$94,400
Bus/Econ/Eng	AY	Asst.	3	$90,900	$102,600	$95,500	$91,700	$105,400	$92,500	$93,800	$97,700	$92,800	$98,700
Bus/Econ/Eng	AY	Asst.	4	$95,900	$107,000	$97,700	$98,000	$107,900	$98,000	$98,000	$102,800	$98,800	$100,500
Bus/Econ/Eng	AY	Asst.	5	$98,400	$108,500	$99,400	$101,600	$113,200	$100,900	$102,400	$103,900	$99,600	$102,400
Bus/Econ/Eng	AY	Asst.	6	$100,200	$109,400	$100,200	$104,400	$114,100	$100,600	$103,700	$104,300	$103,300	$107,600
Bus/Econ/Eng	AY	Assoc.	1	$98,800	$108,600	$101,600	$101,700	$117,600	$101,000	$102,500	$104,000	$99,700	$104,300
Bus/Econ/Eng	AY	Assoc.	2	$101,200	$109,500	$104,500	$104,500	$120,000	$106,800	$104,400	$104,400	$103,400	$107,700
Bus/Econ/Eng	AY	Assoc.	3	$105,500	$114,000	$106,600	$108,400	$122,000	$108,800	$108,000	$110,800	$106,000	$110,600
Bus/Econ/Eng	AY	Assoc.	4	$107,200	$118,400	$107,700	$110,400	$125,000	$110,400	$109,500	$112,700	$107,500	$111,900
Bus/Econ/Eng	AY	Assoc.	5	$108,800	$122,600	$111,900	$114,800	$128,000	$112,000	$110,400	$114,600	$108,800	$113,200
Bus/Econ/Eng	AY	Prof.	1	$108,400	$126,800	$110,700	$110,500	$131,000	$113,500	$114,600	$116,400	$111,600	$114,400
Bus/Econ/Eng	AY	Prof.	2	$114,700	$127,100	$116,200	$119,100	$133,900	$114,700	$116,500	$121,600	$115,800	$121,300
Bus/Econ/Eng	AY	Prof.	3	$117,100	$130,300	$121,000	$120,700	$145,800	$122,500	$119,800	$122,200	$118,500	$123,900
Bus/Econ/Eng	AY	Prof.	4	$122,900	$136,500	$125,600	$133,200	$145,800	$123,300	$124,700	$124,300	$127,200	$127,000
Bus/Econ/Eng	AY	Prof.	5	$129,800	$140,100	$131,600	$135,000	$148,300	$129,900	$136,400	$134,800	$130,400	$135,900
Bus/Econ/Eng	AY	Prof.	6	$137,100	$150,000	$140,000	$144,400	$159,600	$137,100	$140,200	$139,200	$140,000	$143,500
Bus/Econ/Eng	AY	Prof.	7	$148,500	$157,100	$152,000	$154,700	$168,300	$148,500	$153,400	$153,100	$151,600	$159,300
Bus/Econ/Eng	AY	Prof.	8	$156,200	$163,200	$159,500	$164,400	$173,500	$166,000	$157,300	$159,600	$157,200	$158,900
Bus/Econ/Eng	AY	Prof.	9	$167,700	$172,600	$170,900	$173,600	$186,100	$170,100	$172,100	$176,600	$169,700	$171,600
Diff btwn Step 8 & 9				$11,500	$9,400	$11,400	$9,200	$12,600	$4,100	$14,800	$17,000	$12,500	$12,700

Scale Type	AYFY	Rank	STEP	(Based on Oct 2010 +3%) Median Average	BK	DV	IR	LA	MC	RV	SB	SC	SD
Bus/Econ/Eng	FY	Asst.	1	$102,500	$111,400	$107,000	$102,500	$111,400	$102,500	$102,500	$111,400	$102,500	$107,000
Bus/Econ/Eng	FY	Asst.	2	$103,700	$115,200	$108,600	$104,900	$114,300	$106,300	$105,300	$112,300	$105,600	$109,500
Bus/Econ/Eng	FY	Asst.	3	$105,500	$119,100	$110,800	$106,500	$122,200	$107,400	$108,800	$113,300	$107,600	$114,500
Bus/Econ/Eng	FY	Asst.	4	$111,200	$124,200	$113,300	$113,700	$125,200	$113,700	$113,700	$119,300	$114,600	$116,600
Bus/Econ/Eng	FY	Asst.	5	$114,100	$125,900	$115,300	$117,900	$131,300	$117,000	$118,800	$120,500	$115,400	$118,800
Bus/Econ/Eng	FY	Asst.	6	$116,300	$126,900	$116,300	$121,200	$132,300	$116,700	$120,300	$121,000	$119,700	$124,900
Bus/Econ/Eng	FY	Assoc.	1	$114,500	$126,100	$117,900	$118,000	$136,500	$117,100	$118,900	$120,600	$115,700	$121,000
Bus/Econ/Eng	FY	Assoc.	2	$117,400	$127,000	$121,200	$121,200	$139,100	$123,900	$121,100	$121,100	$120,000	$125,000
Bus/Econ/Eng	FY	Assoc.	3	$122,300	$132,200	$123,700	$125,800	$141,500	$126,100	$125,200	$128,500	$123,000	$128,300
Bus/Econ/Eng	FY	Assoc.	4	$124,200	$137,300	$124,900	$128,100	$145,000	$128,100	$127,100	$130,700	$124,800	$129,800
Bus/Econ/Eng	FY	Assoc.	5	$126,100	$142,200	$129,800	$133,200	$148,500	$129,900	$128,000	$132,900	$126,100	$131,300
Bus/Econ/Eng	FY	Prof.	1	$125,700	$147,100	$128,400	$128,200	$152,000	$131,700	$133,000	$135,000	$129,400	$132,700
Bus/Econ/Eng	FY	Prof.	2	$133,000	$147,400	$134,800	$138,100	$155,200	$133,000	$135,200	$141,100	$134,300	$140,700
Bus/Econ/Eng	FY	Prof.	3	$135,800	$151,100	$140,300	$140,000	$169,100	$142,100	$139,100	$141,700	$137,400	$143,700
Bus/Econ/Eng	FY	Prof.	4	$142,500	$158,300	$145,700	$154,500	$169,100	$143,100	$144,700	$144,100	$147,600	$147,300
Bus/Econ/Eng	FY	Prof.	5	$150,600	$162,500	$152,700	$156,600	$172,000	$150,700	$158,100	$156,300	$151,300	$157,700
Bus/Econ/Eng	FY	Prof.	6	$159,000	$174,000	$162,400	$167,500	$185,200	$159,000	$162,600	$161,500	$162,400	$166,500
Bus/Econ/Eng	FY	Prof.	7	$172,300	$182,200	$176,300	$179,500	$195,200	$172,300	$178,000	$177,500	$175,900	$184,700
Bus/Econ/Eng	FY	Prof.	8	$181,200	$189,400	$185,000	$190,700	$201,200	$192,600	$182,500	$185,100	$182,400	$184,300
Bus/Econ/Eng	FY	Prof.	9	$194,500	$200,200	$198,300	$201,300	$215,900	$197,200	$199,700	$204,900	$196,900	$199,100
Diff btwn Step 8 & 9				$13,300	$10,800	$13,300	$10,600	$14,700	$4,600	$17,200	$19,800	$14,500	$14,800

APPENDIX F
UC Faculty Salaries Task Force
Costing Models - Based on the Median Average: Year 3

Campus Mean Scales
After Adjusting Oct. 2010 by + 3%

					Campus Means after Bringing Faculty to the Median Average								
Scale Type	**AYFY**	**Rank**	**STEP**	Median Average	**BK**	**DV**	**IR**	**LA**	**MC**	**RV**	**SB**	**SC**	**SD**
Regular	AY	Asst.	1	$69,200	$72,100	$72,100	$70,700	$72,100	$69,200	$70,700	$72,100	$70,700	$70,700
Regular	AY	Asst.	2	$71,000	$76,400	$72,600	$72,400	$76,500	$71,000	$72,800	$75,000	$71,000	$73,300
Regular	AY	Asst.	3	$73,900	$80,700	$76,600	$74,100	$80,400	$73,900	$74,900	$77,800	$74,000	$75,900
Regular	AY	Asst.	4	$77,300	$81,700	$80,500	$77,900	$84,200	$77,300	$78,000	$82,400	$78,100	$78,300
Regular	AY	Asst.	5	$79,600	$84,100	$82,800	$80,900	$88,100	$80,500	$81,100	$82,750	$80,500	$80,700
Regular	AY	Asst.	6	$81,600	$86,500	$84,700	$83,100	$89,800	$81,600	$86,500	$83,100	$82,800	$84,800
Regular	AY	Assoc.	1	$80,600	$84,200	$82,900	$81,000	$90,300	$80,600	$83,700	$82,850	$80,600	$82,700
Regular	AY	Assoc.	2	$81,800	$92,200	$84,800	$83,200	$95,100	$83,000	$86,600	$83,200	$82,900	$86,600
Regular	AY	Assoc.	3	$87,900	$95,200	$92,000	$89,400	$99,450	$89,700	$90,100	$90,000	$88,500	$90,500
Regular	AY	Assoc.	4	$91,400	$98,200	$94,100	$93,800	$103,800	$96,300	$95,000	$94,600	$91,400	$93,900
Regular	AY	Assoc.	5	$96,200	$99,300	$104,500	$97,100	$106,200	$97,000	$96,900	$104,300	$99,400	$97,700
Regular	AY	Prof.	1	$97,600	$109,300	$106,100	$93,900	$108,500	$97,600	$104,200	$99,500	$98,300	$100,000
Regular	AY	Prof.	2	$102,000	$119,300	$108,500	$103,800	$117,300	$104,100	$106,100	$104,400	$103,500	$107,100
Regular	AY	Prof.	3	$109,200	$122,800	$115,400	$111,200	$127,600	$109,200	$114,700	$114,200	$110,700	$113,600
Regular	AY	Prof.	4	$117,700	$126,300	$126,700	$124,000	$132,200	$117,700	$127,000	$118,200	$119,400	$119,300
Regular	AY	Prof.	5	$122,900	$130,600	$132,900	$125,300	$136,700	$126,700	$132,700	$124,800	$124,800	$127,800
Regular	AY	Prof.	6	$129,500	$139,900	$141,300	$132,500	$147,600	$135,700	$137,400	$131,600	$130,400	$132,600
Regular	AY	Prof.	7	$144,600	$151,400	$159,200	$147,400	$155,200	$144,600	$153,000	$147,500	$146,300	$152,500
Regular	AY	Prof.	8	$150,400	$156,600	$164,400	$152,200	$163,200	$153,200	$157,400	$151,200	$153,900	$156,600
Regular	AY	Prof.	9	$161,700	$168,100	$175,400	$167,400	$174,200	$161,700	$172,400	$167,300	$161,700	$165,400
Diff btwn Step 8 & 9				$11,300	$11,500	$11,000	$15,200	$11,000	$8,500	$15,000	$16,100	$7,800	$8,800

