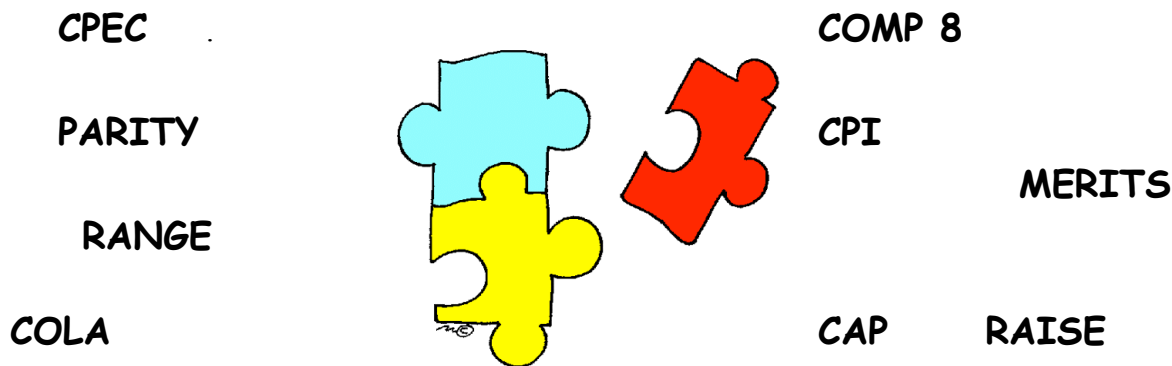


UCLA
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Newsletter

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THE UC FACULTY SALARY PUZZLE

New salary policies have taken shape at UC over the past sixteen years that deserve the close attention of the faculty. Some policies erode base salaries while appearing to offer equivalent benefits. Others use scarce resources to carry out a salary methodology that has long been out of step with conditions at UC. Furthermore, the current salary methodology is carried out with a unique data set that does not allow anyone except UC administrators and Sacramento officials in CPEC (California Post Secondary Education Commission) to follow trends or even understand the complex methodology. Other universities across the nation use the AAUP annual salary survey to see where their salaries rank currently and historically among their competitors. It is time for change and for greater transparency in how UC salaries are set and what principles need to be followed to ensure that all faculty at all ranks are treated fairly in the setting and awarding of range increases and parity supplements as well as in the distribution of state and non-state resources.

A BRIEF DESCRIPTION OF THE PUZZLE PIECES

CPEC (California Post Secondary Education Commission) Formula

In the 80s, the University adopted a salary methodology that determined an annual UC faculty increase designed to keep UC salaries competitive among a group of 8 Comparison Institutions, 4 Privates (now Yale, Stanford, Harvard, MIT) and 4 Publics (now UMich, UVA, SUNY Buffalo, U of Ill, Urbana). Each year the Comp 8 Institutions are ranked from highest to lowest based on faculty salaries. UC campuses are averaged together, and in theory, the UC all-ranks average is supposed to fall at least in the middle of these 8 Comparison Institutions. During the mid 80s, the CPEC parity provided a floor figure to guide the level of the UC salary increase. Faculty and staff both received the same amount, which was at least as much as the CPEC parity increase, sometimes more. When the budget got tight between 1991 and 1994, the CPEC figure soared and was largely ignored and unfunded. Faculty and staff received no range increases (COLAs or Cost of Living Adjustments), and even sustained an average 3.5% cut in 1993-94. More recently, the CPEC formula has become a ceiling, limiting the faculty parity to an amount, when combined with the range, does not exceed the CPEC calculated increase.

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A New "Faculty Parity" Emerges; CPEC Retreats

