Executive Summary

1. The Taskforce recognizes that faculty salaries at UC Davis are lower than those at other UC campuses and other comparable universities. This fact can lead to a drain of our faculty as they are competed away, leading to the loss of their research and teaching expertise. While also recognizing the financial needs of students, staff, and for infrastructure, we urge the Senate and administration to place a high priority on raising faculty salaries at UC Davis to a level commensurate with other UC campuses.

2. In their report to the UC Office of the President, the Senate-Administration Taskforce on Faculty Salaries (February 2012) provides concrete proposals for re-calibrating the salary scales used by the UC system and each campus. We recommend that Step 1/Year 2 of that proposal be implemented at UC Davis as soon as possible, which would bring the scale at UC Davis to the median salary paid at each rank and step at other UC campuses. This policy would increase the General Campus scale at UC Davis to about midway between the current General Campus and Business/Economics/Engineering scales, and in addition, would increase the Business/Economics/Engineering and Health Sciences scales by a slightly greater amount.

3. The use of individual off-scale for recruitment and retention must continue. But the current UC Davis policy of reducing off-scale on a formulaic basis for individuals who defer a merit action is excessively punitive, and we recommend alternatives to it.

4. The use of individual off-scale, while essential, cannot always address the market-based pressures felt by a department. In some cases it may be desirable to establish a higher scale for an entire department. We present two options for implementing such market-based off-scale by discipline.

5. We recommend that the personnel process at UC Davis move to the half-step system currently used at UC Berkeley. Under that system, personnel actions are reviewed at fixed time intervals (i.e. two years for Assistant and Associate I-III, and three years for Associate IV-V and Professor I-IX). At each review, candidates may advance by more than a normal merit, e.g. by 1.5 steps, 2.0 steps, or more, or by less than a normal merit, e.g. by 0.5 of a step, which would not be a deferral.

6. Because the half-step system does not allow for a timely reward to faculty who make exceptional progress, merit-based off-scale should be used more frequently at UC Davis. In such cases, we recommend that as at UC San Diego a “bonus” of one-half step be awarded until the time of the next merit action.
February 24, 2012

TO: Ralph J. Hexter, Provost and Executive Vice Chancellor
    Linda F. Bisson, Academic Senate Chair

FR: Off-Scale Salary Task Force
    Associate Dean Edward Callahan, School of Medicine
    Professor Stephanie Dungan, College of Agricultural and Environmental Sciences
    Professor Robert Feenstra, Division of Social Sciences (chair)
    Professor Edward Imwinkelried, School of Law
    Dean Enrique Lavernia, College of Engineering
    Professor Douglas Nelson, College of Biological Sciences
    Professor Ahmet Palazoglu, College of Engineering
    Professor Donald Palmer, Graduate School of Management
    Professor Warren Pickett, Mathematical and Physical Sciences
    Professor Helen Raybould, School of Veterinary Medicine
    Professor John Scott, Division of Social Sciences
    Professor Blake Stimson, Humanities, Arts & Cultural Studies

RE: Report from the Off-scale Salary Task Force

In a letter of July 28, 2011, Provost Hexter and Robert L. Powell, then Academic Senate Chair, invited the above persons to form an Off-Scale Salary Task Force. The essential goal was to “expand the range of options for faculty off-scale salary” at UC Davis, as recommended in a report from the Davis Division Committee on Academic Personnel – Oversight, May 26, 2010. The specific charge to this Task Force was broader, encompassing the following goals:

• Review and if necessary update salary data as well as interpret any new salary programs being proposed by the systemwide administration for UC Davis.
• Articulate principles and goals for a competitive salary program.
• Develop and describe alternative mechanisms for implementing a salary program.
• Evaluate the quantitative and qualitative impacts of a salary program.
• Consider alternatives for particular departments or disciplines.
• Analyze and compare how other UC campuses have dealt with maintaining competitive salaries (e.g., use of off-scale salaries generally as well as formulaic adjustments to step levels and the use of recognized fractional steps in particular).
• Review fiscal impacts including proposed implementation strategies that include leveraging of non-state funds.
• Identify organizational, workload and policy issues that impact the setting of salaries, e.g., Committee on Academic Personnel (CAP) – Oversight workload, college and departmental workload, Academic Personnel Manual Language, policy and practice concerning accelerations, off-scale salaries, half steps, etc. (It will be important to consider workload issues both in the context of starting a new program and its operation at steady-state.)