Scale Type	**AYFY**	**Rank**	**STEP**	Median Average	**BK**	**DV**	**IR**	**LA**	**MC**	**RV**	**SB**	**SC**	**SD**
Regular	FY	Asst.	1	$80,300	$83,600	$83,600	$82,000	$83,600	$80,300	$82,000	$83,600	$82,000	$82,000
Regular	FY	Asst.	2	$82,400	$88,600	$84,200	$84,000	$88,700	$82,400	$84,400	$87,000	$82,400	$85,000
Regular	FY	Asst.	3	$85,700	$93,600	$88,900	$86,000	$93,300	$85,700	$86,900	$90,200	$85,800	$88,000
Regular	FY	Asst.	4	$89,700	$94,800	$93,400	$90,400	$97,700	$89,700	$90,500	$95,600	$90,600	$90,800
Regular	FY	Asst.	5	$92,300	$97,600	$96,000	$93,800	$102,200	$93,400	$94,100	$96,000	$93,400	$93,600
Regular	FY	Asst.	6	$94,700	$100,300	$98,300	$96,400	$104,200	$94,700	$100,300	$96,400	$96,000	$98,400
Regular	FY	Assoc.	1	$93,500	$97,700	$96,200	$94,000	$104,700	$93,500	$97,100	$96,100	$93,500	$95,900
Regular	FY	Assoc.	2	$94,900	$107,000	$98,400	$96,500	$110,300	$96,300	$100,500	$96,500	$96,200	$100,500
Regular	FY	Assoc.	3	$102,000	$110,400	$106,700	$103,700	$115,400	$104,100	$104,500	$104,400	$102,700	$105,000
Regular	FY	Assoc.	4	$106,000	$113,900	$109,200	$108,800	$120,400	$111,700	$110,200	$109,700	$106,000	$108,900
Regular	FY	Assoc.	5	$111,600	$115,200	$121,200	$112,600	$123,200	$112,500	$112,400	$121,000	$115,300	$113,300
Regular	FY	Prof.	1	$113,200	$126,800	$123,100	$108,900	$125,900	$113,200	$120,900	$115,400	$114,000	$116,000
Regular	FY	Prof.	2	$118,300	$138,400	$125,900	$120,400	$136,100	$120,800	$123,100	$121,100	$120,100	$124,200
Regular	FY	Prof.	3	$126,700	$142,400	$133,900	$129,000	$148,000	$126,700	$133,100	$132,500	$128,400	$131,800
Regular	FY	Prof.	4	$136,500	$146,500	$147,000	$143,800	$153,400	$136,500	$147,300	$137,100	$138,500	$138,400
Regular	FY	Prof.	5	$142,600	$151,500	$154,200	$145,300	$158,600	$147,000	$153,900	$144,800	$144,800	$148,200
Regular	FY	Prof.	6	$150,200	$162,300	$163,900	$153,700	$171,200	$157,400	$159,400	$152,700	$151,300	$153,800
Regular	FY	Prof.	7	$167,700	$175,600	$184,700	$171,000	$180,000	$167,700	$177,500	$171,100	$169,700	$176,900
Regular	FY	Prof.	8	$174,500	$181,700	$190,700	$176,600	$189,300	$177,700	$182,600	$175,400	$178,500	$181,700
Regular	FY	Prof.	9	$187,600	$195,000	$203,500	$194,200	$202,100	$187,600	$200,000	$194,100	$187,600	$191,900
Diff btwn Step 8 & 9				$13,100	$13,300	$12,800	$17,600	$12,800	$9,900	$17,400	$18,700	$9,100	$10,200

APPENDIX F
UC Faculty Salaries Task Force
Costing Models - Based on the Median Average: Year 3

Campus Mean Scales
After Adjusting Oct. 2010 by + 3%

					Campus Means after Bringing Faculty to 5th Lowest Mean								
Scale Type	**AYFY**	**Rank**	**STEP**	Median Average	**BK**	**DV**	**IR**	**LA**	**MC**	**RV**	**SB**	**SC**	**SD**
Bus/Econ/Eng	AY	Asst.	1	$92,200	$96,100	$96,100	$94,200	$96,100	$92,200	$94,200	$96,100	$94,200	$94,200
Bus/Econ/Eng	AY	Asst.	2	$93,900	$101,100	$98,400	$95,800	$101,200	$93,900	$96,300	$99,200	$93,900	$97,000
Bus/Econ/Eng	AY	Asst.	3	$97,100	$106,100	$100,700	$97,400	$105,700	$97,100	$98,400	$102,300	$97,300	$99,800
Bus/Econ/Eng	AY	Asst.	4	$101,300	$107,000	$105,500	$102,100	$110,300	$101,300	$102,200	$107,900	$102,300	$102,600
Bus/Econ/Eng	AY	Asst.	5	$103,600	$109,500	$107,800	$105,300	$114,700	$104,800	$105,600	$107,700	$104,800	$105,000
Bus/Econ/Eng	AY	Asst.	6	$104,900	$111,300	$108,900	$106,900	$115,500	$104,900	$111,300	$106,900	$106,500	$109,100
Bus/Econ/Eng	AY	Assoc.	1	$104,900	$109,600	$107,900	$105,400	$117,500	$104,900	$108,900	$107,800	$104,900	$107,600
Bus/Econ/Eng	AY	Assoc.	2	$105,200	$118,500	$109,000	$107,000	$122,300	$106,700	$111,300	$107,000	$106,600	$111,300
Bus/Econ/Eng	AY	Assoc.	3	$111,300	$119,600	$116,500	$113,200	$125,900	$113,600	$114,100	$114,000	$112,100	$114,600
Bus/Econ/Eng	AY	Assoc.	4	$112,300	$120,700	$119,600	$115,300	$127,600	$118,400	$116,800	$116,300	$112,300	$115,400
Bus/Econ/Eng	AY	Assoc.	5	$113,000	$121,800	$122,700	$114,000	$124,700	$113,900	$122,400	$122,500	$116,700	$114,700
Bus/Econ/Eng	AY	Prof.	1	$119,900	$134,300	$130,400	$115,400	$133,300	$119,900	$128,000	$122,300	$120,800	$122,900
Bus/Econ/Eng	AY	Prof.	2	$123,100	$140,100	$132,000	$121,900	$137,700	$122,200	$130,400	$122,600	$121,500	$125,800
Bus/Econ/Eng	AY	Prof.	3	$126,300	$142,100	$133,500	$128,600	$147,600	$126,300	$132,700	$132,100	$128,100	$131,400
Bus/Econ/Eng	AY	Prof.	4	$134,400	$144,200	$144,700	$141,600	$151,000	$134,400	$145,000	$135,000	$136,400	$136,300
Bus/Econ/Eng	AY	Prof.	5	$138,700	$147,400	$150,000	$141,400	$154,300	$143,000	$149,800	$140,900	$140,900	$144,300
Bus/Econ/Eng	AY	Prof.	6	$145,300	$156,900	$158,500	$148,600	$165,600	$152,200	$154,100	$147,600	$146,300	$148,700
Bus/Econ/Eng	AY	Prof.	7	$160,700	$168,300	$177,000	$163,800	$172,500	$160,700	$170,100	$164,000	$162,600	$169,500
Bus/Econ/Eng	AY	Prof.	8	$165,300	$172,100	$180,700	$167,300	$179,400	$168,400	$173,000	$166,200	$169,200	$172,100
Bus/Econ/Eng	AY	Prof.	9	$177,200	$184,200	$192,200	$183,400	$190,900	$177,200	$188,900	$183,300	$177,200	$181,200
Diff btwn Step 8 & 9				$11,900	$12,100	$11,500	$16,100	$11,500	$8,800	$15,900	$17,100	$8,000	$9,100