From 1994 to the present, UC followed this complex CPEC salary methodology but didn't fund the increase it generated. Instead the University created a new category of salary increase, the "Faculty Parity," an amount that only the on-scale and above-scale faculty could receive in addition to the range increases designed for all employees. Faculty Parity was part of UC's 4-year compact with the Governor, in effect between 1995-96 and 1998-99, and is based on the same premise as the CPEC parity: a salary increase intended to make the UC salaries more competitive and ideally fall at the midpoint between the salaries of the Comparison 4 Privates and the 4 Publics. However, the Faculty Parity did not bring UC faculty salaries to parity with the Comp 8 by 1999, and UC continued to offer token parity increases of .9% and 1% until 2001. The Faculty Parity marks an important change in policy because it is an increase intended for faculty only, in particular on-scale and above-scale faculty only, and not off-scale faculty who have additional non-state resources available to fund competitive salary increases. The Faculty Parity also separated the funding mechanisms of the staff, including executives, from the faculty. By the beginning of 1998-99, there was at least a 4-tier COLA allocation system: faculty, other academics, staff on a step-based pay plan and staff on a merit-based pay plan. All were entitled to a merit increase of 5%, but each could receive different range adjustments. For example, on 10/1/98, faculty received a 2% COLA (and a 2.5% parity), Other Academics 2%, Staff on a Step-Based pay plan 2%, Staff on a Merit-Based pay plan 3.5%, Other Execs 5.9%, and Chancellors 17.9%.

Rise of Off-Scale Faculty

1994 also marks the rise of off-scale faculty at all UC campuses. Off-scale faculty receive a salary augmentation to their step system salary in order to meet competitive conditions or other exceptional circumstances. The salary increment may be set at any point in even multiples of \$100 between the specifically designated step for the individual and \$100 less than the published salary for the equivalent step in the next rank (See APM 620). During the mid nineties, the CPEC salary methodology produced an increase that the state could not fund or UC would not allocate to faculty salaries. If UC faculty were to retain their competitive position, other funds must be found to keep them on that competitive ledge between the Comp 8 Privates and Publics. In 1994, the Regents changed UC policy to allow non-state funds to supplement faculty salaries. Chairs and deans began to use non-state funds from such sources as professional school fee revenue, grants, Chancellor's discretionary funds, entrepreneurial activities, to recruit and retain faculty by granting off-scale salary increments. This change in policy did not mean that state funds could not also be used for off-scale salary increments, but it opened up the funding possibilities beyond the restraints of state funding. Medical school faculty had long been responsible for generating the income necessary to fund their salary "deltas," supplements to their base salary. This move in the general campus tended to create a divide between UC campuses in terms of the non-state resources available for faculty retention and recruitment. It also began to reduce the relevance of the step/ladder system and its peer review process because more and more faculty were off-scale, especially on some campuses, and off-scale salary increments are awarded administratively.

COLA Delay Becomes Permanent

Delaying COLAs as a budget cutting device has a long history at UC. In 1988-89, the COLA was delayed 11 months and in the two following years 6 months. In 1994-95, the University delayed the COLA for 6 months in order to repay the merits which had been cut in 1992. But instead of restoring the COLA to July 1 in 1995-96, UC continued the practice of delaying the COLA for 3 months every year as a matter of policy and asking the state for budget adjustments called "continuation costs." By 2000, the budget continuation costs were about \$19.5M, which would be the same value as the cost of returning the COLA to the July 1 effective date. As a result, every year the amount of money necessary to restore faculty salary COLAs to July 1 is used for other budget purposes and faculty forego the value of the COLA for three months. This delay costs faculty current income depending on the amount of the COLA and their salary level. For example, in 2001, full professors making about \$100,000 lost about \$1,000 a year. The CPEC salary formula does not take into account the COLA delay because it uses salary data from the October payroll. The COLA delay also affects the level of grant funding. Many faculty grants are funded as of July 1 salary, which results in lower funding for the current year because the COLA does not appear on salary data until Oct.

2002: No COLA for Faculty; 1.5% COLA for Administrators; 5% CAP (Capital Accumulation Provision) for Faculty