It was requested that a report from the Task Force be submitted no later than January 30, 2012. While this report is being submitted about one month after that date due to various delays, it is hoped that our recommendations serve to address most of the items in the charge.
1. Introduction

The Task Force met on a bi-weekly basis during the fall quarter 2011 and into the winter quarter 2012. It has heard from its representatives from the various colleges at UC Davis and also benefitted from the report from the Senate-Administration Taskforce on Faculty Salaries (February 2012) to the UC Office of the President (UCOP).

Our charge was complicated by the diversity of disciplines on the campus and represented on the committee. For example, the School of Medicine currently has the most refined salary system, consisting of an initial component known as X (the salary associated with the faculty member’s rank and step), a second component known as X' that multiplies the rank and step salary by a specific percentage for all persons in narrowly defined academic personnel units, and a further component known as Y that is specific to individuals. Y is negotiable on a yearly basis between the department Chair and the faculty member and reflects money the faculty member can reliably predict that s/he will bring into the department during the upcoming fiscal year. The X plus X' components constitute the person’s salary for calculation of retirement contributions and later retirement payouts. The Y component does not enter retirement calculation nor is the retirement contribution increased because of its presence. By comparison with the rest of the campus, we can think of X as the initial on-scale amount, while X' allows selection of a scale itself to differentiate across academic personnel units, and Y represents the individual’s off-scale amount.

We understand the School of Veterinary Medicine is in the process of revising its salary system, using the School of Medicine as a model. Also, we understand that the Graduate School of Management has recently entered into an agreement with the administration concerning a system of off-scale salaries that differ across disciplines. Those off-scale salaries are based on 25 ranked business schools, excluding the elite private schools, with particular attention to the University of Michigan. We will not make any recommendations about that recent agreement or the systems used in the Schools of Medicine and Veterinary Medicine, focusing on the rest of the campus. But all these units will be impacted by changes to the base scale (the X or on-scale components) that we recommend in this report, as well as by recommendations made to the functioning of the Committee on Academic Personnel (CAP).

2. The Need for a Competitive Salary Program

The overarching goal of any competitive salary program is to recruit, reward and retain outstanding faculty. To achieve these outcomes, several more specific goals can be identified. One goal is to allow for differences in faculty salaries across disciplines when that is justified by market forces, and a second is to allow for difference in faculty salaries within a discipline when that is justified by individual merit. These two goals are distinct. Taking into account market forces follows from the need to retain faculty in departments that are essential to the research and teaching mission of the university. Such market-based salary differences do not follow from the inherent “worth” of disciplines, if such a concept could even be defined. Regardless of salary, all departments and faculty are valued for their research and teaching contributions; but in some disciplines, outside opportunities in the private sector (or the ease of mobility across schools) lead to salary differentials that need to be taken into account.
The second specific goal is to reward individual merit, regardless of discipline. Excellence in teaching and research is of special value in the university, and for this reason worthy of compensation. The challenge is to design a system that is flexible and fair enough to lead to broad agreement on its functioning. That leads to a third, subsidiary goal: to have an off-scale salary system that is both timely and responsive to demonstrated excellence. Making recommendations to that end is included in the charges to the Task Force.

