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OFFICE OF THE PRESIDENT

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September 25, 2007

## **CHANCELLORS**

## Dear Colleagues:

I am writing to convey good news with regard to faculty salaries. Now that the California State budget has been passed, The Regents have approved the first year of a four-year plan of faculty salary increases designed to raise faculty salaries to market competitiveness and to restore the integrity of the rank and step system of faculty advancement.

In 2006, the Academic Senate systemwide Committee on Academic Personnel prepared a report on the present status of the UC merit and promotion system and recommended that the faculty salary scale system be returned to a more regulated, rational, and transparent structure. The four-year plan approved by The Regents will restore the system where our regular merit and promotion reviews are directly linked to faculty compensation through an appropriate set of faculty salary scales.

The first year of the plan has three important components that each play a key role in achieving these goals. First, we will apply an across-the-board 2.5 percent general range adjustment that will raise the salary of every faculty member (compared to a figure of 2 percent last year) in accordance with campus implementation procedures.

Second, there will be an additional market adjustment to the salary scales at each rank and step that will raise salaries for those faculty whose salary matches or is close to the rank and step level they have achieved through our merit system of advancements. The market adjustments will reflect an overall increase of 1.5 percent to our total faculty salary budget and will have an impact on more than half of the faculty.

The range adjustment and the market adjustment will be combined to create new faculty salary scales effective October 1, 2007. The new faculty salary scales will be issued soon and will be available on the Office of the President Academic Personnel Web site.

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Finally, merit advancements have been funded as usual, increasing the salary budget by a further 1.8 percent this year. More than a third of the faculty will receive such merit increases, corresponding to their individual review cycle, with salary increases effective July 1, 2008.

In total, the faculty salary budget will be raised by 5.8 percent (= 2.5 percent + 1.5 percent + 1.8 percent) this year, noticeably higher than the 3.8 percent of last year. Many faculty will, of course, ultimately receive greater percentage increases than this and necessarily some lower, depending on their individual eligibility for the merit and market increases.

Of most importance, we will have moved the faculty salary scales closer to actual salaries, leading to greater significance and usefulness of the scales that served the University so well in the past. We believe all faculty will see benefits in this overall strategy in not only raising individual salaries, but also in strengthening the value of the faculty salary system to their colleagues, particularly the more junior faculty, and to their departments.

It is also important to stress that this represents the first year of an intended four-year program that will provide similar range, market, and merit increases next year, followed by two additional years with larger range increases and standard merit advancements once the scales have been effectively restored. Of course, we wish that we could achieve our final goal more quickly, and necessarily the future three years depend on favorable University budgets. But the current salary increases are an important first step, and we are heartened by the enthusiastic and unequivocal support of The Regents for the overall program.

I urge you to convey this information directly to your faculty, providing any additional explanatory detail as you find necessary. This plan provides us all with an opportunity to make a renewed commitment to our faculty, an extraordinary resource to the people of California.

Sincerely,

Robert C. Dynes

cc: Provost Hume Executive Vice President Lapp Academic Council Chair Brown Council of Vice Chancellors