In 2002, another important change of policy quietly took place: some employees were awarded a COLA and others were not. A "Memo" from the Office of the President on Nov. 15, 2002 announced that the University had only received state funding for 2002-03 to award "administrative employees 1.5% raises systemwide," while "other employees" would receive a 5% one-time contribution to their pre-retirement CAP accounts in April 2003 earning 7.5% interest. This policy follows suit with a series of earlier contributions to the CAP accounts of eligible employees to offset either salary cuts or zero salary increases. The 1.5% is not called a range or a merit: it is called a "raise," which in any case raises the salary base. This policy change in 2002 in giving COLAs only to "administrative employees" and not to faculty has important long-term implications as did the

decision not to fund faculty merits in 1992. First, it privileges one group of employees whose base salary is increased and thereby raises many of the same issues as the merit-cut in 1992. Second, it is not clear who is entitled to a CAP contribution. Could an employee call the “raise” a merit, have no COLA, and therefore be entitled to a CAP contribution? Have administrators been receiving both merit increases that begin on Oct. 1 and CAP contributions? Faculty have often assumed CAP contributions were designed especially for faculty in lieu of a COLA or Faculty Parity, but that is not necessarily true. UC Benefits information notes only that an employee must be an active member of UCRP and in some instances (during 1993-94) have suffered a salary cut to be eligible for a CAP contribution.

Third and more important is the long-term result of this policy change for faculty: lower retirement income. COLAs, merits, or “raises” all increase base salary levels, and retirement benefits are calculated on the highest three years of base salary. Any policy that lowers or keeps constant the base salary affects lifetime retirement income. This policy decision especially affects younger faculty who have a particular interest in raising their base salary levels as they move up the step/ladder system and not necessarily to fatten a particular retirement savings account now. A staff/executive COLA but no faculty COLA also affects on-scale and above-scale faculty directly because it begins to recognize openly that off-scale faculty are not as dependent on range and parity increases as on-scale and above-scale faculty are. The administration may have thought that faculty would not even notice that other employees received a COLA but they did not. Delaying the COLA further obscures this important change of policy and confuses faculty about what they are entitled to receive and when.

THE SALARY NUMBERS

Table 1 compares salary data from several different sources over the last 16 years. One can follow on a yearly basis the average salary increases faculty have received across the nation, the parity increase generated for UC faculty by the CPEC methodology, the actual COLA or range increases funded for that year at UC, the new “Faculty Parity,” the combined Parity/Range in-crease that on- and above-scale faculty receive, the CAP contributions, and the Consumer Price Index (CPI) for the US and CA. The data for 2002-3 is incomplete and not included in the totals.

Table 1
Historical Perspective on Faculty Salary

Year fiscal	US Aver. Sal Inc	CPEC Parity	UC COLA	Faculty Parity	Combined Parity/Range	CAP	US CPI	CA CPI
2002-03	?	7.7%	1.5%	0.0%	0.0%	5.0%	?	?
---	---	---	---	---	---	---	---	---
2001-02	3.8%	3.9	0.5	0.0	0.5%	3.0	1.8%	2.9%
2000-01	3.5	3.0	2.0	1.0	3.0		3.4	4.3
1999-00	3.7	2.9	2.0	0.9	2.9		2.9	3.1
1998-99	3.6	4.6	2.0	2.5	4.5		1.7	2.5
1997-98	3.3	6.7	2.0	3.0	5.0		1.8	2
1996-97	3	10.3	2.0	3.0	5.0		2.9	2.3
1995-96	2.9	10.4	1.5	1.5	3.0		2.7	1.4
1994-95	3.4	12.6	3.0		3.0**	2.67****	2.9	1.7
1993-94	3	6.5	0.0		0.0*	5.26***	2.6	1.8
1992-93	2.5	6.7	0.0		0.0		3.1	3.2
1991-92	3.5	3.5	0.0		0.0	2.5	3.2	3.6
1990-91	5.4	4.8	4.8		4.8	5.0	5.4	5.3
1989-90	6.1	4.7	4.7		4.7		4.8	5
1988-89	5.8	3.0	3.0		3.0		4.7	4.9
1987-88	4.9	2.0	5.6		5.6		4.1	4.2
1986-87	5.9	1.4	5.0		5.0		2.2	3.3
comp.total	64.3%	87.0%	34.6%		50%		50.2%	51.5%

CPI Data from www.dof.ca.gov/HTML/FS_Data/LatestEconData/FS_UseCPI.htm; US av.salary data from Academe, Mar-April 2002; UC parity data from Higher Educ. Updates, CPEC

* In 1993-4, there was a 3.5% average cut consisting of a 5% cut for the months of July-Oct., 1993, and a 2.6% cut Nov-June 1994.

