UNIVERSITY OF CALIFORNIA, DAVIS

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UC DAVIS LADDER-RANK FACULTY

Dear Colleagues:

The UC Office of the President (UCOP) previously informed the Chancellors that the University of California would implement a 3% salary increase for general campus ladder-rank faculty (including those at the Above Scale rank), effective July 1, 2015. Campuses were directed to allocate 1.5% of the 3% as an across-the-board increase, and our campus recently completed this task. You should have seen this adjustment reflected in your August 1, 2015 paycheck.

The remaining 1.5% (hereafter referred to as the "equity salary adjustment") was directed by UCOP to be allotted to ladder-rank faculty for addressing salary concerns in any of four categories: salary equity, salary compression, salary inversion, and exceptional merit. Campuses were given complete discretion as to how to implement this adjustment. Vice Provost Stanton, Associate Vice Provost Kass and I have consulted extensively with the Davis Division of the Academic Senate, and especially Chair Knoesen and Vice Chair Goodhue, to develop UC Davis's plan for equity salary adjustments for the ladder-rank faculty. We are in agreement that the equity salary adjustment should be applied using consistent rules across campus units and employing methods that are transparent and easily communicated.

Pay inequity, both within UC Davis and across the UC system, has been well-documented for ladder-rank faculty members who do not belong to the Health Sciences Compensation Plan (HSCP), and so it is this group that has been prioritized for participation in the 2015 UC Davis salary equity plan. The equity salary adjustment I am announcing today is intended to be the first step in a multi-year aspirational plan I am developing in close collaboration with Vice Chancellor and CFO David Lawlor to improve parity of ladder-rank faculty salaries within UC Davis and, on average, with other UC campuses and with other peer institutions.

In addition, I am now working closely with Vice Provost Stanton's office to develop a better understanding of any substantive inequities within other groups of UC Davis academics (including ladder-rank faculty who are members of the HSCP, Professors of Clinical __, Health Sciences Clinical Professors, Lecturers PSOE, Lecturers/ Senior Lecturers SOE, Specialists in Cooperative Extension, and other Academic Federation titles), and to develop approaches for addressing such inequities when they are found.

The approach we are taking in allocating the equity salary adjustment among eligible UC Davis ladder-rank faculty has been informed by three major factors. First, with the recent implementation of the UC Davis Step Plus program, I feel more confident than ever that our merit and promotion process can appropriately recognize and reward exceptional merit through accelerated advancement for faculty members whose performance is outstanding in one or more areas. Second, the *2014 UC Davis Salary Equity Analysis Report*, produced by two years of intense Senate-Administration collaboration, indicates substantial inequities in off-scale salary among ladder-rank faculty members, most strongly associated with the decade in which an individual

was hired. Increasing market competition has led to escalating off-scale salaries for ladder-rank faculty over the past ten years, and this, in turn has led to significant salary inequities within units, including salary inversion and compression among peers. This pattern was seen at many UC campuses, and was a significant reason for President Napolitano's decision that a portion of the 2015 salary increase should be allocated to address such inequities. Third, the systemwide *2014 Update of Total Remuneration Study for General Campus Ladder Rank Faculty* revealed that non-clinical UC Davis ladder-rank faculty are, in many instances, paid less than their peers at other UC campuses. To enhance compensation parity with our sister UC campuses, I am allocating additional resources (for a total of 2.5%) for the equity salary adjustment on our campus. This very substantial investment will give us greater power to address salary inequities within our own faculty while also bringing UC Davis closer to average faculty salaries across the UC system.

To distribute the equity salary adjustment among ladder-rank faculty members, we have developed an algorithm that will allocate the pool of funds (up to 2.5%) in proportion to the degree that individual faculty members' off-scale salaries fall below the mean off-scales within their comparison group. Eligible faculty members who are furthest below the mean will see the largest increase, but all eligible faculty below the mean will see some increase in their off-scale. Importantly, no off-scale salaries will disappear or be subsumed by these adjustments, and faculty members already at or above the mean off-scale salary within their comparison group will be unaffected. Our preliminary estimates indicate that this adjustment will move faculty, depending on the degree of preexisting inequities in their department, from 35% to 100% towards the mean off-scale salary within their comparison group, thereby making a significant impact on salary disparities. During this equity adjustment, no individual's off-scale will be increased beyond the mean for their comparison group.

All equity adjustments will be paid retroactive to July 1, 2015. Retroactive payments should be reflected in the November 1, 2015 paychecks. Additional details of how the salary equity plan will be implemented for UC Davis non-HSCP ladder-rank faculty will be provided at the following Academic Affairs website:
https://academicaffairs.ucdavis.edu/policies/compensation/equity_adjustment.html

Sincerely,

Ralph J. Hexter
Provost and Executive Vice Chancellor

c: Chancellor Katehi
        Associate Vice Provost Kass
        Vice Chancellor Lawlor
        Vice Provost Stanton
        CODVC