

THE DEATH OF UC FACULTY SALARY SCALES

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The University of California Academic Personnel Manual, section 620-0-a provides as follows:

In order to preserve the significance and values of the salary scales, salaries should be on-scale to the greatest extent feasible. Nevertheless, when properly justified, appointment or advancement to a position with an off-scale salary may be approved in *exceptional situations*, for example, when necessary to meet competitive conditions or under other conditions described in APM –620-14-b.

While University policy provides for off-scale salaries in “exceptional situations,” 63 percent of UC faculty have off-scale salaries. 8.5 percent of faculty have earned the distinction of an above-scale salary. (A table of above and off-scale salaries from Academic Affairs in UCOP is attached.)

At least one campus has provided off-scale salaries to 100 percent of its new faculty appointments. Some campuses are utilizing devices to broadly provide off-scale enhancements to faculty in order to regularize the salary inversions that result from hiring new faculty with off-scale salaries exceeding the compensation of full professors. One or more campuses utilize a shadow salary scale to reflect market level compensation. The current inadequacy of faculty compensation levels reflected in the salary scale is leading UC campuses to search for creative ways to compensate faculty outside of the UC salary scale policy.

Arguably Chancellors, Provosts, and Deans prefer the discretionary flexibility inherent in the use of off-scale salaries for recruitment and retention purposes without the constraint of the professorial salary scale.

Are the faculty salary scales an obsolete artifact of an earlier time? Or, does the University of California err by adopting the market-based winner-take-all strategy that seems to be the primary driver in compensation matters?

The University of California developed into what it is today utilizing a faculty compensation scheme that applied uniform standards to faculty advancement and compensation based on merit. Merit and performance historically have been evaluated through a peer review process based on input from departmental colleagues and campus review by committees on academic personnel, with final decision making authority resting with the chancellors. Although the system is not perfect, the peer review process

has numerous protections from arbitrary decisions. Merit advancement and promotion is not dependent on individual negotiation between a faculty member and an administrator.

The faculty merit, promotion, and compensation system applies a uniform performance standard across all campuses of the University of California. Faculty at the newest campus in the system are held to the same quality standards as faculty at the most prestigious campuses. The result is a systemwide strength that has produced research excellence at all of the campuses of the UC system. Unlike other public university systems in the United States, UC is not dependent on a single flagship campus with a collection of lesser satellites. UC as a system has no peers. No public University in the country has evolved to the same level of excellence. One of the principal reasons for this success is the uniformity of high standards of review for faculty across the system.

Most members of the faculty enter into an academic career with the knowledge and expectation that faculty compensation will not equal, or even come close, to the compensation levels available in the private marketplace for persons with their education and skill levels. The knowledge that all faculty in the UC system are evaluated by their peers under a single equitable set of criteria has functioned as a cultural contract for faculty who have served long careers in the University. The language of APM 620 is a written embodiment of that contract, off-scale salaries are awarded in “exceptional circumstances.” The evolution of a system that compensates faculty who are newly appointed, or who threaten to leave and are retained with off-scale salary increments, replaces the historic peer reviewed compensation system with a system that is individually negotiated with campus administrators who have the discretion to grant or deny a salary increment. A step IV professor in one place is no longer on the same playing field as a step IV professor in another place, perhaps as close as across the hall in the same department. Indeed, the step IV professor might discover that his or her new colleague recently hired as an assistant professor is earning a higher salary.

“It’s the market and that’s how we operate.”

The market approach to setting individual salaries says several things to a faculty member who has loyally done his or her job and progressed through the salary ranks on a regular basis. First, you are a fool for not having sought to move elsewhere with a higher salary in order to negotiate an off-scale at home. Not only are you a fool, your work must be worth less than the person across the hall newly hired with an off-scale that is higher. Second, the first thing you should do is look for an appointment at another university. The position might be more attractive in any event than working in a place that does not appreciate your efforts. Third, the University must be more interested in bringing in new superstars with expensive start up packages than maintaining the loyalty of its current faculty base. After all, the attractive candidate on the other side of the fence has to be better than what we have at home. Indeed, existing faculty (even though they may have

regularly progressed up the salary scale) cannot be any good if they are not out there seeking offers from other places.

And so, there are a number of questions that we may consider:

1. Are we so far along the path to negotiated market salaries that we have already abandoned the salary scale?
2. Should we be working to bring all salaries up to market levels so that the salary scale itself accurately reflects the competitive market place for top-rated faculty, or is that approach so expensive that we will continue to rely on off-scale salaries?
3. Would we be better off with an allocation of merit money to provosts and deans to allocate as they see fit, which is the common university model?