** This 3% range increase was offered as well as the restoration of salaries to the 1992-3 level thus restoring the 3.5% average cut.

*** This 5.26% was based on the 5% reduced salary of Jul.-Oct. 1993.

**** This 2.67% was based on the reduced salary of Nov-June 1994.

The compounded total of the combined parity/range increase at UC is a 50% increase over 16 years and is a much lower figure than the national average increase of 64.3%. The UC figure is also lower than the CA and US CPI. But these numbers are only part of the salary puzzle. They reflect only indirectly the rise of off-scale faculty on some UC campuses. The current CPEC suggested increases could not be so low as shown in Table 1 for the last five years unless other sources of funds were increasing UC salaries every year. And in fact we find a different story when we go to [Academe](#) and the AAUP data and break out the UC campuses and see where they fall in terms of salary rank in the top national universities. UCLA full professors place eleventh nationwide and UCB tenth in national salary rankings in 2001-02.

Table 2
Full Professor Salary Rankings Nationwide 2001-2

			Salary	% above or
			000s	below UCLA
1	Harvard	priv	\$144.70	25.06%
2	Princeton	priv	\$131.70	13.83%
3	Yale	priv	\$131.20	13.40%
4	Stanford	priv	\$131.00	13.22%
5	Chicago	priv	\$129.20	11.67%
6	Penn	priv	\$128.00	10.63%
7	CalTech	priv	\$127.70	10.37%
8	Columbia	priv	\$125.50	8.47%
9	MIT	priv	\$123.20	6.48%
10	UCB	pub	\$115.90	0.17%
11	UCLA	pub	\$115.70	
12	Rice	priv	\$114.00	-1.47%
13	Cornell-Endow	priv	\$110.60	-4.41%
14	Georgia Inst. Tech	priv	\$109.00	-5.79%
15	Mich, Ann-Arb	pub	\$108.90	-5.88%
16	Carnegie-Mellon	priv	\$108.80	-5.96%
17	U VA	pub	\$107.60	-7.00%
18	UCSD	pub	\$106.20	-8.21%
19	UCSB	pub	\$104.90	-9.33%
20	No. C-Chapel Hill	pub	\$103.40	-10.63%
21	Ill, Urbana	pub	\$100.90	-12.79%
22	Texas, U Aust	pub	\$98.80	-14.61%
23	SUNY, B	pub	\$98.70	-14.69%
24	Roch, U	priv	\$97.50	-15.73%
25	Wisc-Mad	pub	\$92.90	-19.71%
26	Purdue	priv	\$90.50	-21.78%

Data source: AAUP Salary Surveys. For a major discussion of faculty salaries, see the U. Penn 2000-2001 Annual report at www.upenn.edu/almanac for a salary methodology that uses AAUP data.

Even without fully funded CPEC parity increases, some UC campuses fall roughly in the middle of the Comparison 4 Privates and Publics (in bold above). UCLA and UCB are at the midpoint, with UCSD falling 8.21% below UCLA and UCSB 9.33% below. These figures also show that the Comp 4 Privates are higher than UCLA salaries by a greater amount than the Comp 4 Publics are lower. Harvard, ten ranks above UCLA, is 25.06% higher than UCLA full prof. salaries, whereas at SUNY, Buffalo, 12 ranks below UCLA, full prof. salaries are 14.69% below UCLA's. These rankings show that the off-scale salary increments allow some UC campuses to remain competitive nationwide in faculty retention and recruitment. Although off-scale salary increments have augmented average salaries, the distribution of off-scale salary increments is highly variable by academic unit and by faculty within an academic unit (see Table 4 below). The effect of using off-scale salary increments has been to penalize faculty who do not receive off-scale increments and who are on-scale. At UCLA, about \$12,000 of the \$115,000 av. salary shown in Table 2 is due to off-scale increments, which means that 271 UCLA faculty who are on-scale and do not have an off-scale salary increment are being disadvantaged by about \$12,000 per yr.

But UCLA, UCB, UCSD, and UCSB are not the only campuses to experience a rise in off-scale salaries. All UC campuses have experienced the same trend. Below is a table comparing the numbers (headcount) of faculty off-scale to on-scale, by rank and by campus, except San Francisco, for 1995 and 2001.