There is ample evidence that faculty salaries at UC Davis are low in comparison with peer institutions, and in comparison with its sister UC campuses in particular. That evidence is presented in various past reports: Cameron and Feenstra (2008) demonstrated this using UC data from 2007 that applied to General Campus faculty with academic-year appointments. We believe that the lower salaries at UC Davis persist to this day and across many units. The Task Force examined updated data for several disciplines:

(i) a comparison of salaries paid at UC Davis in the Department of Political Science with those paid at various public universities, prepared by department chair John Scott (April 28, 2011), argues that our Associate and Full Professor are paid between $20,000-$35,000 lower than at peer institutions, and even more than that when controlling for the impact of individual’s journal publications;
(ii) a comparison of salaries paid at UC Davis in the Department History with those at other UC campuses, prepared by department chair David Biale (November 2011), finds that the Davis salaries are among the lowest in the UC system;
(iii) a comparison of recent salaries in Engineering with both the UC campuses and the Comparison-8 schools, shows that UC Davis is significantly below either group; and,
(iv) the report from the Senate-Administration Taskforce on Faculty Salaries (February 2012) includes data on the average UC salaries as compared to a set of four public universities, four private universities, and the combined Comparison 8 group of schools. For the most recent year available (2010-11), the average UC salaries (excluding Health Sciences and Law) are 12.8% below the Comparison 8, and that gap has been increasing over time.

3. Off-scale Systems at other UC Campuses

In response to the fact that the UC salary scales have been lagging the market, various campuses have developed methods to compensate individuals by using off-scale salary. We understand that off-scale at UCLA is handled directly by the Deans but have no further information, except that we know UCLA has some of the highest salaries in the UC system. Our summary focuses on the other campuses for which we have information, listed in rough order of the off-scale amounts that are used.

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1 A. Colin Cameron and Robert C. Feenstra, “Salaries at the University of California, Davis in Comparison with other UC Campuses,” Department of Economics, UC Davis, Revised, October 20, 2008. That study mostly excluded faculty in Business/Economic/Engineering because of the differing scale. Another study by Suzanne O’Keefe and Ta-Chen Wang (“Publishing Pays: Economists’ Salaries Reflect Productivity,” Department of Economics, California State University, Sacramento, August 2, 2011) focus on Economics salaries in the UC campuses using 2007-2009 data, and controlling for the impact of publications. They find that the Economics salaries at UC Davis are the lowest or second-lowest in the system.

2 Cameron and Feenstra (2008) provide the 2007 data on off-scales used at UCLA and more recent data is included in the Senate-Administration Taskforce on Faculty Salaries (February 2012).
A. UC Berkeley

Like all UC campuses, UC Berkeley uses off-scale salaries for recruitment and retention. In addition, UC Berkeley has a sophisticated system for making market-based adjustments to salary by discipline. Specifically, a review of the salary for each individual is made at their appraisal and at their promotion to tenure. In the case of positive actions at those times, the individual’s salary is compared to the maximum of: (i) the average salary in the same department and rank at UC Berkeley (i.e. the average of other assistant professors at the appraisal and other associate professors at the tenure review); and (ii) the average salary at the same rank and field for a comparison set of public and private schools (using data from the Association of American Universities Data Exchange, or AAUDE). Then the individual’s salary is adjusted upwards to the maximum of these two averages.

Apparently, there has been discussion at Berkeley about extending this comparison to make market-based adjustment by discipline to higher ranks of the professoriate. But no such action has been taken to date due to limited funds (and the fact that a substantial portion of faculty at higher ranks already have significant off-scale salaries as a result of recruitment or retention).

B. UC San Diego

UC San Diego uses three types of off-scale salary. First, there is off-scale salary used for recruitment and retention. We understand that this off-scale component is reviewed on a six year basis at which time the department can that the off-scale be continued or, if it is no longer justified, that the off-scale amount be tapered.

Second, there is a “bonus” or merit-based off-scale. We understand that the bonus is given in one-half step increments paid over a single review period. The salary is returned to scale at the time of the next review.

Third, there is a market-based off-scale by discipline that is rarely used. The department can present a case to CAP for a minimum off-scale needed to bring it up to the market norm. Once this written case is accepted by CAP, it is attached as an addendum to all personnel actions coming forward from the department, so that an adjustment is made to cases making normal progress at the time of normal review. CAP expects that the department’s case for off-scale will be re-justified every three years. This policy has been used by the Department of Economics and infrequently by other departments.