Scale Type	**AYFY**	**Rank**	**STEP**	Median Average	**BK**	**DV**	**IR**	**LA**	**MC**	**RV**	**SB**	**SC**	**SD**
Bus/Econ/Eng	FY	Asst.	1	$107,000	$111,400	$111,400	$109,300	$111,400	$107,000	$109,300	$111,400	$109,300	$109,300
Bus/Econ/Eng	FY	Asst.	2	$109,000	$117,200	$114,100	$111,100	$117,300	$109,000	$111,600	$115,100	$109,000	$112,400
Bus/Econ/Eng	FY	Asst.	3	$112,600	$123,000	$116,800	$113,000	$122,600	$112,600	$114,200	$118,500	$112,800	$115,700
Bus/Econ/Eng	FY	Asst.	4	$117,500	$124,200	$122,400	$118,400	$128,000	$117,500	$118,600	$125,200	$118,700	$118,900
Bus/Econ/Eng	FY	Asst.	5	$120,100	$127,000	$124,900	$122,100	$133,000	$121,600	$122,500	$124,900	$121,600	$121,800
Bus/Econ/Eng	FY	Asst.	6	$121,800	$129,000	$126,400	$124,000	$134,000	$121,800	$129,000	$124,000	$123,500	$126,600
Bus/Econ/Eng	FY	Assoc.	1	$121,600	$127,100	$125,200	$122,300	$136,200	$121,600	$126,300	$125,000	$121,600	$124,800
Bus/Econ/Eng	FY	Assoc.	2	$122,000	$137,600	$126,500	$124,100	$141,800	$123,800	$129,200	$124,100	$123,700	$129,200
Bus/Econ/Eng	FY	Assoc.	3	$129,200	$138,700	$135,100	$131,300	$146,100	$131,800	$132,300	$132,200	$130,100	$133,000
Bus/Econ/Eng	FY	Assoc.	4	$130,300	$140,000	$138,700	$133,700	$148,000	$137,300	$135,400	$134,800	$130,300	$133,800
Bus/Econ/Eng	FY	Assoc.	5	$131,100	$141,300	$142,300	$132,200	$144,700	$132,100	$142,000	$142,100	$135,400	$133,100
Bus/Econ/Eng	FY	Prof.	1	$139,100	$155,800	$151,300	$133,800	$154,700	$139,100	$148,600	$141,800	$140,100	$142,500
Bus/Econ/Eng	FY	Prof.	2	$142,900	$162,500	$153,100	$141,400	$159,800	$141,800	$151,300	$142,200	$141,000	$145,800
Bus/Econ/Eng	FY	Prof.	3	$146,600	$164,700	$154,900	$149,200	$171,200	$146,600	$154,000	$153,300	$148,500	$152,500
Bus/Econ/Eng	FY	Prof.	4	$155,900	$167,300	$167,900	$164,200	$175,200	$155,900	$168,200	$156,600	$158,200	$158,100
Bus/Econ/Eng	FY	Prof.	5	$161,000	$171,000	$174,100	$164,000	$179,000	$165,900	$173,700	$163,400	$163,400	$167,300
Bus/Econ/Eng	FY	Prof.	6	$168,500	$182,000	$183,800	$172,400	$192,000	$176,500	$178,800	$171,300	$169,700	$172,500
Bus/Econ/Eng	FY	Prof.	7	$186,400	$195,200	$205,300	$190,100	$200,100	$186,400	$197,300	$190,200	$188,600	$196,600
Bus/Econ/Eng	FY	Prof.	8	$191,800	$199,700	$209,600	$194,100	$208,100	$195,300	$200,700	$192,800	$196,200	$199,700
Bus/Econ/Eng	FY	Prof.	9	$205,600	$213,700	$223,000	$212,800	$221,500	$205,600	$219,200	$212,700	$205,600	$210,300
Diff btwn Step 8 & 9				$13,800	$14,000	$13,400	$18,700	$13,400	$10,300	$18,500	$19,900	$9,400	$10,600

APPENDIX G

Note about Costing for Above Scale Faculty:

Campuses vary in their practices for determining merit increases for Above Scale faculty.
In an effort to include Above Scale faculty in this costing model, the following approximation was used:

In Year 2, if both steps 1 & 2 of the costing model were followed, the average percentage increase received by faculty at Professor Step 9 would be 4.8%.
For both the Status quo and the new model (Step 2) merit process costing, this percentage increase was used to simulate merit costs.

Above Scale faculty may be reviewed for merit less frequently than every three years.

The "Status quo" and modeled cost of merit increases for Above Scale increases in Years 2 and 3 would be:

	Year 2			Year 3		
Campus	# Above Scale	1/3 of A.S.	Simulated Merit Cost for 1/3 of A.S.	# Above Scale (incl. advancements from Yr. 2)	# of A.S. up for merit	Simulated Merit Cost for 1/3 of A.S.
UC System	821	274	$2,488,851	995	273	$2,483,224
Berkeley	194	65	$585,817	227	64	$585,844
Davis	68	23	$207,150	94	23	$202,413
Irvine	60	20	$177,877	76	21	$181,726
UCLA	195	65	$620,589	224	65	$629,996
Merced	1	1	$7,619	2	0	$0
Riverside	44	15	$131,065	58	16	$147,924
Santa Barbara	99	33	$290,834	122	34	$290,361
Santa Cruz	34	11	$100,798	42	9	$80,345
San Diego	126	42	$372,181	150	41	$364,615

DRAFT DOCUMENT FOR REVIEW ONLY (3-1-04)

REPORT OF THE PROFESSORIAL STEP SYSTEM TASK FORCE

Executive Summary

The Professorial Step System Task Force was appointed by Academic Council Chair Gayle Binion in January 2003 with the charge to review the placement and number of special review or "barrier" steps within the full professor ranks, with particular emphasis on the barrier review between Professor Step V and Professor Step VI.

Task Force deliberations were premised on the linked convictions that the central function of any faculty performance review system at the University of California is to help the institution maintain faculty excellence, and systems which closely relate reward for performance to assessment of performance are most effective in assuring that excellence is maintained and enhanced throughout the length of a faculty career.

Central themes of Task Force discussions were informed by a variety of data closely related to the questions that were posed in our charge. We studied systemwide demographic data showing population of the full professor steps listed separately according to campus, age, gender and ethnicity as well as local campus data listing time of service of faculty at each step. Task Force members also reviewed the deliberations and recommendations of several prior groups who studied the UC personnel review system and consulted with various administrative officials who are deeply involved in the personnel review system at their home campuses.

Based on this information, the Task Force reached several conclusions relevant to the charge we were given. These conclusions are as follows:

- When Step VI was introduced in 1969, the barrier step was located near the final stage of faculty career development. Since then, Steps VII, VIII and IX have been added, moving the timing of the barrier step to a point many years removed from the final career development stage.
- Since introduction of the Step VI barrier in1969, faculty governance through CAP participation in review of personnel cases has eroded.
- Step VI has become a true barrier to advancement on many campuses rather than a means to stimulate improvements in faculty performance.
- The "barrier" review for advancement from Step V to Step VI occurs too late in a career to assure that high quality academic achievement has been maintained throughout the extensive period between promotion to full professor and the review at Step VI.
- Step VI review guidelines are interpreted very differently across the UC campuses.
- Women and non-Asian minority groups are at a particular disadvantage in surmounting the barrier review for advancement to Step VI.

The Task Force unanimously endorsed the following recommendations:

1) **The special criteria associated with the review for advancement from Step V to Step VI should be eliminated.**

2) **The special criteria used in review for advancement from Step IX to Above-Scale should be retained.**

3) **All campuses should institute regular, non-delegated review of personnel cases of full professors by CAP. At least every other merit review following promotion to full professor must include a full CAP review without delegation of authority.**

4) **The present APM standards that apply to review for advancement to Steps VII, VIII and IX should be retained. However, the wording emphasizing the potential indefinite length of service associated with these steps as well as with Step VI should be eliminated.**

5) **Reviews of personnel cases for advancement to Steps II through IX <u>should not require</u> external letters. However, external letters <u>may be sought</u> at any step by prerogative of CAP, the Department or the Candidate.**

6) **Upon approval of these recommendations, personnel cases of those full professors who are presently at Step V should be reviewed in accordance with the normal review cycle that is presently in operation.**

Introduction

The University often discusses and periodically modifies the personnel system for professors. In 1999, the University Committee on Academic Personnel (UCAP) and the University Committee on Faculty Welfare (UCFW) began formal discussions about some disturbing patterns of data, including a disproportionate number of professors at Step V and large imbalances on selected campuses. As a result of the discussions, Academic Council Chair Gayle Binion appointed The Professorial Step System Task Force in January 2003.

The Task Force focused attention on questions regarding outcomes and effects stemming from the special status associated with the review for advancement from Step V to Step VI and whether the outcomes of review practices at this step are consistent the purposes and goals of the academic personnel system.

Task Force members began with the assumption that, by and large, the University of California's merit review system works well. Although compared to their peers, UC faculty are not among the most highly compensated, they are—as a body—among the most excellent, effective and accomplished scholars in the world.

We started the search for effective improvements by recognizing that each campus has a different culture, and it would be a mistake to attempt to impose the academic personnel operating system of any one campus on any of the other campuses. We would need to discover or devise general modifications of the merit system that could be adopted at every campus.

As the Task Force conducted its work, it became clear that the various members approached issues from different angles and sometimes held quite different opinions. The diversity of viewpoints was advantageous because all members of the Task Force agreed that our deliberations should be guided by two fundamental and multifaceted questions:

- What are the purposes and goals of the personnel review system for faculty after they have reached the rank of full professor?
- Are the outcomes and effects stemming from the special status associated with the review for advancement from Step V to Step VI consistent with these purposes and goals?

All members of the Task Force further agreed that answers to these fundamental questions would come from interpretations of patterns of data and consultation across local campuses. The Task Force gratefully acknowledges the enormous help given by staff at the Office of the President and at the campuses.

The History and Role of Barrier Steps in the Academic Personnel System

Prior to 1962, UC used a system of three professorial steps with no special barrier step. In 1962, a fourth step was added, and in 1963, a fifth step was added. In 1969, the barrier step concept was introduced for the first time with the addition of Step VI and recognition of a special set of review standards that would be used in consideration of promotion from Step V to Step VI. Additional steps were added to the professorial ranks in 1979 (step VII), 1988 (step VIII) and 2000 (step IX), but the special barrier review for advancement from step V to step VI has remained in place since it was introduced.

The wording of the standards applied in review for advancement from step V to step VI has been changed several times since Step VI was introduced. Excerpts taken from the Academic Personnel Manual summarizing the initial standards and modifications that have followed are reproduced below. New wording added in any revision is underlined. In each version an opening sentence that reads, "**Service as Professor V may be of indefinite duration,**" is included.

- 1969: Advancement to Professor VI calls for ***great distinction and highly meritorious service.***
- 1985: --***great <u>scholarly</u> distinction <u>and national recognition,</u> highly meritorious service, <u>and evidence of excellent University teaching.</u>***
- 1987: --***great scholarly distinction and national <u>or international</u> recognition, highly meritorious service, and evidence of excellent University teaching.***
- 1992: --***<u>highly distinguished scholarship,</u> highly meritorious service, and evidence of excellent University teaching.***
- 1999: --***highly distinguished scholarship, highly meritorious service, and evidence of excellent University teaching. <u>In interpreting these criteria, reviewers should require evidence of excellence and high merit in original scholarship or creative achievement, teaching and service and, in addition, great distinction, recognized nationally or internationally, in scholarly or creative achievement or in teaching.</u>***

For comparison, the current wording of standards that apply to the review for advancement from Professor Step IX to Professor Above-Scale [APM 220-18-b-(04)] is included below.