Table 3
Number and Percentage of Faculty Off-Scale on the General Campus (Excluding Health Sciences) (Hdct)
1995

scale	Full Profs %			Assoc Prof %			Assistant %			Total	Total	Total	Total
	# off-	# on-	% off-	# off-	# on-	% off-	# off-	# on-	% off-	off-	on-	all rks	off-
UCLA	281	304	48%	130	76	63%	148	48	76%	559	428	987	57%
Berkeley	183	557	25%	60	162	27%	59	128	32%	302	847	1149	26%
Davis	104	439	19%	47	147	24%	40	86	32%	191	672	863	22%
UCR	26	175	13%	14	100	12%	29	86	25%	69	361	430	16%
UCSD	110	226	33%	62	94	40%	31	68	31%	203	388	591	34%
UCSB	71	236	23%	52	102	34%	46	75	38%	169	413	582	29%
UCSC	89	94	49%	55	44	56%	38	42	48%	182	180	362	50%
Irvine	<u>77</u>	<u>178</u>	<u>30%</u>	<u>48</u>	<u>99</u>	<u>33%</u>	<u>55</u>	<u>53</u>	<u>51%</u>	<u>180</u>	<u>330</u>	<u>510</u>	<u>35%</u>
total	941	2209	30%	468	824	36%	446	586	43%	1855	3619	5574	34%

2001

scale	Full Profs %			Assoc Prof			Assistant %			Total	Total	Total	Total
	# off-	# on-	% off-	# off-	# on-	% off-	# off-	# on-	% off-	off-	scale	off-	on-
UCLA	478	217	69%	172	38	82%	157	16	91%	807	271	1078	75%
Berkeley	382	345	53%	132	113	54%	95	72	57%	609	530	1139	53%
Davis	190	478	28%	66	111	37%	64	84	43%	320	673	993	32%
UCR	67	205	25%	26	79	25%	74	47	61%	167	331	498	34%
UCSD	195	224	47%	65	77	46%	49	47	51%	309	348	657	47%
UCSB	152	244	38%	82	75	52%	62	44	58%	296	363	659	45%
UCSC	136	96	59%	79	26	75%	53	40	57%	268	162	430	62%
Irvine	<u>135</u>	<u>192</u>	<u>41%</u>	<u>66</u>	<u>80</u>	<u>45%</u>	<u>79</u>	<u>73</u>	<u>52%</u>	<u>280</u>	<u>345</u>	<u>625</u>	<u>45%</u>
total	1735	2001	46%	688	599	53%	633	423	60%	3056	3023	6079	50%

Source: AP 17, UCOP, run dates 12/15/95 and 12/04/01

UCLA had a total of 57% off-scale in 1995 and 75% in 2001. UCSB had 29% off-scale in 1995 and 45% in 2001.

The number of above-scale faculty (those faculty who are on an extended step system and receive salaries higher than the highest published step of the ladder) at UC has also risen since 1995. About 422 faculty were above-scale in 1995, excluding health science. Most of these came from UCLA, Berkeley, UCSD, and UCSB. The number rose to 749 in 2001-02—about a 77% increase or 13% a year—with 236 from UCLA, 192 from Berkeley, 103 from San Diego, and 71 from Santa Barbara.

The off-scale amounts vary by school, college, division, and campus (excluding health sciences).

Table 4
Mean Off-Scale Salary Increments at UCLA Full Profs and All-Ranks 1999-2000 by Academic Unit, Amount, #

Acad Unit	Full Professor	#	All-Ranks	#	% all-ranks off-scale by Acad Unit
L&SHum	\$8,007	140	\$6,347	218	12.1%
L&S/LifeSci	\$8,842	91	\$8,306	123	6.8%
L&S/PhysSci	\$12,026	153	\$10,753	202	11.2%
L&S/SocSci	\$20,047	140	\$16,954	247	13.7%
AGSM Business	\$29,900	45	\$33,183	84	4.7%
GSEIS	\$12,391	36	\$9,517	60	3.3%
SEAS	\$8,069	89	\$6,797	131	7.3%
Law	\$28,973	41	\$26,850	28	1.6%
SPPSR	\$16,261	23	\$12,604	41	2.3%
TFT Sch	\$2,872	28	\$2,555	38	2.1%
UCLArts	\$4,810	51	\$4,221	76	4.2%
Nursing	\$7,100		\$6,522	23	1.3%
Public Health	\$4,825	40	\$4,576	55	1.0%
All UCLA	\$12,670	886	\$11,732	1354	

