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April 25, 2016

## CHANCELLORS

Dear Colleagues:

The 2016-17 UC budget approved by The Regents includes funds both for the faculty peer-review merit advancement program and also for a 2016-17 performance-based salary program. I am asking you to move forward with plans to administer the 2016-17 performance-based salary program for faculty and other non-represented academic appointees.


The funding framework agreement reached between the University and the Governor allows UC more certainty to budget annual pay increases for faculty and non-represented academic appointees. This predictability is a welcome development for our employees and the University.

As announced by my office last fall, the 3 percent salary program for all UC employees will be based on performance. I recognize that for ladder-rank faculty and other academic series, the peer-review merit advancement system results in advances in rank and step. The 2016-17 salary program will allow you to recognize appropriately the strongest contributors to fulfilling the University's mission. For academic personnel in 2016-2017, the peer-review merit advancement program will continue. In addition, there will be a two-part salary program, effective July 1, 2016. First, there will be a 1.5 percent increase to the academic salary scales, and thereby, the same increase to the on-scale salary of all academic appointees. Since salary dollar amounts vary by scale-rank-step, the increase is calibrated to career achievement and ensures that scale advancement continues to be meaningful. Second, a discretionary salary program will address issues of equity, inversion, and compression as well as issues of competitiveness, both internally and externally. As outlined in the attached salary program document, the salary program will vary to fit the merit review process for various academic personnel groups and to allow campuses to remain competitive.

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

Yours very truly,

  
Janet Napolitano  
President

Attachment

cc: Academic Council Chair Hare  
Provost Dorr  
Vice Provost Carlson  
Executive Vice Chancellors/Provosts  
Executive Vice President Nava

## 2016-17 Salary Program for Faculty And Other Non-Represented Academic Appointees

### Overview

Following consultation with the Chancellors and with input from the Academic Senate, Executive Vice Chancellors/Provosts, Vice Provosts/Vice Chancellors for Academic Personnel, and Vice Chancellors for Planning and Budget, the President has determined how the budgeted 2016-17 salary program will be implemented for non-represented academic appointees. The program has two parts, similar to the 2015-16 program, and the implementation of the program for different groups of faculty and other non-represented academic appointees is similar.

To the fullest extent possible, the President seeks for all UC employees a performance-based system of compensation. She recognizes that for ladder faculty and academic appointees in several other academic series the peer-review merit system is rigorous and results in advances in rank and step that are performance based. Various salary scales tie base salary to rank and step. Advancement in rank and step results in salary increase. Merit reviews occur throughout one's career, at least every five years and typically every two to three years.

### Overview of the Plan for 2016-17

- The regular faculty peer-review merit advancement program continues.
- The 2016-17 salary program will be similar to, but not exactly the same as, that for 2015-16. It is again a two-part program with the first part focused on scale salaries and the remaining portion devoted to a discretionary program at the campus level and for the Division of Agriculture and Natural Resources (ANR).
- All points on all academic salary scales will be increased by 1.5%.
- Additional funds should be used for discretionary purposes as described below for specific groups of academic personnel
- Discretionary funds allocated to the 2016-17 salary program should not be used for regular recruitment.
- Discretionary purposes include but are not limited to the following:
  - Redressing for particular instances of inequity, inversion, or compression in faculty salaries
  - Redressing for particular salary inequities by discipline, title series, or entire campus
- All salary increments from the 2016-17 salary program must be effective July 1, 2016.
- Campus and ANR leadership should fully engage shared governance processes in the implementation of the 2016-17 salary program.

### Specifics of the Plan for Ladder-Rank Faculty

- Titles include Ladder-Rank – Professor Series; Business/Economics/Engineering Series; Strict Full Time Veterinary Medicine Professor Series; and Law School Professor Series.
- 1.5% will be added to the scales (and thereby to on-scale salary for all faculty in these series); since dollar amounts vary by scale-rank-step, the addition is calibrated to career achievement, and it ensures the scale advancement continues to be meaningful.
- If the campus has in place policy that requires an increase to off-scale salary when there is an increase to on-scale salary, that policy should be followed.
- Each campus will also design a discretionary salary program. In the two parts of the salary program for ladder-rank faculty, the campus will expend a total of 3% of on-, off-, and above-scale dollars. Campuses with continuing equity, compression, and/or inversion issues will address these issues; campuses may use a portion to provide salary increases for above-scale faculty in accordance with campus practices; when not otherwise required by campus policy, campuses may use a portion to increase the off-scale increment of current faculty up to 1.5%; campuses may use external benchmarks to design programs that make them more competitive; campuses may determine that there are other options that may also represent discretionary, merit-based use of these funds.