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3 Off-scale salary at UC Berkeley is referred to as a “de-coupled” salary component.
4 There is also another form of departmental-based off-scale used at UC Berkeley referred to as a “targeted decoupling initiative” (TDI). Used by the Department of Economics currently but available to other departments, this policy establishes funds that can be allocated to off-scale salary on an annual basis by the department chair. The funds can come from various sources, including trading back an FTE to the administration or endowments.
5 Tapering means that the salary is returned to scale at the following review. But a market off-scale is tapered by only one-half if the appointee receives a merit, and in the case of large off-scale salaries, the department may propose that the salary be tapered by less than one-half.
C. UC Irvine

In addition to the use of off-scale for recruitment and retention, UC Irvine has at various times used a “shadow scale” to adjust salaries upwards. Such a scale was used for two years prior to the system-wide market adjustment of salaries on October 1, 2007, but was dropped after that; then it was re-introduced more recently. This “shadow scale” applies to Associate and full Professors outside of the Health Sciences and Business. The scale is computed by taking the average salary of all faculty at UCI at each rank and step (which includes many new faculty with higher salaries). Then the salary of faculty making normal progress are adjusted upward to this average at their next merit, or higher if warranted by their existing offscale.

In Figure 1, we show the UC system-wide scales for the “Faculty–Ladder Rank–Professor Series Academic Year” and “Faculty–Ladder Rank Business/Economic/Engineering, Academic Year” series, for 2011-2012, and in comparison, the UC Irvine scale for academic year appointments, 2012-13. The UC Irvine scale lies roughly midway between these two other system-wide scales. In other words, the average salaries paid at UC Irvine for Associate and full Professors are roughly midway between the General Campus and Business/Economic/Engineering scales, and these average salaries establish the base scale for merit and promotion actions to Associate and above. We understand that faculty with off-scale have that amount added to the base when they are moved to the new scale.

Figure 1: UC General Campus and Business/Economics/Engineering scales, 2011-12, and UC Irvine General Campus scale, 2012-13

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6 We understand that a separate UC Irvine “shadow scale” was also computed for Business/Economics/Engineering in past years, but have no recent information on that scale.
**D. UC Santa Barbara**

UC Santa Barbara uses both recruitment and retention off-scale and merit-based off-scale. We understand that the latter can be increased or decreased at each merit review, based on performance.

**E. UC Riverside**

UC Riverside uses off-scale for recruitment and retention, but like UC Davis, UC Riverside apparently is the only other campus where an individual’s off-scale is reduced on a formulaic basis when a merit step is not attained. Such an outcome initially results in the loss of one-half of the off-scale, up to a maximum of $20,000. A second consecutive deferral or denial of a merit step results in the loss of the remaining off-scale.

**F. UC Santa Cruz**

UC Santa Cruz uses both recruitment and retention off-scale and merit-based off-scale. The merit-base off-scale can be recommended at the time of a successful merit action, for example.

**4. Report from the Senate-Administration Taskforce on Faculty Salaries (February 2012) to the UC Office of the President**

The report from the Senate-Administration Taskforce on Faculty Salaries (February 2012) contains a recommendation for adjusting the system-wide salary scales in two steps, referred to as Step 1 and Step 2. In addition, these steps can be repeated over multiple years, and with the current 2011-12 academic year referred to as Year 1, the implementation is discussed for Year 2 (the first implementation) and Year 3 (the second implementation).

Step 1 consists of computing a new scale for the entire system, setting aside for the moment the Health Sciences and Business/Economic/Engineering. To achieve this, the mean salary at each step and rank is computed for each campus, which gives 9 numbers for each step and rank: one for each campus aside from UC San Francisco. Then the median (or middle) number of these 9 is chosen as the “scale” to adopt for each rank and step the entire system. This exercise can be repeated in the same way for the Business/Economic/Engineering faculty, and for the Health Sciences. In this way, we obtain new system-wide scales for the General Campus, for Business/Economic/Engineering, and for the Health Sciences.

Step 2 then consists of computing a new scale for each campus, using a procedure similar to that used at UC Irvine. That is, after the salary increases from Step 1, the average salary is computed at each rank and step for each campus. That average is then used as a new scale for that campus.