Source: Report on Gender Equity Issues Affecting Senate Faculty at UCLA, Oct. 10, 2000 (www.apo.ucla.edu/GEC/index.html); amounts off-scale have been weighted by the numbers of men and women in an academic unit and then averaged

The Academic Unit with the highest number of off-scale faculty is L&S, Soc Sciences all ranks and Physical Sciences for full professors. The Academic Unit with the highest amount all ranks off-scale is AGSM at \$33,183, followed by Law \$26,850.

Another piece of the salary puzzle at UC is shaped by executive compensation. UC executives have funded higher base salary increases for themselves than they have for faculty for many years. These increases are sometimes called merit increases, salary increases, and simply raises. Whatever the label, the important point is the increase to the base salary. Since the permanent COLA delay of 1995-96, most of the base salary increases for administrators have also taken place on Oct. 1. Over the past 7 years, chancellors and other executives have received about twice as much as on-and above-scale faculty:

Table 5
Executive Base Salary Increases at UC (excluding UCSF)

	Chancellor average increase	Other Execs average inc	Faculty Increases
2002-03	1.5%	1.5%	0%
2001-02	2.0	2.0	0.5
2000-01	3.8	10.2*	3
1999-00	7.8	8.5**	2.9
1998-99	17.9	5.9	4.5
1997-98	3.9	6.1	5
1996-97	5.3	3.9	5
Compounded			
Total	42.2%	38.1 %	20.9 %

Source: CPEC Higher Ed. Updates on Executive Compensation in California Public Educ.

* 5 of 6 VPs received this amt.; the Sr. VP, Bus & Fin got 8.5% increase; Sr Execs got 3.5%

** Sr. VP Acad Affairs got 18.6% increase; Sr. VP Bus & Fin got 18.2%

There is no published source of information on increases below chancellor on the campuses, but one could safely assume that the figures would be similar to the category “Other Executives” listed above. Merits and range increases can overlap in the staff/exec. category. For example, the 1.5% increase of 2002-3 could be called a merit increase for execs and a range increase for staff. In the Committee on Finance, Regents’ Report dated Nov. 13, 2002, the term “salary increase” is used to describe the 1.5% rate increase voted for “Certain Officers of the University, Officers of the Regents, and Other Employees.” Furthermore, for the past few years these increases, whether called merit, range, raise, COLA, or salary increase, occur on Oct. 1, the date the administration implements the delayed COLA, whereas July 1 is the traditional start day for merits. For faculty, merits are entirely separate from range increases and follow a strict step/ladder system of review and begin on July 1. It is often less clear whether executive/staff increases are range or merit. In a Budget Update from President Atkinson dated Nov. 26, 2002, when asked “What kind of salary increases are UC administrators receiving this year?” the reply was “Senior managers at UC are receiving the same salary increases for 2002-3—1.5%—that other UC employees are receiving this fall.” The term “other employee” apparently does not include the faculty.

UC executive compensation is also set by a comparison methodology determined by CPEC in Sacramento. Although every year, salaries for UC executives lag behind both the larger set of comparison institutions used for UC executives and the Comp. 8 universities used for faculty, there is a steady pressure upward in executive salary increases, particularly in the last years. To cite just two of the Comp. 8 Privates, the president of Yale made \$423,750 in 1999-0 and \$475,850 in 2000-1—about a 12.3% increase. At MIT the increase over the same time period is 33%, from \$381,475 to \$507,376 (See *The Chronicle of Higher Education*, Nov. 22, 2002, “The Half-Million Club.”) At UC, the executive increases are lower than in the private sector, but the pressure upward is still there even though administrators are largely not affected by retention and recruitment pressures in the same way faculty are. Especially noteworthy is what happens in the good years. In 1998-99 chancellors got 17.9% increase and other executives an average of 5.9%, while faculty got 4.5%. In 1999-00, chancellors got 7.8%, other executives 8.5%, and faculty got 2.9%. In bad years, there is more restraint in executive salary increases. As of Oct. 1, 2002, President Atkinson’s salary was raised 1.5% from \$356,100 to \$361,400 or \$5,300. Other execs and staff also received a 1.5% increase beginning Oct. 1, 2002, but not the faculty who received a CAP contribution instead of the COLA.