"Advancement to an above-scale salary is reserved for scholars and teachers of the **highest distinction whose work has been internationally recognized and acclaimed and whose teaching performance is excellent.** Except in rare and compelling cases, advancement will not occur after less than four years at Step IX. Moreover, mere length of service and continued good performance at Step IX is not justification for further salary advancement. There must be demonstration of additional merit and distinction beyond the performance on which advancement to Step IX was based."

Current regulations governing the professorial rank step system are found in APM 220-18-b-(04) and 200-0. The regulations most relevant to the considerations of the Task Force are summarized below.

- Normal period of service is three years in each of the first four steps.
- Service at step V may be of indefinite duration.

- Advancement to step VI usually will not occur after less than three years of service.
- Step VI will be granted on evidence of highly distinguished scholarship, highly meritorious service, and excellent University teaching.
- Reviewers should require evidence of excellence and high merit in original scholarship or creative achievement, teaching and service and, an addition, great distinction, recognized nationally or internationally, in scholarly or creative achievement or in teaching.
- Service at Professor, Step VI or higher may be of indefinite duration.
- Advancements to Step VII, VIII and IX usually will not occur after less than three years of service at the lower step.
- These steps will only be granted on evidence of continuing achievement at the level required for advancement to Step VI.
- Every faculty member shall be reviewed at least every five years.

Prior Studies of the Step V to Step VI Barrier Review Process

Throughout the history of the University, there have been numerous discussions about the academic personnel system, and various actions taken to modify it.

The Universitywide Task Force on Faculty Rewards, 1990-91
The charge of the current Task Force can be traced to the report of the Universitywide Task Force on Faculty Rewards (UTFFR) that was established in 1990 by former Senior Vice President Frazer and chaired by Professor Karl Pister. UTFFR sent its report to former President David Gardner in June 1991. The UTFFR recommendations included one that is related to later developments that led directly to the formation of the current Task Force.

- "A review occurring at about the twelfth year of service at the full professor rank should replace the current special Step VI review for Professors. Special criteria now in place for advancement to Step VI should be removed" (Recommendation 6 of the Universitywide Task Force on Faculty Rewards, Karl Pister, Chair)

The UCAP – UCFW Workgroup, 1999-00
In January and February 2000, a joint University Committee on Academic Personnel (UCAP) and University Committee on Faculty Welfare (UCFW) workgroup met to discuss the step system. The process was stimulated by UCFW concerns that the major career review at step VI comes too early and should be moved to a higher step closer to retirement, as well assystemwide data showing a disproportionate number of professorial rank faculty at Step V relative to the other nine steps. This data raised concerns about how the review for advancement from Step V to Step VI and the resulting "bulge" at Step V might be affecting the career development of faculty.

The Workgroup recommended replacement of the system of nine steps plus above-scale with a system of six steps of five-year duration and a final seventh step, equivalent to the current above-scale rank. The barrier step would be retained at a level two steps below the review for advancement to Professor Above-Scale.

The new system would reduce the number of professorial rank reviews and instate longer intervals between reviews, which would economize faculty and administrative time in the review process, give faculty additional research time to produce outcomes that could be considered as part of each review; and clarify the level of achievement that should be reached at each step.

In April 2000, UCFW unanimously supported a resolution requesting that Academic Council form a "Blue Ribbon Commission to examine and review the Professorial Ladder Step System." In response, a Joint Senate-Administrative Salary Scale Workgroup was formed.

The Joint Senate-Administrative Salary Scale Workgroup, 2000-01

This Workgroup included four Senate members and five Administrative representatives. It began meeting in fall 2000 and completed its deliberations in May 2001.

The primary points of discussion during the Joint Workgroup deliberations included criteria for advancement, the barrier at step VI, frequency of reviews and addition of steps.
The Workgroup concentrated on two central issues: the placement and advancement criteria for Professor VI and the length of service and frequency of reviews at the full professor rank. The Workgroup confirmed a build-up of faculty at Professor Step V, and data from Davis, Santa Barbara and Santa Cruz confirmed that the normal period of service at Professor Step V "was considerably longer than the normal period of service at other steps."

The Joint Work Group discussions led to a draft report recommending that additional criteria for advancement to Professor VI should be eliminated; additional criteria for promotion to Professor Above-Scale should be retained; APM 220-18-b should be revised to add "continuous merit performance" as the standard for merit advancement; and Professor Step IX should be eliminated. Finally, the normal period at step of Professor V through VII should be normalized at 4 years, with Professor VIII being an indefinite step.

The discussions and recommendations of these two workgroups motivated Academic Council Chair Binion to appoint the current Professorial Step System Task Force.

Deliberations of the Task Force on the Professorial Step System

Summary of Task Force Studies

The Task Force met three times between April 2003 and January 2004. Members reviewed the historical development of the current professorial step system as well as the deliberations and recommendations of prior workgroups. Discussions with Assistant Vice President Switkes (member of the former Joint Senate Administrative Salary Scale Workgroup) and a report by Task Force member Robert May (member of both prior workgroups) provided detailed accounts of the pertinent discussion points of the two workgroups.

Professor May related a discussion he had with Clark Kerr about the Step VI barrier. According to Kerr, one factor leading to the introduction of the indefinite status of Step V may have been a desire to keep all UC campuses close to parity in their distribution of professorial rank faculty at a time when some campuses were rapidly increasing their numbers of Above Scale faculty.

The Task Force deliberated pro and con arguments regarding the special status of the review at Step VI at each of its meetings. Several salient discussion topics were noted as central themes throughout these deliberations. These included:

- Peer review workload
- Costs related to any proposed changes.
- Equity across gender, ethnicity and UC campus.
- Retention of excellent faculty after they have entered the professorial ranks.
- Career access to merit incentives for productive faculty.

Patterns of Data Relevant to Discussions of the Step VI Barrier

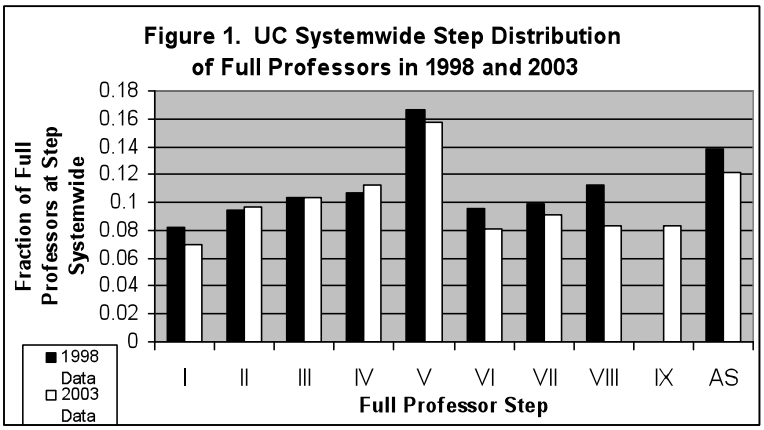
In order to address the question of whether or not the UC Professorial Step System adequately provides its faculty with career access to merit increases, the Task Force began its work by studying systemwide demographic data on the numbers and age of faculty at each step within the full professor ranks and comparing that to similar data for each of the UC campuses. The Task Force solicited additional data from several local campuses that included the length of time that faculty remained at each step, with particular focus on Professor, Step V.

The Task Force reviewed October 1998 systemwide data (used by prior workgroups) for numbers of faculty at the nine steps in use at that time (Step I – Step VIII and Above Scale). The data show a bulge in the number of faculty at Step V relative to the other professorial steps. The data for each UC campus at that time also show a substantial variation in the population numbers and percentages of faculty at each of the professorial steps. An even distribution of faculty at each of the nine professorial steps in use during 1998 would have resulted in 11.1% of all professors at each step; however, 16.7% of full professors were at Step V.

Updated systemwide data from 2003 show a small change in faculty distribution over the Professorial Rank steps plus Above Scale compared to 1998. Most of this change is probably due to the addition of Step IX, which distributed faculty over ten ranks, rather than the nine used in 1998. However, a significant bulge at Step V was still evident with 15.8% of all professors at Step V compared to an even distribution that would yield 10% at each step. The systemwide data from 1998 and 2003 are summarized in Table 1 with the number of full professors at each step, and displayed in Figure 1 as the fraction of full professors at each step.

TABLE 1. UC Systemwide Distribution of Professorial Rank Faculty at Steps

Year	Number of Professorial Rank Faculty at Step									
	I	II	III	IV	**V**	VI	VII	VIII	IX	AS
1998	413	475	522	536	**839**	482	496	570	---	691
2003	375	518	552	600	**843**	431	484	443	443	654



The Task Force reviewed data that show the age distribution of faculty at each of the professorial steps. 1999 systemwide data show that the average age of faculty at Step V was 55.3 years and the median age was 56 years. A sampling of the 1999 data illustrating the distribution of several age groups at Step V is shown in Table 2.

TABLE 2. UC Systemwide Age Distribution of Faculty at Step V in 1999

Age Group	Number of Faculty at Step V	Number of Faculty at All Full Professor Steps	% of Full Professors at Step V
41-45	56	579	9.7
46-50	107	890	12.0
51-55	**241**	**1169**	**20.6**
56-60	**265**	**1247**	**21.3**
61-65	129	696	18.5

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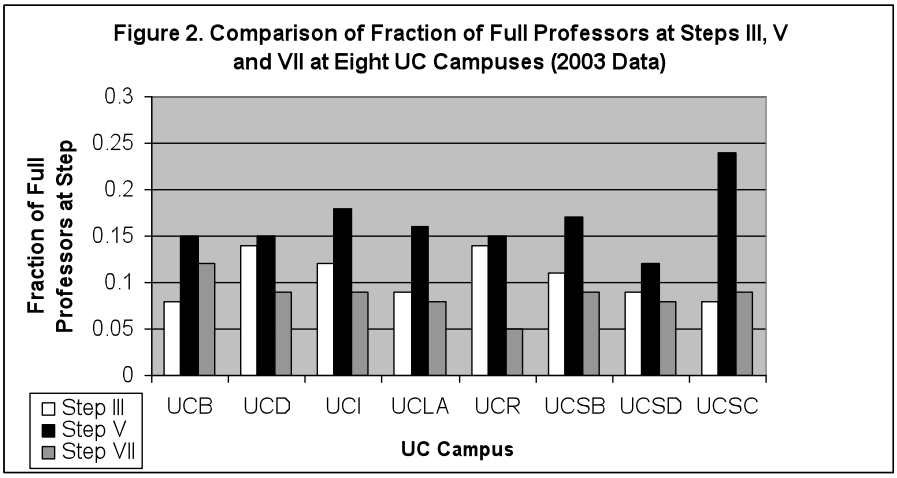
The age data indicate that large numbers of UC faculty reach Step V well in advance of an anticipated retirement age. The bulge in the population of professorial rank faculty at Step V, taken together with the age data, indicate that some productive faculty are likely stalled at Step V with no opportunity for merit increases of salary unless they are granted over scale increments or are able to pass the Step VI review barrier. Our focus throughout this report will be on the age groups 51-55 and 56-60, since the combined Step V population of these two includes over 60% of the Step V full professors in the UC system.