In a second implementation, both Step 1 and Step 2 can be repeated again, in what the Senate-Administration Taskforce refers to as Year 3. At each step in this process salaries tend to rise, so that the repeated application of Steps 1 and 2 in another year continues to increase the scales for
the system and for each campus.\textsuperscript{7}

In Figure 2 we show again the UC system-wide scales for the “Faculty–Ladder Rank–Professor Series Academic Year” and “Faculty–Ladder Ranks Business/Economic/Engineering, Academic Year” series, for 2011-2012, which are identical to Figure 1. We now compare them with the Step 1/Year 2 scales from the report to UCOP, which apply to 2012-13.\textsuperscript{8} The new Step 1/Year 2 General Campus scale recommended to UCOP lies roughly midway between the existing General Campus and Business/Economic/Engineering scales, or an average of $8,500 higher than the existing scale. The new Step 1/Year 2 scale for Business/Economic/Engineering lies slightly more above the existing scale, or an average of $10,000 higher.

The report to UCOP also recommends an increase in the Health Sciences scale (i.e. the X component of salary) and a policy for Above Scale faculty.\textsuperscript{9} In addition, the report had to decide how to handle existing off-scale as these new scales are implemented. Because it was dealing with the two-step procedure, the Taskforce chose to fully subsume existing off-scale in Step 1, but to not subsume any remaining off-scale in Step 2. That is, faculty whose total salary exceeds the Step 1/Year 2 scales shown in Figure 2 would not receive any increase in Step 1, but the excess of their total salary over the Step 1/Year 2 scales would be retained as off-scale over and above the Step 2/Year 2 scale.\textsuperscript{10}

\textsuperscript{7} That is why the policies are envisioned for a limited implementation period like 4 years.
\textsuperscript{8} The scales shows as the “UCOP Step 1/Year 2” in Figure 2 are taken from Appendix E of the Senate-Administration Taskforce on Faculty Salaries (February 2012). Appendix E also contains these Step 1/Year 2 scales on a fiscal year rather than academic year basis.
\textsuperscript{9} See Appendix C of the Senate-Administration Taskforce on Faculty Salaries (February 2012). As explained in Appendix G, the salaries of Above Scale faculty are raised by the same percentage as those for Professor Step IX.
\textsuperscript{10} See Senate-Administration Taskforce on Faculty Salaries (February 2012, note 7), which explains this “simplified” procedure and also states that: “Some Taskforce members voiced a concern that faculty members with current off-scales may not like the “return-to-scale” in Step 1.”
4. Recommendations

In light of our review of practices at other UC campuses, and the recommendation from the Senate-Administration Taskforce on Faculty Salaries to UCOP, we make the following recommendations for salaries, off-scale salaries, and personnel practices at UC Davis:

a. Salary Scales

Step 1/Year 2 of Senate-Administration Taskforce on Faculty Salaries should be implemented at UC Davis as soon as possible. This step would increase the General campus scale at UC Davis to about midway between the current General campus and Business/Economics/Engineering scales, or an average increase of $8,500, and would increase the Business/Economics/Engineering scale by an average of $10,000. The Health Sciences scale (X component) would also be increased.

This recommendation does not rule out the future implementation of Step 2/Year 2, or Step1/Year 3, etc. But we aware that the costs of each of these steps will present a financial challenge to the campus (see section 5), so we recommend a “one step at a time” approach. The cost to the campus would also depend on the following options, that could be considered in conjunction with the Step 1/Year 2 action:

**Options:**

i) Implement the new scales starting with Associate Professor

One option would be to implement the new scales for faculty at the rank of Associate Professor and above, as in the practice at UC Irvine, so that current Assistant Professors would receive the new scale only on their promotion to Associate Professor. The argument in favor of this option is that recent hires at the Assistant Professor level already have their salaries calibrated by market pressure. (This option leaves open the question of which scale should be used for new recruits at the Assistant Professor level, and how to handle their off-scale when they are promoted to Associate Professor.)

