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May 3, 2018

CHANCELLORS
VICE PRESIDENT—AGRICULTURE AND NATURAL RESOURCES

Dear Colleagues:

I am pleased to announce a three-year academic salary program that focuses on rebuilding competitive salaries for our ladder-rank faculty and other non-represented academic appointees, and that reinforces the unique, peer-reviewed salary structure of the University of California. I am asking you to move forward with plans to administer the first year of this plan, for 2018-19. Details of the program are summarized below and more fully described in the attachment.

Since the fall of 2017, I have conferred with Academic Senate leadership and committees about the urgency of addressing the salary lag of UC ladder-rank faculty as compared to our Comparison 8 peers. I am grateful for the creative and comprehensive ways in which the Senate has studied the compensation issues with attention to competitiveness, equity, and diversity, and I agree with them that faculty salary competitiveness is a priority, especially with the added challenges of the high cost of living at most of our campuses. Simply put, we need to be able to recruit and retain top, diverse faculty. I know from several conversations with the Chancellors that they share this priority.

I am asking you to implement the academic salary program, effective July 1, 2018, as follows:

- For ladder-rank faculty, the regular peer-review merit advancement program will continue. In addition, the scales will be increased by 4 percent. Health Sciences Compensation Plan (HSCP) faculty and other academic appointees with salary tied to these scales will have the same 4 percent adjustment to the scales.
- Salary scales for other non-represented faculty and academic personnel will be increased by 3 percent.
- Represented academic personnel will continue to be compensated according to their contracts.

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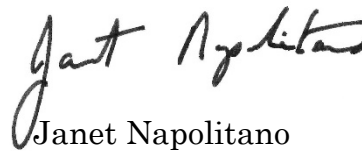
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- The intent of the program is to advance the competitiveness of faculty salaries via focused investment in the salary scales. No systematic adjustment to off-scale salaries is mandated or expected. In order to address individual compensation issues (particularly equity), Chancellors, EVCs/Provosts, and other pertinent campus authorities retain the necessary flexibility.

I intend to continue conversations about competitive faculty compensation in the coming year and invite the Academic Senate and the Chancellors to continue this dialogue with me. This year's compensation plan will make only a modest dent in our gap with our Comparison 8 peers. In order to accelerate the closing of the Comparison 8 salary gap, my office will collaborate with the campuses on a plan to augment the salary program for the 2019-20 and 2020-21 fiscal years.

Do not hesitate to let me know how we can support you and your campuses as you move forward with this program.

Yours very truly,



Janet Napolitano
President

Attachment

cc: Provost and Executive Vice President Brown
Executive Vice President Brostrom
Executive Vice President, Chief Operating Officer, and Chief of Staff Nava
Academic Council Chair White
Vice Provost Carlson
Executive Vice Chancellors/Provosts

2018-19 Academic Salary Program

Year One of a Three-year Program

Following consultation with the Academic Senate, the Chancellors, the Executive Vice Chancellors/Provosts and others, the President has authorized the first year of a three-year academic salary program.

For ladder-rank faculty, the program is designed to reduce the salary gap with the Comparison 8 peers and to provide competitive and equitable salaries. Thus, for ladder-rank faculty, the program will be accelerated in years two and three, provided future budget augmentations. The following principles guide the program for ladder-rank faculty:

- The Rank and Step personnel process has served UC very well over decades with respect to inclusive excellence, equity, and fairness. Every advancement is the result of a rigorous merit review conducted by peers and administrators.
- Competitive salaries, transparently and equitably set, are instrumental in recruiting and retaining the excellent and diverse faculty vital to developing and maintaining the inclusive excellence of our academic programs.
- A strong salary program is a signal to ALL faculty that UC values their work, throughout the range of their careers (and not just in response to market forces at the time of the initial hire or in cases of retention).
- For the rank and step salary scales to be as disconnected as they are at present from market competitiveness ill-serves the University and poorly rewards the excellence and performance of the faculty.
- Moreover, the current status of the salary scales: 1) creates the need for off-scale adjustments in order to respond to market conditions; 2) increases the necessity of certain recruitment and retention actions; and 3) increases concerns about compensation fairness and equity.
- By policy (APM sections: 600; 610-8; and 610-24), responsibility for issuing and maintaining the academic salary scales rests with the President.

Year One (2018-19) of the program applies to academic appointees as detailed below. The salary actions will be effective on July 1, 2018.

A. Ladder-rank and HSCP faculty.

- The regular peer-review merit advancement program will continue.
- For ladder-rank faculty, the scales will increase by 4% (the precise amount will vary due to rounding).
- The intent of the program is to advance the competitiveness of faculty salaries via focused investment in the salary scales. No systematic adjustment to off-scale salaries is mandated or expected. Faculty having off-scale salary components will retain them.
- Chancellors, EVCs/Provosts, and other pertinent campus authorities retain the flexibility to make off-scale salary adjustments to address individual equity and compensation issues.
- Health Sciences Compensation Plan (HSCP) faculty will have their scale-based salary (X and X') adjusted by 4% (The precise amount will vary due to rounding). The Y and Z components of salary will continue to be negotiated annually as specified in campus plans.

- Other academic appointees paid off of or with salary scales tied to the ladder-rank scales will receive the same 4% adjustment (the precise amount will vary due to rounding).
- Above-scale faculty will have their salaries incremented according to standard processes established by each campus for above-scale faculty.

B. Other non-represented faculty and academic personnel

- The scales will be increased by 3% (the precise amount will vary due to rounding). Scales with ranges will be incremented in a similar fashion.
 - This program includes Graduate Student Researchers and Graduate Student Assistant Researchers, with the exception that these scale changes will be effective on October 1, 2018, as has been the case in the last three years.
- Each Chancellor may address any other individual compensation issues that have been identified, including equity and competitiveness.
- As a part of transitions made to comply with FLSA regulations, Junior Specialists will receive approximately a 3.5% increase to narrow the salary gap with the Assistant Specialists (the precise percent will vary due to rounding). This addresses salary issues unique to the Junior Specialists as they convert from non-exempt to exempt status.
- Deans and other full-time faculty administrators will be eligible for a 3% increase to be awarded for meritorious performance (the precise increase will vary due to rounding).

C. Represented academic personnel

- Academic personnel who are represented will continue to be compensated according to their contracts.