Local UC Campus Differences.

Extending the analysis of Step V demographics to the local level, the Task Force reviewed data from 2003 for the percentage of full professors at Step V for each campus. This data is summarized in Figure 2 for eight of the UC campuses and includes all age groups represented in the full professor ranks. UCSF is not included due to the special medical school orientation of the campus.



The Figure displays substantial variations in the fraction of full professors at Step V across these eight campuses. UCB, UCD, UCLA and UCR are near the systemwide average of 15.8 % of full professors at Step V. UCI, UCSB and UCSC are substantially above this average value, while UCSD is substantially below the systemwide average. Comparison of the Step III, V and VII data indicate that UCSD is also the only campus that closely approaches a uniform distribution of faculty (10% per step) across these three steps. Santa Cruz has a far greater percentage of full professors at Step V than any other campus

Further insight into the impacts of the Step VI barrier is found in data revealing the number of years Step V Professors have served at that step. Data sets obtained from Academic Personnel Offices on several campuses include the average number of years of service at Professor Step V for faculty within this rank during 2000-01 and 2002-03. They also show the number of faculty at Professor Step V who have been at this step for five years or longer. This data is summarized in Table 3.

TABLE 3. Length of Time Served at Step V for Several UC Campuses

	Data for 2000-01			***Data for 2002-03****		
Campus	**Number of Step V Professors**	**Average Years At Step V**	**Longer than 5 Years**	**Number Of Step V Professors**	**Average Years At Step V**	**Longer than 5 Years**
UCI	**85**	**5.72**	**42%**	**103**	**5.39**	**41%**
UCSB	**94**	**5.05**	**43%**	**87**	**6.00**	**49%**
UCSD	**97**	**3.76**	**22%**	**85**	**3.73**	**20%**
UCSC	**63**	**5.63**	**54%**	**67**	**5.90**	**51%**

*** UCI Data is for 2003-04**

Table 3 indicates that at three of these four campuses, the average time at Step V is in excess of five years. The number of faculty who have been at Step V for more than five years ranges from 41% to 54% over the academic years included in the data set.

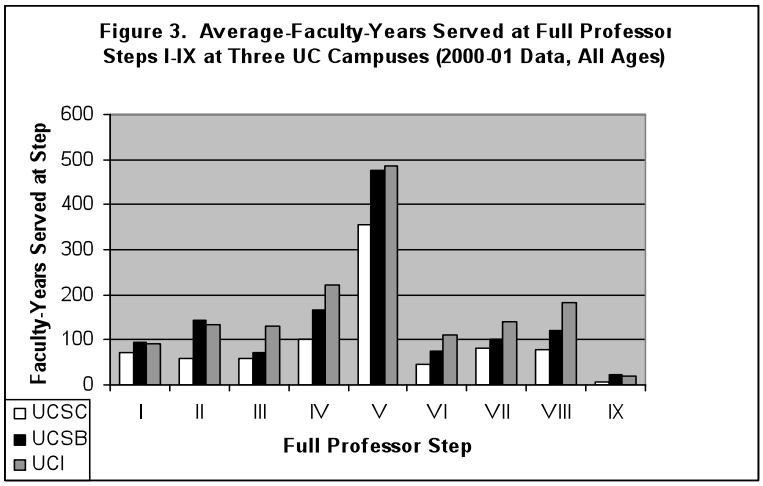
The unique demographics associated with Step V at these three campuses is illustrated by comparing the Step V data to the average time spent at several other full professor steps. Table 4 compares the Step V data with Step III and Step VII at UCI, UCSB and UCSC. The choice of Step III and Step VII for comparison is arbitrary, and other steps reveal the same general trends. Table 4 data includes the product of the number of faculty at the step times the average years at that step (average-faculty-years at step).

TABLE 4. Length of Time Served at Steps III, V, and VII from Data for 2000-01

Campus	Step	Number of Faculty	Average Years at Step	Average-Faculty-Years at Step
UCI	III	44	2.95	130
	V	**85**	**5.72**	**486**
	VII	44	3.16	139
UCSB	III	36	1.97	71
	V	**94**	**5.05**	**475**
	VII	43	2.35	101
UCSC	III	21	2.76	58
	V	**63**	**5.63**	**355**
	VII	28	2.86	80

Step V is distinct from the other steps both for the number of faculty at Step V and for the average number of years faculty serve at this step at these three campuses. Far more faculty years are spent at step V than at any of the other steps on the full professor ladder.

The full data set for average-faculty-years at step for the three campuses in Figure 3 shows the dominance of the number of faculty-years at Step V relative to all other full professor rank steps. At all three campuses, the number of faculty-years served at Step V is greater than the sum of all faculty-years served at Steps VI – Above Scale. The greatest differential occurs at UCSC where the total faculty years served at Steps VI-AS (210 faculty-years) is less then 60% of faculty-years at Step V (355 faculty-years). Similarly, at two of the three campuses the sum of the faculty-years served at Steps I – IV is less than the faculty-years served at Step V. The only exception occurs at UCI where faculty-years at Steps I-IV (578 faculty-years) exceeds the number of faculty years served at Step V (486 faculty-years).



Campus CAP Practices

The data showing varying percentages of professorial rank faculty at Step V from campus to campus suggest wide variation in the interpretation of the standards applicable to review at the barrier step. Extensive discussions of this topic within the Task Force and of Task Force members with campus colleagues were pursued in order to gain clarification of this point. Are the guidelines, practices and standards for review of personnel cases uniform across UC campuses? Is the Step VI review interpreted the same way across UC campuses, or are there substantive variations in the interpretation and application of standards?

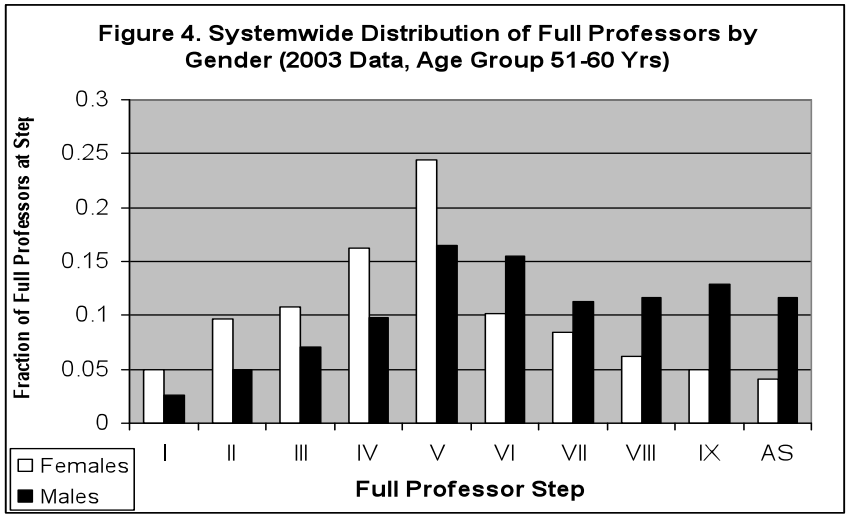
Task Force members reviewed a document—commonly called the "CAP Grid"—detailing CAP procedures at each of the campuses (University Committee on Academic Personnel Division CAP Activity Survey Compilation Sent October, 2002 for AY 2001-02). This document indicates that several general features of personnel review, as well as practices related to review at Step VI, are not uniform across campuses. The CAP Grid indicates that delegation of authority by CAP to Deans is not practiced for any steps at UCB, UCR and UCSC. However, various delegations of authority are used at UCD, UCI, UCLA, UCSD, UCSF and UCSB. With regards to Step VI advancement, final authority for approval is reserved for the Chancellor at all campuses. A few campuses utilize ad hoc committees for review at Step VI, but most do not. Most campuses seek outside letters for this review, but several do not.

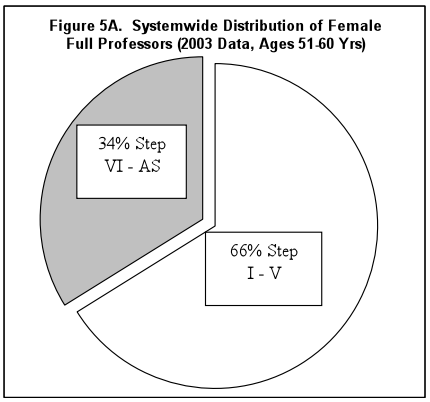
The Task Force did not find reason for any concern regarding specific CAP procedures used in Step VI advancement reviews. However, more general concerns were raised about the impact of delegation on such reviews. If campus CAPs delegate authority for normal merit reviews between Step I and Step VI, there is a likelihood that the CAP review at Step VI will be emphasized with higher standards than might be applied with regular CAP participation in merit reviews at all full professor steps. Infrequent CAP participation in full professor merit cases leading up to the review at step VI might lead to interpretations of review standards that emphasize the "barrier" nature of this step.