The year 2002 is not the first year UC has substituted a CAP for a salary increase. In 1993-94 the plan to cut faculty salaries and make CAP contributions was called “Cut/CAP.” However, in 1994-95, UC restored the base salary to the 1992-93 level before implementing the range increase. Now, UC has started a practice that affects the base salary level of faculty by making a CAP contribution for faculty and a range increase for staff/executives. If we look at the effect of only one year in which faculty receive a 5% CAP contribution and no COLA and the staff/executives receive a 1.5% COLA and no CAP, we can see the difference this makes over 5 years. The following chart assumes that both the faculty member and the executive/staff start

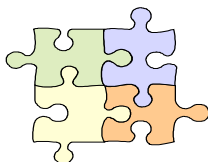
out with a salary of \$100,000. The CAP contribution earns 7.5% interest. At the end of 5 years, the CAP contribution has grown to a value of \$7,178, whereas the COLA of \$1,500 each year adds up to \$7,500, a difference of \$322. The gap between the CAP contribution and the COLA of 1.5% continues to widen for the next 7 years. At retirement, the difference is magnified. If we assume both are aged 65 with 25 years of service credit, the executive/staff who received the COLA earns about \$938 more each year in retirement than the faculty member.

Table 6
CAP vs COLA: Retirement

	End of	year 1	year 2	year 3	year 4	year 5	total value
Income	Preretirement Deposit						
Faculty	\$5,000 CAP at 7.5%	\$5,375	\$5,778	\$6,211	\$6,677	\$7,178	\$7,178
		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	CAP
Executive/ Staff	1.5% base increase	\$101,500	\$101,500	\$101,500	\$101,500	\$101,500	\$7,500
							COLA
	difference at the end of 5 years						\$322
Retirement	age 65, years of service 25						
Benefits:			HAPC	\$100,000	\$100,000	\$100,000	\$300,000
Faculty				HAPC		div. by 3	\$100,000
			retirement percentage	25 x .025			0.625
			retirement income/yr	62.5% x 100,000			\$62,500
Executive/ Staff			HAPC	\$101,500	\$101,500	\$101,500	\$304,500
				HAPC		div. by 3	\$101,500
			retirement percentage	25 x .025			0.625
			retirement income/yr	62.5% x \$101,500			\$63,438
difference	every year						\$938

Although a higher CAP contribution might be equivalent to a 1.5% COLA increase in ten years, no adjustment in the amount of the CAP would make up for lost retirement income. In addition, the chart above does not take into consideration lost summer teaching income for faculty. Summer teaching income is based on a percentage of salary, and any process that lowers base salary also negatively affects summer teaching income. Grant income is also affected because grant funding is figured on base salary.

PUTTING THE PIECES TOGETHER



One of the missions of the UCLA Faculty Association is to be a watchdog and let faculty know some of the UC policy changes that affect their employment so that they can do further research on these topics or respond through participation in campus and systemwide Senate committees. In this light, the FA offers these suggestions:

1. Restore the 1.5% COLA to faculty or give faculty an option between a CAP and a COLA.
2. Stop the COLA Delay. Range increases should begin on July 1 of the new academic year.
3. Revise the CPEC methodology or adopt a new one that is easier to use and can be compared with data such as the AAUP faculty salary data available every spring through *Academe*.
4. Make the CA Consumer Price Index the floor on range adjustments for all employees. Other methodologies could be used to determine a faculty supplement or "Faculty Parity" in order to keep UC faculty salaries competitive.
5. Examine closely the process that allows administrators to supplement off-scale faculty salaries with non-state resources, while state funds are used for other purposes, among them administrative and executive salary increases.
6. There should be equity between base salary increases of executives, faculty, and staff.

