

October 19, 2007

TO: Academic Senate Faculty  
FROM: Ellen Wartella, Executive Vice Chancellor and Provost

RE: Faculty Salary Increases

At its September meeting, the UC Board of Regents approved a four-year plan of salary increases with funding secured for the first year. This was outlined in a September 25 letter from President Dynes to the Chancellors, which identified funding for three aspects of faculty salary increases:

- (1) the regular merit advancement process
- (2) an approximately 2.5% Cost of Living Adjustment (COLA)
- (3) a Market Adjustment to the salary scales

We are pleased that the Regents took action to strengthen UC's position in the academic marketplace. Faculty recruitment and retention have long been high priorities for UCR and market salaries are a critical element.

The merit process and cost-of-living adjustment (COLA) to the salary scales apply to all faculty. This year, we will calculate the 2.5% COLA on the faculty member's total salary (base + off-scale). This is the first step in the process.

The Market Adjustment to the base salary scales is a new feature designed to bring the UC salary scales closer to our comparison institutions. However, this adjustment will only apply to those faculty whose COLA adjusted salary would fall below the new base salary scales. Faculty with existing off-scale salaries which after the COLA would leave them above the new adjusted scale values, will not receive a Market Adjustment.

The Market Adjustment is more pronounced in the junior and mid-ranks and is less at higher ranks. This attempts to correct a perceived "sag" in the UC Salary scales when compared to junior and mid-career academics in comparable institutions. Faculty who are Above Scale (Distinguished Professors) will receive a 2.5% COLA. Additionally, Above Scale faculty with COLA adjusted salaries of less than 7% above the new professor, step 9, will be raised to that salary level. Our past practice is to place faculty who advance to Above Scale at least 7% above professor step 9.

In addition, faculty in the Department of Economics will now be paid from the Business/Economics/Engineering scale. Their movement to this scale will occur after the COLA adjustment is made to their salary. This move was undertaken to bring system-wide uniformity for Economics salaries. Some campuses had already created a special scale for Economics and at other campuses, including UCR, a very high fraction of the economists had off-scales.

The effective date for the COLA and market adjustments is October 1, 2007. The current goal is to implement the increases so that they will be reflected in the December 1 paychecks, including retro-active pay.

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The new scales will be issued by the Office of the President (UCOP) and will be available at:

<http://www.ucop.edu/acadadv/acadpers/tab0708/tabcont.html>

We will alert you when the scales become available.

There is typically a letter from UCOP that comes with the new scales and this year it will have more information than usual to explain the market adjustments and other new features.

Below are some examples of the impact of the COLA and market adjustment on a Professor Step III salary which has various components.

#### EXAMPLES

CURRENT RANK & STEP	CURRENT (06) RANK & STEP SALARY	CURRENT OFF-SCALE	CURRENT TOTAL SALARY	COLA ADJUSTED 10/01/07	NEW MARKET BASE SALARY	OFF-SCALE	NEW RANK AND STEP	FINAL 10/1/07 SALARY
Professor III	\$81,800	0	\$81,800	\$83,800	\$89,900	0	Professor III	\$89,900
Professor III O/S	\$81,800	\$2,000	\$83,800	\$85,900	\$89,900	0	Professor III	\$89,900
Professor III O/S	\$81,800	\$11,700	\$93,500	\$95,800	\$89,900	\$5,900	Professor III o/s	\$95,800

In the above examples, each individual has a different compensation structure. Upon transition to the market adjusted scale, all of them will have the same market base salary, though one example remains off-scale. In all of the examples, the faculty will experience an increase in total compensation.

Modification of the salary scale reduces the number of off-scale salaries and narrows the gap between on-scale and off-scale salaries. It brings the UC faculty salary scales closer to the levels needed to successfully recruit and retain faculty. Over the next three years, the Regents will consider additional salary adjustments, such as an additional market adjustment to the scales and a larger COLA.

If you have any questions please contact Elizabeth Lord, Vice Provost for Academic Personnel at [lordvp@ucr.edu](mailto:lordvp@ucr.edu).