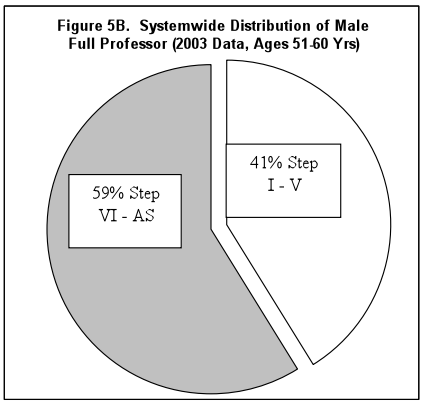
Substantial variations in the interpretation of barrier step review standards do exist across UC campuses. Some campuses regard the Step VI review as a mid-career check to determine whether faculty members are progressing in a manner consistent with the trajectory of progress achieved when they entered the full professor ranks. If a steady rate of progress is evident, the review is generally positive. Other campuses consider the barrier step review differently– as a very special review to determine whether or not a faculty member has achieved an exceptionally high status within his or her area of expertise. On these campuses, steady progress is not generally sufficient for advancement to Step VI. Rather, professors must demonstrate that they have added very high impact new achievements to those that were observed when Professor I status was approved. A substantial change in the trajectory of progress that was noted at Professor I is required in order to pass the barrier step.

Gender Differences

The Task Force reviewed systemwide data showing the distribution of faculty in the full professor ranks by campus, age and gender. We concluded that the age group of 51-60 years was most relevant to our considerations, because it has the highest population of full professors and is also the group where stalling at the Step V level will have the greatest career impact. Figure 4 compares the distribution of females and males among the full professor ranks for this age group. The data clearly indicate that women are overrepresented at Steps I through V, but underrepresented at steps VI through Above Scale in the 51-60 age group. Comparisons of cumulative percentages for steps I–V with those for steps VI–Above Scale are shown in Figures 4. We concluded that a barrier at Step V has a greater impact on career-long merit advancement of females than of males.



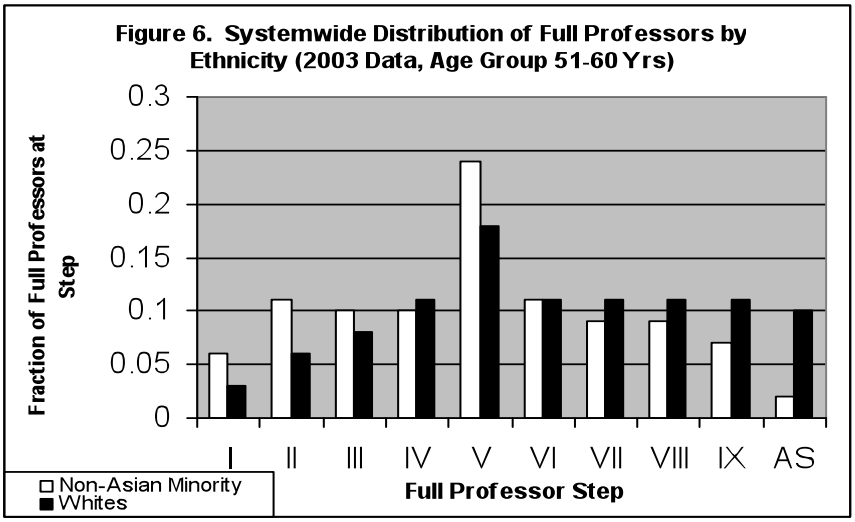


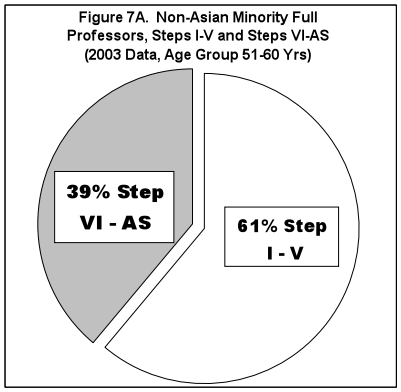


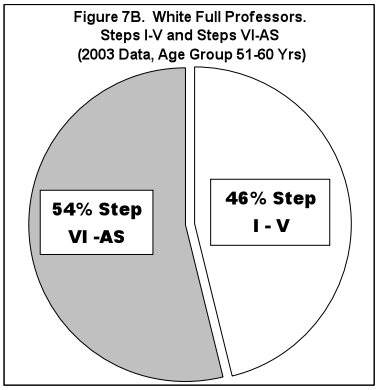
Ethnic Differences

The Task Force also reviewed systemwide data showing the distribution of faculty in the full professor ranks by campus, age and ethnicity. Although no obvious differences were noted in comparisons of fractional populations of Asian Americans and Whites at full professor rank steps, the differences in cumulative American Indian, African American and Chicano/Latino fractional populations relative to Whites is substantial. We again chose to emphasize data for the age group of 51-60 years where the greatest population of Step V full professors is found.

Figure 6 shows the distribution of cumulative fractions of American Indian, African American and Chicano/Latino faculty in the full professor ranks compared to the distribution of White faculty . The distribution pattern is similar to that for female and male full professors. The fraction of minority full professors at steps I-V is substantially larger than it is for White full professors. This fraction is substantially smaller at steps VI – Above Scale for minority full professors than it is for White full professors. The cumulative percentage for Step I – V is compared with the cumulative percentage for Step VI – AS for the two groups in Figure 7A and 7B. We concluded that the barrier at Step V has a greater impact in slowing career-long merit advancement of minority faculty than it does for White faculty members.







Interviews with Deans and Administrative Officials in Academic Personnel Offices

Task Force members discussed perceptions of the barrier step review process with deans and administrators in Academic Personnel Offices at the five campuses represented by the membership of the Task Force – UCB, UCI, UCSD, UCSB and UCSC. No clear consensus emerged, and opinions varied from no change needed, to move the Step VI barrier to a higher step, to eliminate the barrier step and replace it with more frequent non-delegated reviews throughout the full professor ranks.

Several insights regarding the barrier step emerged in these discussions. UC is unusual in using a barrier step review at a mid-point in the professorial ranks, and outside letter writers are often

confused about the distinction between the barrier step review and the Above Scale review. Several campuses reported that those who fail to cross the barrier often succeed on a second attempt. However, there are known cases where faculty have retired due to failure at the barrier step, and cases where careers have stalled out at this step. In general, campuses with the greatest bulge of faculty at Step V were the ones with the most demanding interpretation of barrier step review standards and also the ones expressing the greatest desire to change the system.

Step VI review guidelines are interpreted very differently across the UC campuses. Statistical data indicate that there is a bulge in the percentage of professors at Step V relative to the other steps. The magnitude of this bulge depends upon the local UC campus in a manner that suggests the opportunity for advancement to Step VI and above varies substantially across the campuses. The faculty at the UCSC, UCSB and UCI campuses have less opportunity for advancement incentives throughout their careers than those at the other five campuses included in this review.

On some campuses, there is now an unfortunate stigma attached to a failure to advance to Step VI. Depending on local approaches to the barrier step, career faculty who have engaged in solid, productive teaching and research for most of their careers, yet who are not "superstars" may end up languishing at Step V, become discouraged and lose motivation. The barrier may also influence some productive faculty members to retire early and not pursue steps above Professor Step V.

Conclusions and Recommendations of the Task Force

Members of the Task Force share the view that it is imperative to maintain the excellent quality of UC faculty. The personnel review process plays an important role in ensuring that high standards are met, and the Task Force has been careful to consider whether or not any modification might be regarded as a lowering of our standards for faculty excellence.

A high priority goal of the UC personnel system should be to encourage productivity through advancement incentives for as long as possible in the careers of faculty members. This goal is consistent with maintaining and improving the level of excellence that is evident within the professorial ranks of UC faculty.

Career access to incentives for growth through professional activity is an important feature that the personnel review system should ensure. However, this feature is not uniformly available at all campuses, to both genders, or to all ethnic groups. Substantial differences also exist across local campus academic review cultures. Those campuses with the greatest percentage of professorial rank faculty at Step V have a serious problem with access to merit increase incentives for career development. Many faculty who reach Step V are unable to advance, even though they are professionally active. The Task Force concluded that attempting to change the culture of local campuses to modify their interpretations of standards for review at the barrier step would be inappropriate and probably ineffective.

Data indicate that systemwide, there is a bulge in the percentage of professors at Step V relative to the other steps, but the magnitude of this bulge varies substantially across the campuses.

Faculty members at the UCSC, UCSB and UCI campuses have fewer opportunities and incentives for career advancement than those at the other five campuses included in this review.

The removal of a barrier step between Professor I and Above Scale can be achieved without loss of review standards by replacing the barrier step with a sequence of carefully conducted reviews at several professorial rank steps. However, additional CAP reviews will require a change in delegation authority for the present system of review at several campuses and perhaps some increases in faculty and administrative resources at these campuses. The perception and reality of excellence that is assured by peer review are features that must be preserved in any possible modification of the UC personnel review process.

In our charge we were asked to address three questions that guided the discussions and studies of the Task Force. Our deliberations led us to answer those questions in the following way.

1. Review the placement and number of special review steps that are regarded as "barriers" to advancement through the professorial ranks and consider whether they are appropriate.
   We conclude that the placement of Step VI barrier is not in keeping with our conviction that the central function of performance review should be to help the institution maintain excellence by closely linking performance and assessment.

2. Review the number of steps used in the professorial ranks and the number of years of service faculty members accumulate as they proceed through the steps. Determine if the step VI barrier results in a "bottleneck" of senior faculty who do not advance beyond step V, and whether this is institutionally defensible.
   We conclude that the Step VI barrier does result in a serious bottleneck of senior faculty who do not proceed beyond Step V in a manner that provides career access to advancement incentives. The severity of the problem is not uniform across all UC campuses, and evidence suggests that the problem is more severe for women and minorities. We regard these inequities among campuses, genders and ethnic groups to be indefensible.

3. Does the professorial step system provide the faculty at all of the UC campuses with career length access to merit increases after they reach the full professor level?
   Data indicate that the number of faculty-years served at Step V is particularly large at three of the eight campuses we studied. We conclude that faculty at these three campuses do not have the same career length access to merit increases as faculty at the other five campuses. Even among these five, only one campus has a distribution of full professors at the nine steps and above scale that does not show a large population bulge at Step V.