ii) The treatment of existing off-scale

For faculty who already have significant off-scale, the increase in the base scales should also raise their total salary, but perhaps not by the full amount of the increase in the base. We discussed different options for how an existing off-scale could be handled, and concluded that one option would be a “partial retention” policy. Under this policy, any faculty with existing off-scale would face a tax at a specified rate on either their amount of off-scale, or on their increase in the base scale, whichever is less.\(^\text{11}\)

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\(^{11}\) Our recommendation here for handling existing off-scale applies to the General Campus, outside the Health Sciences and GSM, since those units have the most timely methods for computing off-scales based on market conditions. The increase in the base scales should still apply to those units, which would then shift some portion of salary from X’ to X for the Health Sciences (and therefore into the calculation of retirement benefits), and from off-scale to on-scale for GSM.
To see how this option would work, say that the increase in the base scale at the next merit/promotion action for an individual is $Z$, and that their existing off-scale is $Y$. Then an individual whose existing off-scale $Y$ is less than $Z$ would have their off-scale reduced by an amount like $0.5 \times Y$, or by one-half of their off-scale, with the other one-half of off-scale retained. Since the average increase in the scale is $8,500$ for the General Campus and $10,000$ for Business/Economics/Engineering, then this case can be expected to apply to many individuals.

For higher off-scales, a slightly different calculation is required. If a person’s off-scale $Y$ is greater than $Z$, then that faculty would have their off-scale reduced by $0.5 \times Z$, or by one-half the amount of the scale adjustment. So individuals with high off-scale would be taxed at most one-half of the scale adjustment, while individuals with low off-scale would be taxed one-half of their off-scale component.

Other tax rates or options for how to handle existing off-scale can be considered, but we strongly urge that the campus avoid fully subsuming off-scale into the new base scale, as that approach would penalize most heavily the individuals who received with the high off-scale in the first place.

b. Recruitment and Retention-based Off-Scale

The increase in the campus scale only partially addresses the first of our goals above: to adjust for market-based forces needed to retain faculty. The establishment of the new scales would not eliminate the off-scale increments needed for recruitment and retention, and it is essential that these off-scale increments continue.

But the current UC Davis policy of reducing offscale on a formulaic basis for individuals who defer a merit action is excessively punitive, and it should be considerably revised. Under the current system, a fraction of the off-scale is removed on each instance that an individual defers a merit action. But since a person having trouble completing a longer-term project, or stalled in research for any other reason, such deferrals can come up year after year. Therefore, the “test” for reducing off-scale can arise on an annual basis, which is far too quick to provide proper incentives for scholarly research and publication.

One option to address this punitive outcome is to apply the “test” for adequate performance, and accompanying retention of off-scale, only at longer time intervals such as promotion and 5-year reviews. A second option, which can be combined with the first, is to have a weaker “test” for what it means to defer, which we discuss below in point d.

c. Discipline-Based Off-Scale

The use of an individual off-scale, while essential, cannot always address the market-based pressures felt by a department. In some cases it may be desirable to establish a higher scale for an entire department. The Taskforce has heard presentations from other departments on the UC Davis campus – Political Science in particular – suggesting that it is difficult to rely on an individual off-scale to adequately address the market pressures in their discipline.
Accordingly, we recommend the use of discipline-based off-scale in cases that are justified. There are two ways that such a proposal could be implemented: the first of these follows the model at UC Berkeley and the second has been used infrequently at UC San Diego.

**Options:**

i) **Making an adjustment for every department:**

Using data from the AAUDE, other UC campuses, and each UC Davis department itself, a minimum off-scale by department (or field) would be established for every department on the campus. The minimum off-scale would be established by a new Senate committee including input from CAP or the Committee on Planning and Budget (CPB), subject to approval by the Provost and the Chancellor. That minimum off-scale would apply to all cases coming forward from that department for individuals making at least normal progress. Faculty in that department already having greater off-scale than the minimum would not be affected.