### Specifics of the Plan for Health Sciences Compensation Plan (HSCP) Faculty

- Titles include Ladder-Rank – Professor Series (HSCP); Professor in Residence; Professor of Clinical X: Clinical Professor of Dentistry (50% or more); Adjunct Professor; and Health Sciences Clinical Professor. All titles include Acting.
- 1.5% will be added to the HSCP scales and X and X' salary; since dollar amounts vary by scale-rank-step, the addition is calibrated to career achievement, and it ensures that HSCP faculty see a rise in covered compensation.
- Where there is evidence of inequity, units with HSCP faculty will continue to seek avenues for redressing the issues.
- There is no expectation of further discretionary awards for HSCP faculty. This is due to the inherent incompatibility between the salary structure and funding resources for non-HSCP ladder faculty and the salary structure of the HSCP which fundamentally relies on annual negotiation and on faculty to raise some or all of their own salary.

### Specifics of the Plan for Non-ladder-rank (non-HSCP) Faculty and Other Non-represented Academic Appointees

- Titles include Professors in Residence; Professors of Clinical X; Health Sciences Clinical; Adjunct Professors; Professional Research Series; Specialists in Cooperative Extension Series; Lecturers with Security of Employment; Lecturers with Potential Security of Employment; Supervisors of Physical Education Series; Specialist Series; Assistant and Associate University Librarians; Cooperative Extension Advisor Series; Coordinators of Public Programs; Continuing Educators; Academic Administrator Series; Academic Coordinator Series, and Project Series.

- 1.5% will be added to the scales (and thereby to on-scale salary for all academic appointees). Since dollar amounts vary by scale-rank-step, the addition is calibrated to career achievement, and it ensures the scale advancement continues to be meaningful.
- Each campus and ANR will design a salary program expending an amount up to 3% of total on-, off-, and above-scale salary. Locations with continuing equity, compression, and/or inversion issues will address these issues. Locations may use external benchmarks to design programs that make them more competitive. Locations may determine that there are other options that may also represent discretionary, merit-based use of these funds, and they may explore whether the use of off-scale increments is warranted to help achieve competitive salary goals.

#### Specifics of the Plan for Deans and Certain Full-time Faculty Administrators

- Deans and Certain Full-time Faculty Administrators will be eligible for a 1.5% increase in their salaries, based on satisfactory administrative performance. Each campus may also create a pool of up to an additional 1.5% to be awarded for merit-based performance.

#### Reporting

- UC Office of the President requests that each location provide the following information, as relevant to the location:
  - For Ladder-rank Faculty – total dollars used for discretionary purposes and total number of faculty receiving any discretionary salary increase
  - For Health Sciences Compensation Plan Faculty – any efforts to identify and redress inequity among HSCP faculty
  - For Non-ladder-rank (non-HSCP) Faculty and Other Non-represented Academic Appointees – total dollars used for discretionary purposes and total number of individuals receiving any discretionary salary increase
  - For Deans and Certain Full-time Academic Administrators, salary actions will be included in the required annual report to The Regents on compensation for Deans and Certain Full-time Faculty Administrators. These 2016-17 actions will be included in the report for calendar year 2016.
- The above information should be submitted to Vice Provost for Academic Personnel and Programs Susan Carlson by close of business Friday, December 2, 2016.
- Chancellors (and the ANR Vice President) should be prepared to describe what they did to implement the 2016-17 salary program at any time the President asks.
- Chancellors and Executive Vice Chancellors/Provosts and ANR leaders should be prepared to describe to the Academic Council, the divisional Senates, and any other faculty bodies what they did to implement the 2016-17 salary program.

#### Assistance

Please direct questions and comments to Executive Director Nancy Tanaka ([Nancy.Tanaka@ucop.edu](mailto:Nancy.Tanaka@ucop.edu)) or (510) 987-0997.