The conclusions we reached regarding the first three elements of our charge led us to extensive discussions related to the fourth element of our charge. Are there steps that could be taken to improve upon the present system? The following three alternatives were considered:

- A "No Change" option. We agreed that our UC Faculty are excellent, and although we found problems associated with the Step VI barrier, we agreed that no step should be taken that might diminish the current level of faculty excellence.

- A change to move the barrier step review to a higher step. We discussed at length a recommendation to move the barrier step review to a higher level, specifically Step VIII. The Task Force membership regarded this as an improvement that could serve to extend the nominal period during which access to the incentive of merit increases would be expanded by six years. This would place the barrier much closer to a reasonable retirement age for many faculty and maintain the barrier format that has been in place for over thirty years.

- Eliminate a barrier step between Step I and Step IX. This would leave the only barrier step after Professor Step I at the review for advancement to Above Scale.

The "no change" option merits support if the full professor merit system is working well enough to leave it unchanged. Simply put, if it's not broken; then don't try to fix it. Consideration of the data in Figure 1 alone might be taken to mean that the barrier step is working in some fashion, by holding back non-productive faculty while advancing those who remain active. Does this situation merit systemwide action, or should it be left to individual campuses to resolve any difficulties they may have?

The disparity in distributions of faculty among the full professor steps across different campuses and the degree of the bulge at Step V (Fig 2) indicate that the systemwide data, though there is reason for some alarm, tends to downplay the severity of the Step VI bottleneck problem evident at several of the local campuses. Specific campus data showing average years served as well as numbers of faculty at each step suggests that there is an even more serious bulge in the faculty-years served at Step V at these campuses (Fig 3). Still, one might envision this to be a really serious problem at only three of the eight campuses we studied, and a more moderate problem at four of the remaining five. Again we asked whether this should be left to individual campuses to resolve, or whether systemwide action might be more appropriate?

The Task Force concluded that systemwide action should be taken. We further concluded that either movement of the barrier to a higher step or elimination of the Step VI barrier both represent better options than the no change option. Thus we answered the fourth element of the charge:

4. Determine whether changes are needed to improve the current step system, and if so, what changes and how they will be an improvement.

We believe that changes can and should be made that will help to resolve the problems noted in our response to the first three elements of the charge. Senate and Administrative action to approve and implement the following recommendations will help ensure improved access of all professors to merit increases throughout their careers and thereby to enhance the level of academic achievement and excellence of UC faculty members.

Our expectation is for a personnel system that promotes excellence by providing encouragement to success through merit incentives for as long as faculty remain active. A system that meets this expectation should not include one single, major barrier step prior to reaching review for advancement to Above Scale status. Faculty should expect the possibility of merit increases or delays at any step depending upon a fair evaluation of the progress in achievement. It should be possible to make adjustments to overcome some delay at any step up to Above Scale, and to have a reasonable prospect that achievements will be rewarded with merit increases. A system that works in that way can be expected to have a relatively even distribution of faculty at each step throughout the full professor ranks when averaged over time. Each step would represent a reward given in recognition of progress, a delay that could be overcome by renewed progress, or a final level marking the progress in achievement that a full professor was able to attain in a career.

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Although no campus would be reasonably expected to have a precisely equal distribution of full professors at each step, a distribution that shows some random and moderate variation from the average of 10% at each step and changes annually within a range of moderate variation might be realistic if a single barrier step were replaced by a periodic review using the full review resources available at each campus. In fact, the data for 2003 displayed in Figure 2 does indicate that only moderate variations in the distribution of faculty at steps III, V, and VII occur at UCSD even though that barrier step is in place. With that expectation as a rough guideline, systemwide action to remove the barrier step and replace it with periodic full reviews is likely to lead towards a far more even distribution of full professors among all of the steps at seven of the eight campuses we studied. At UCSD, where a roughly even distribution of faculty among the full professor ranks already occurs, little or no change would be anticipated.

If removal of the barrier step is accompanied by the periodic full review process we envision, there should be no danger of degrading academic excellence. The very best of our faculty will continue to progress upward, as they have in the past, toward Above Scale. Many of those who have been stopped at the barrier, even though they progress in their achievements and remain active, will achieve levels that reflect their progress and provide merit incentive for further achievement. Conversely, some who have been stopped at Step V will remain there if no career progress is evident. Finally, some who might have advanced between Step I and Step V with little effort due to the emphasis placed at the Step VI review, will be stopped at lower steps due to the more careful periodic full reviews at those levels. These faculty, like those stopped at Step V, will have access to merit increases when appropriate progress is made, and there will be no special stigma associated with a delay in standard progress at any step. Rather than degrading the UC's high standard of academic excellence, this system would encourage and enhance the quality of faculty throughout all of the steps.

The need for systemwide action is also strongly supported by data regarding the distribution of faculty at the full professor steps as a function of gender and ethnicity. It is clear that the distribution of systemwide faculty in the full professor ranks is strongly dependent on both gender and ethnicity even when the age group is controlled. We regard this as a problem that is shared by all local campuses, one that requires both systemwide and local action to resolve. The inequities in the distributions of full professors among the steps according to campus, gender and ethnicity are institutionally indefensible and we call upon the Senate to accept and enact the recommendations of this report as a step towards remedying these inequities.

Although the upward movement of a barrier review from Step VI to Step VIII would be an improvement upon the present system,—it would delay the barrier review for a nominal period of six years, so that many faculty who reach this level would be closer to a natural retirement age–it would not resolve some of the serious problems associated with the presence of a barrier prior to review for Above Scale status. The barrier would continue to encourage delegation and discourage faculty from working toward fully reviewed merit increases on a continual basis. Movement of the barrier to Step VIII accompanied by a full "mid-career" review might provide some level of continued incentive for progress to Step VIII. But in the end, a barrier step does not ensure the type of career length access to merit increases needed to stimulate the highest level of achievement from our faculty. That goal is best reached by eliminating the barrier step and replacing it with a sequence of full reviews of merit advance cases.

Again, based upon the full range of data, discussions and principles presented in this report, and the conclusions that the Task Force reached, the Task Force recommends the following actions to improve the present system of review of full professors. These actions will ensure improved access of all professors to merit increases throughout their careers and thereby to enhance the level of academic achievement and excellence of UC faculty members.

1) **The special criteria associated with the review for advancement from Step V to Step VI should be eliminated.**

2) **The special criteria used in review for advancement from Step IX to Above-Scale should be retained.**

3) **All campuses should institute regular, non-delegated review of personnel cases of full professors by CAP. At least every other merit review following promotion to full professor must include a full CAP review without delegation of authority.**

4) **The present APM standards that apply to review for advancement to Steps VII, VIII and IX should be retained. However, the wording emphasizing the potential indefinite length of service associated with these steps as well as with Step VI should be eliminated.**

5) **Reviews of personnel cases for advancement to Steps II through IX <u>should not require</u> external letters. However, external letters <u>may be sought</u> at any step by prerogative of CAP, the Department or the Candidate.**

6) **Upon approval of these recommendations, personnel cases of those full professors who are presently at Step V should be reviewed in accordance with the normal review cycle that is presently in operation.**

Membership of the Professorial Step System Task Force

Professor Faye Crosby (UCSC)

Professor Joel Dimsdale (UCSD)
Professor Ramón Gutiérrez (UCSD)
Professor Robert May (UCI)
Professor Deborah Nolan (UCB)
Professor Richard Watts (UCSB, Chair)
Mr. Michael LaBriola (Senate Analyst)

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 understate 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

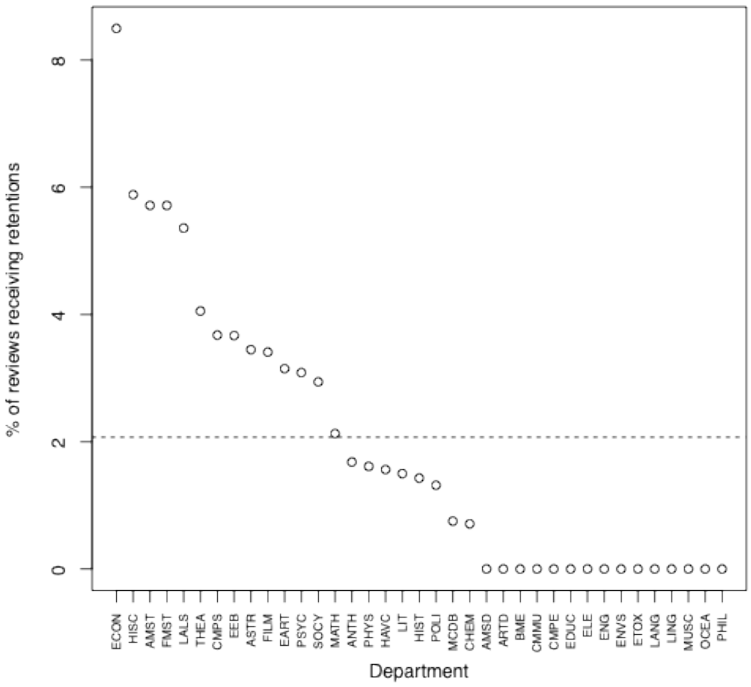


Figure 1. Percentage of accepted retentions for each department during 2005-2011.

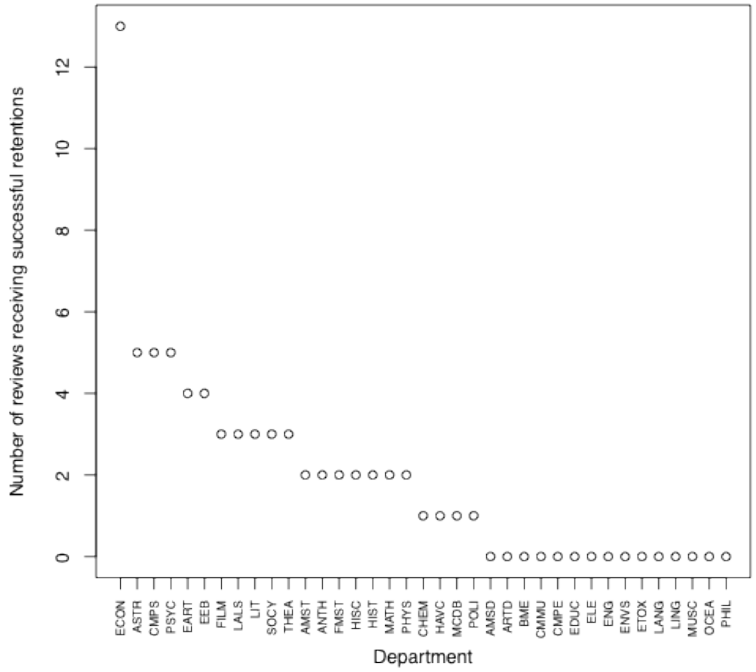


Figure 2. Number of accepted retentions on each department during 2005-2011.