ii) **Making an adjustment at the department initiative:**

Another approach would be for the requests and justification for a market-based adjustment to come from the department itself, subject to the approval of its Dean. A recommendation to approve or disapprove each such request would be obtained from a new Senate committee, possibly with input from CAP or CPB, and then would go to the Provost and the Chancellor. The minimum off-scale would apply to all cases coming forward from the department for individuals making at least normal progress. Faculty in that department already having greater off-scale than the minimum would not be affected.

d. **The Half-Step System**

Our first three recommendations are motivated by market forces. We turn now to the goal of rewarding individual excellence and the subsidiary goal of having a personnel system that can do so quickly and effectively. We recommend that UC Davis adopt the “half-step” system that is used at UC Berkeley, under which advancements are made in increments I, II, III, etc. but also in half steps I.5, II.5, III.5, etc. with the accompanying half-step salary. Under this system, personnel actions are brought to CAP (or its sub-committees which are the faculty or school personnel committees) only on fixed time periods, i.e. every two years at Assistant Associate Professor I-III, every three years at Associate Professor IV-V and Professor I-IX. At each review, candidates may advance by more than a normal merit, e.g. by 1.5 steps, 2.0 steps, or more, or by less than a normal merit, e.g. by 0.5 of a step, which would not be a deferral. In the case where a faculty receives a half-step advancement, such an advancement should not be regarded as a deferral, and therefore not subject to any reduction in an individual’s off-scale.

Many other questions need to be answered about the implementation of this plan. We recommend that the details of implementation be studied by the current Academic Senate Committee on Streamlining the Academic Personnel Process, chaired by Jeannie Darby (UC Davis, Engineering).
e. Merit-Based Off-scale

The above recommendation for the half-step system will reduce the work-load on CAP and allow for a more timely review of the packets submitted. That system does not, however, achieve the goal of a quick reward for exceptional performance, such as receiving a prize or other honor. To this end, we recommend an enhanced use of merit-based offscale at UC Davis. Under current circumstances, merit-based offscale is granted only rarely, at the request of the Dean, and without the knowledge of CAP. We recommend that the Dean continue to be the major instigator of such merit-based off-scale and that it continue to bypass CAP approval, but that it be used more frequently than in the past. For example, a faculty achieving a noteworthy success could be granted a merit-based off-scale for the time period until that success can be rewarded by their next merit action. At the time of their next action, all (or a portion) of the merit-based off-scale could be. This recommendation follows the current policy at UC San Diego.

5. Cost of the Recommendations

The only one of our recommendations whose cost can be evaluated is the first: the movement to the Step 1/Year 2 scale recommended by the Senate-Administration Taskforce on Faculty Salaries (February 2012). Appendix A of that report details the costs of the various steps and years. The cost of immediately moving all faculty at UC Davis (outside the Health Sciences) to the Step 1/Year 2 scale is $6.7 million per year. That cost represents more than one-quarter of the cost to the entire UC system, reflecting that fact that our campus is large and that the current salaries are low in comparison with some other campuses. The figure of $6.7 million does not include the extra cost associated with allowing faculty with enough off-scale to already put them above the new scale, to then retain a portion of that off-scale over and above the new scale. Our recommendation that campus avoid fully subsuming off-scale into the new base scale will add an extra amount to the cost of implementing the Step 1/Year 2 scale. On the other hand, if the new scale is implemented at the time of each individual’s merit review, and is contingent on a successful review, then that would subtract some amount from the annual cost of implementing the scale.

6. Conclusions

During the time of our deliberations, the Taskforce witnessed an extraordinary outpouring of feelings from students, faculty and the Occupy movement on the issue of tuition increases. We cannot help but be keenly aware of the competing demands on the University budget and the scarcity of funds available to it. Still, we believe that nothing is more important that ensuring the quality of our faculty and rewarding them appropriately. While the recommendations made here come at a price, we believe that it would be even more expensive to risk losing faculty as UC Davis salaries fall below peer institutions and below the average of the UC system. We urge the Senate and administration to place a high priority on raising faculty salaries at UC Davis through the recommendations made here.

12 Since APM UCD-620-12 requires that CAP or an equivalent body review off-scale salaries, that language should be changed.