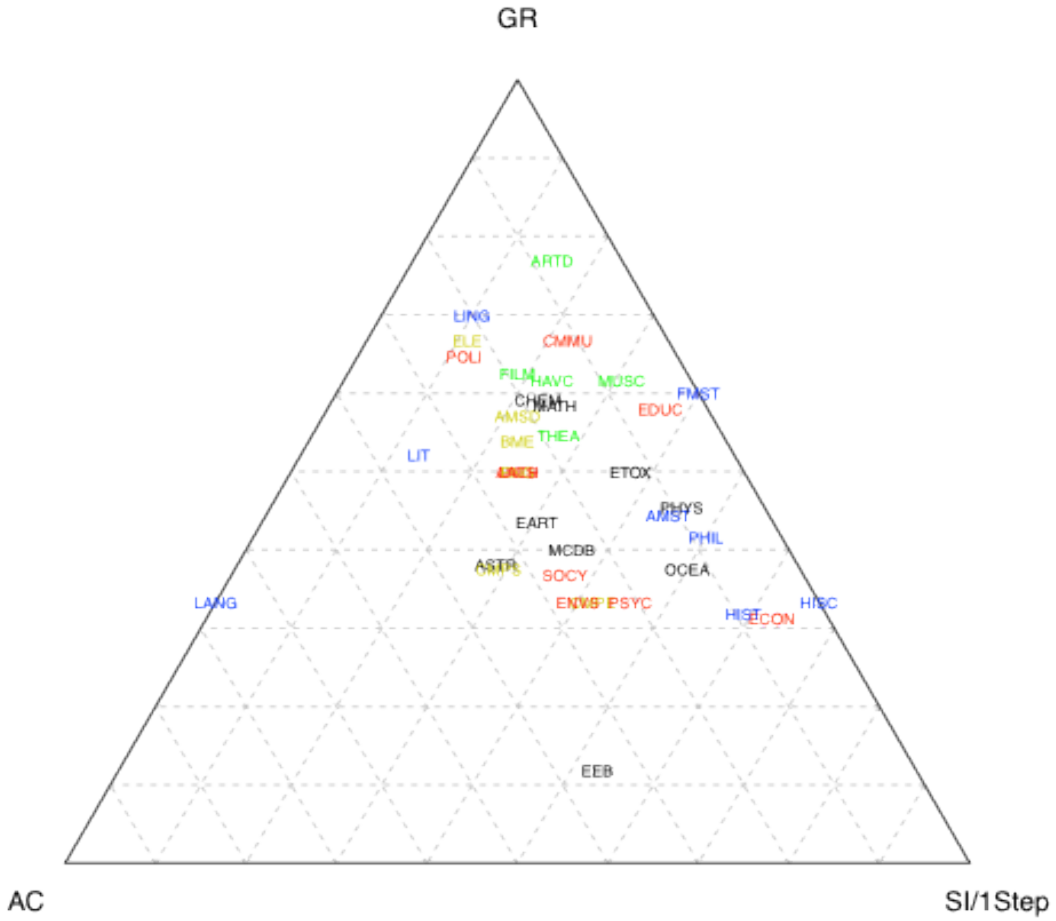
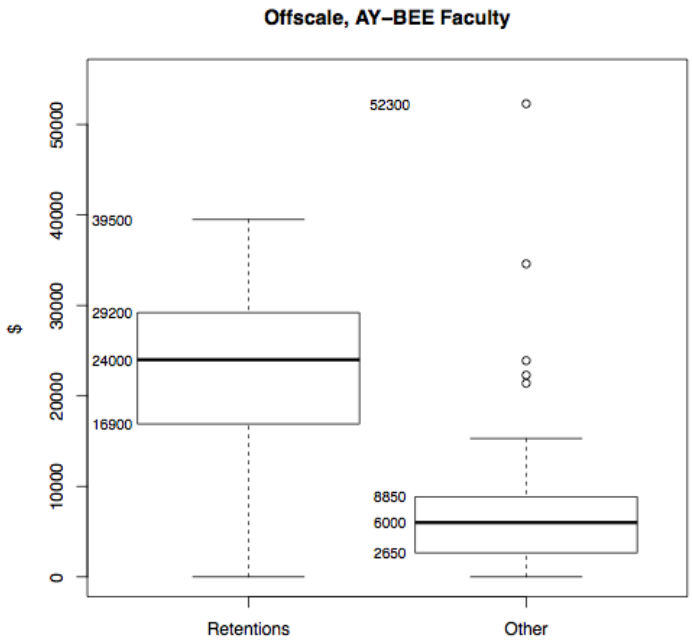


Figure 3. Outcomes of the merit-review process over the 2009-2011, by department. Most departments tend to fall close to the right edge, which means greater than normal increases have dominated over accelerations. Departments with high number of retention cases, ECON, EEB, and HISTC, are closer to SI/1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



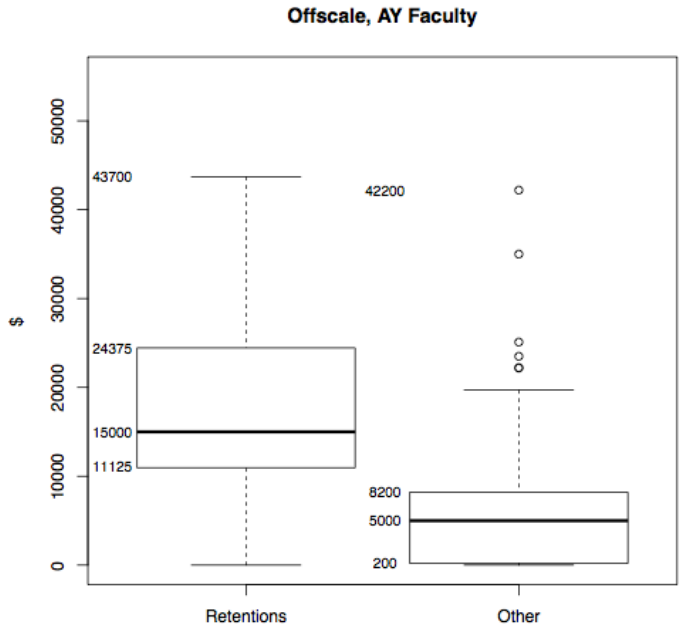
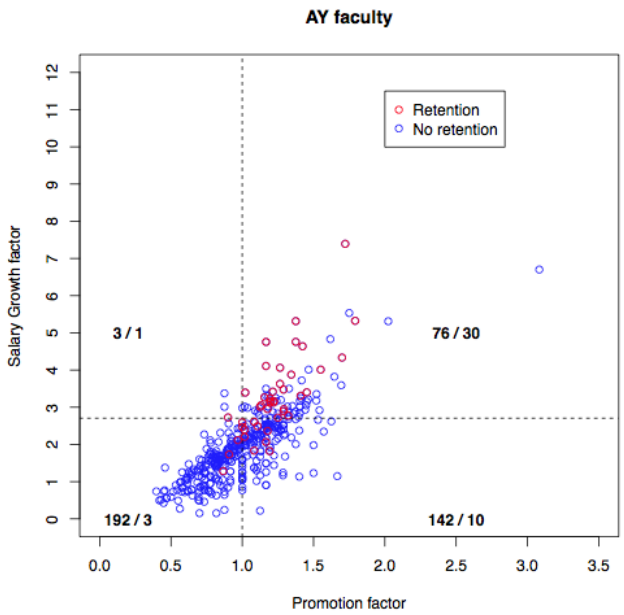


Figure 4. Boxplots of Off-scale Salaries (dark line = median, where 50% of cases fall above the line and 50% below the line; box = inner quartile range, which includes 50% of the data; whiskers [dotted lines] = 1.5 times the second and third quartile; circles = outliers)



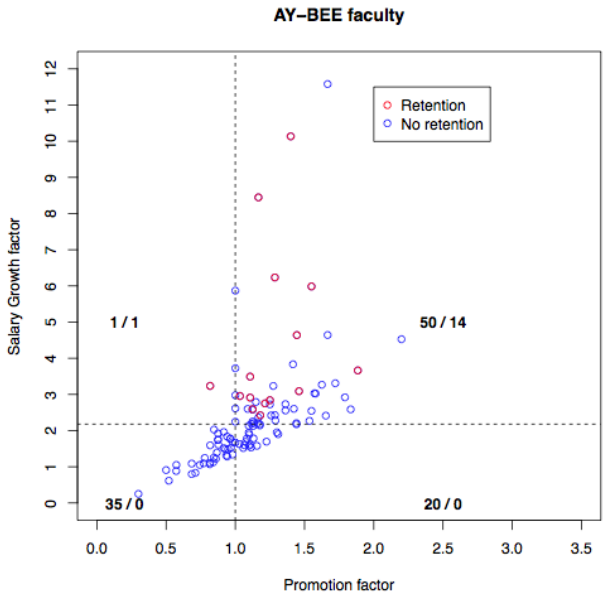


Figure 5. Numbers on the left of "/" are number of total faculty in that quadrant; numbers on the right of "/" are number of total faculty with retention offers in the last five years belonging to that quadrant. Data shows that a significant majority of retained faculty have high salary and promotion 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 Helene Moglen, *ex officio*
May 7, 2012

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,

Dave

David S. Kliger
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 Mangers 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,

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Campus Provost and
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cc: Chancellor Blumenthal
Faculty Assistant Chung
Assistant Vice Chancellor Peterson, Academic Personnel
Chair Takagi, Committee on Academic Personnel
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